

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Board of Directors Meeting

December 2019



12kV Prior to Relocation Project

MINUTES



Minutes for Meeting of Board of Directors
November 14, 2019

A. **ROLL CALL**

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

B. **FLAG SALUTE**

President Woo led the flag salute.

C. **ACCEPT AGENDA**

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

D. **MINUTES**

On a motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the minutes of the October 10, 2019 regular meeting.

E. **PUBLIC COMMENT**

There was no public comment.

F. **CONSENT AGENDA**

Director Rupp requested Item F1, page 33, Winter Weather Outlook, be pulled for discussion. A short discussion followed. On a motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the Consent agenda.

G. **CORRESPONDENCE**

Letter from FERC re: 2019 Dam Safety Inspection

Mr. Friedenbach reported on the results of the FERC inspection done by Sam Lee. Mr. Lee had good comments regarding the maintenance and conditions of the dam and they positively reflect on the crew – Operations, Maintenance and the Dam Tender. President Woo thanked Mr. Davidsen and his staff for all their hard work.

H. **CONTINUING BUSINESS**

1. Water Resource Planning

Mr. Friedenbach reported on the status of Nordic Aqua Farms. There was an update meeting on November 13, 2019 and Nordic Aqua Farms has begun adding staff. The next status meeting will be held sometime in January 2020. At that point their water quality technical staff will be in town. Mr. Friedenbach and Mr. Davidsen went into the field to identify potential sites for a clarifier. Maps were displayed showing the various properties that could meet the requirements – open land, undeveloped and adjacent to the District pipeline. The discussion will continue later in the closed session portion of the meeting.

Mr. Friedenbach gave an overall plan from Staff perspective that included the rehabilitation of Station 6 for approximately six million dollars. He has reached out to Humboldt Economic Development and EDA regarding grant possibilities. A lengthy discussion followed regarding assurances that the domestic rate payers will not have to pay for any of the improvements – these will be paid by the end user. All were in agreement that this will be part of any contracts.

2. Cannabis affecting Mad River Watershed

Brendan Lynch, Game Warden with California Department of Fish and Wildlife and member of the



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Watershed Enforcement Team (WET), gave a presentation on the Cannabis Enforcement Program. The Cannabis Enforcement Program is an umbrella over several programs and serves several counties. Following his presentation, the directors had several questions. Mr. Lynch reported that unfortunately it is a “game of whack a mole.” Once they close down a parcel that is in violation, they return the next year to see it is again up and running with numerous environmental and safety issues that impact the Mad River watershed. The directors appreciated the work that Mr. Lynch and the others members of the team are doing, offered a few ideas and suggestions, and thanked him for the presentation.

3. CLOSED SESSION: Conference with Legal Counsel – Anticipated Litigation Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (2 cases)

Prior to going into the first item of the closed session, President Woo recused herself and left the room – due to a conflict of interest.

Director Latt, as Vice-president, continued to closed session. Director Latt reported out there was no action taken on the first item.

Closed section – second item. President Woo returned to the meeting and at the close of the second part of the closed session, reported out that no action was taken.

4. Ordinance 22-PUBLIC HEARING

Mr. Friedenbach reported the first reading of the ordinance was last month and a few adjustments were made. President Woo opened the Public Hearing and as there was no public comment, the hearing was closed. On a motion by Director Rupp, seconded by Director Hecathorn, Directors Fuller, Latt, Hecathorn, Rupp and Woo voted 5-0 by roll call vote to approve Ordinance 22.

5. Peninsula Infrastructure MOU

Mr. Friedenbach reported that the outflow from the Board of Supervisors was to direct County Staff to explore the creation of a Joint Powers Authority (JPA) with other agencies that had a vested interest in infrastructure development on the Samoa Peninsula and report back. HBMWD expressed concern regarding the JPA as discussions held with Humboldt County Economic Development staff in pursuing different available options for financing the industrial water infrastructure on the Peninsula, some of the entities that were contacted don’t want the District to be in a JPA. They would prefer to deal directly with the water district. That message was communicated at various meetings, including the Samoa Stakeholder Session held on October 24, 2019. This group consisted of County of Humboldt, Humboldt Bay Harbor District, City of Arcata, City of Eureka, Manila CSD, Peninsula CSD, Samoa Fire Department and Humboldt Bay Municipal Water District. Session notes included an agreement to do a Phase One study which will look at the different forms of collaboration. The report will be issued in January however, it may not be in time for the District’s January Board meeting. The cost for that report is going to be \$10,000. Mr. Friedenbach recommended that the District contribution be \$2,500 which will come from REMAT funds. Ultimately, that is one of the costs that will be included in the industrial customer reimbursement. He requested that the first step be that MOUs (or other agreement) be sent to all stakeholders that will contribute to funding the study, especially as it relates to grants and loans.

The directors shared their concerns over a JPA. Director Latt wanted to make sure that the County did not think the JPA was a “fait accompli”. Mr. Friedenbach assured the Board that staff has made sure this message was out there. The January report will have potential collaborators and there may be a draft MOU available for the December Board meeting.



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6. District letter to Humboldt County Planning Commission re: Mad River as a Critical Municipal Water Supply Area

Mr. Friedenbach reported that there may be some resistance to the Mad River being designated as a Critical Water supply and the District may be facing an uphill battle. He would like the Directors to be prepared to discuss this with their elected counterparts, discuss what it would mean and come up with some guidelines as it is not defined in the County's General Plan. President Woo asked of the two watersheds that do have this designation, what has it meant to them. Mr. Friedenbach will investigate. Director Latt expressed that there could be fear amongst the supervisors that this could be construed as anti-development.

I. **NEW BUSINESS**

Emergency Succession Planning

Mr. Friedenbach included a Sample Emergency Succession Plan Policy in the Directors' packet. This policy was from McKinleyville CSD, to be used as a starting frame work. The Board had several suggestions on wording of the policy. Staff will bring back the suggested revisions as well as "filling in the blanks" as to who would be next to fill in for the GM during an emergency absence if the Superintendent wasn't available.

CLOSED SESSION: Conference with Real Property Negotiator pursuant to Government Code Section 54956.8

Property Description: APN 507-111-02

Negotiating Parties: Humboldt Bay Municipal Water District (John Friedenbach) and W. Gallacci

Property Owner: W. Gallacci

Under Negotiation: Price and Terms

The Board went into closed session. Once back in open session, President Woo reported no decisions were made.

J. **REPORTS (from Staff)**

1. **Engineering**

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

Mr. Kaspari reported that the 12kV switchgear replacement project is out for bid and he has heard from a few interested contractors. The bid opening is scheduled for December 10th. He will bring the summary of bids to the next Board meeting for possible approval.

Log Boom Inspection Report

Mr. Kaspari reported on the engineering log boom inspection. An inspection is done yearly by District maintenance staff and every five years an engineering inspection is done. The log boom is generally doing well although there is one area that needs replacement. Director Rupp asked if the deterioration is reasonable. Mr. Kaspari had hoped we'd get more years out of it. He shared pictures of the parts that were showing wear and tear and felt that they should be replaced next summer. He had received a bid for \$20,000. He thought we may want to order these parts before the new budget and that the repairs definitely cannot be put off. Mr. Davidsen was looking at an option of replacing just the shackles at approximately \$5,000 but had not had this discussion with Mr. Kaspari. He will investigate further and determine the best option.

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

Mr. Kaspari stated there is no additional information on this.

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

Mr. Kaspari stated he has not heard anything since July.



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Lazzar-status report

Mr. Friedenbach showed pictures of the project area and its proximity to the District transmission line. This property is the former Paik-Nicely property. There had been a 55-foot easement agreed on previously but it had never been recorded. Mr. Lazzar has requested assurances from the District that we agree with his proposed drawings/diagrams. At this time Mr. Friedenbach felt it would be premature to act on this but felt the District can comment and the only additional requirement is that the District would need an access road that would bridge over the pipeline. Mr. Lazzar has spoken with David Loya of the City of Arcata and the City would be open to running an access road through City property. Director Latt commented that typically the Board defers to staff and if staff are not voicing concerns, then there's the answer – provided conceptually nothing changes. Mr. Friedenbach said we can provide a comfort letter with conditions. Staff will work on drafting a comfort letter.

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

Mr. Kaspari has been told that this is moving forward but hasn't heard anything else.

2. Financial

Financial Report– approve October 2019 (includes information from September) financial statement & vendor detail report

Ms. Harris noted the miscellaneous expense is at 70%. This is due to fees from Express Personnel for hiring a contract employee. The 2Mw Generator Fuel cost of \$8,109.07 is directly related to the PG&E PSPS and is an additional cost incurred. President Woo reviewed the bills and had no questions. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to approve the October financial report and vendor statement in the amount of \$440,463.80.

Caselle Conference

Ms. Harris reported that she and two other staff members (Becky Moyle and Corey Borghino) attended the training conference in Las Vegas, Nevada. They found it to be very helpful. The conference next year will be held in Salt Lake City and that will make it a little more economical to attend. She thanked the Board for allowing staff to attend the conference.

Director Rupp asked if the software was up and operational. Ms. Harris said it is partially up and running. The next phase is to roll out the online timesheet function. She is hoping that will happen in December.

CalTRUST Investment Fund

Ms. Harris stated as the Board is aware, staff has been frustrated with the inability to receive accurate and timely information regarding various investment accounts owned by the District, held by the County. As of October 31, 2019 the most recent statement the District has been provided is from June 30, 2019. Director Rupp noted the County just reconciled their 2018 financial report. Ms. Harris stated as a result of all this, staff has been researching alternate investment options for the District for the past several months. Factors for consideration included: protection of principle, liquidity, ease of transactions, transparency and availability of monthly reporting including online accessibility. Option One is Local Agency Investment Fund (LAIF) and Option Two is CalTrust Investments. Ms. Harris discussed both options and provided a detailed report on her research into the CalTRUST Investment Fund. In order to both diversify the District's investment funds and to have accurate, timely information for the District's Financial Statements, staff recommends moving forward with CalTRUST Investments. After a brief discussion, on motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to accept staff recommendation and move forward with CalTrust Investments.



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SECTION D PAGE NO. 5



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Resolution 2019-19 Designation of Applicant's Agent for Non-State Agencies

Ms. Harris explained that Resolution 2019-19 allows the Business Manager and Superintendent to continue working on grants and reimbursements in the General Manager's absence. The current resolution expires in 2020. On a motion by Director Latt, seconded by Director Rupp, Directors Fuller, Latt, Woo, Hecathorn and Rupp voted 5-0 by roll call vote to approve Resolution 2019-19.

Ordinance 13 -Retail Water Rates Revision-discuss and first reading

Ms. Harris gave an overview of the changes and updates recommended to Ordinance 13. These include Appendix A: Discontinuance of Residential Water Service Policy, Appendix B: Fee Schedule and Appendix C: Retail Water Service Billing Adjustment Policy. Any feedback will be considered and potential adoption at the Public Hearing during the December Board Meeting. President Woo asked if there would be a rate increase and if so, what percentage it would increase. Ms. Harris said a notice will be sent to all customers advising them of the public hearing and there will be no rate increase as part of this hearing.

3. Operations

Monthly report on projects and operations

Mr. Davidsen provided the November operational report. The District did very well during the first PG&E PSPS (public safety power shutdown). The biggest issue was getting power to the Main office. A generator was installed and worked well. Following the second PSPS some issues were discovered regarding the electrical box at the Main Office. Recommendations and a proposed upgrade project to remedy this issue will be brought forward on the next budget.

Paul Jorgensen from the electrical department was hired as the Assistant Operations Supervisor. Regarding the Electrician and Instrumentation Technician open position, the job has been posted in numerous locations but as of the date of the Board meeting, no applications have been received.

Mr. Davidsen reported there had been a leak on the corner of Warren Creek and West End Road. With the help of GR Sundberg and the crew at Essex, it was repaired, and all was good. Mr. Davidsen traveled to San Diego to attend the Fall AWWA conference. He found the conference very educational and informative and thanked the Board for the opportunity to attend.

Safety meeting topics covered Fall Protection Safety and also Scaffolding and Man Basket Safety.

K. MANAGEMENT

CSDA

Mr. Friedenbach reported on SB 929 – the Special Districts Transparency Act. The law requires districts to have a website with specific information available to the public. The District's website is up to date and meets all the requirements of SB 929.

Dunes Retreat

Mr. Friedenbach attended the evening portion of the Dunes Retreat where he attended a presentation on dunes restoration. The methods of eradicating invasive grass along the dunes, from Crescent City down the California Coast, varies from bulldozing, to burning to manually removing the grass by hand. The long-term results are dependent on the removal process with manual removal being the least successful.



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L. DIRECTOR REPORTS & DISCUSSION

General -comments or reports from Directors

Director Hecathorn announced that as of December 31, 2019, she would be resigning her position on the HBMWD Board. She will be missed by the Board and staff. A discussion followed on the next steps for filling the position. Mr. Friedenbach will bring that information to the December Board meeting.

1. ACWA

H.R. LaBounty Award

Mr. Friedenbach reported that the District submitted an entry for the HR LaBounty Award prior to the deadline. He was later notified that while they had submitted their entry prior to the deadline it will reviewed before the Spring deadline. ACWA/JPIA is addressing the scheduling error on their side so this won't be an issue in the future. Director Rupp expressed appreciation of the staff efforts at safety.

Finance Committee Agenda

Director Rupp reported on the Finance Committee. ACWA is financially solvent and there is a possibility that the dues may go down.

Election/Voting Process

Director Rupp expressed interest in being the delegate for ACWA. On a motion by Director Latt, seconded by Director Fuller, the Board voted 5-0 to send Director Rupp as a delegate to ACWA.

Human Right to Water in California

Mr. Friedenbach stated HBMWD was asked to participate as a co-signor on the Human Right to Water in California letter. Since the deadline was prior to the Board Meeting, the District was unable to participate per policy requiring Board approval. Mr. Friedenbach asked for direction from the Board regarding further consideration. The Board concurred that as a member of ACWA, if ACWA was supportive of the issue, then let ACWA take the lead. They felt no further action was needed.

2. ACWA – JPIA

Letter from ACWA-JPIA re: "President's Special Recognition Award" certificate

Mr. Friedenbach reported that the District received the President's Special Recognition Award certificate for having a loss ratio of 20% or less in the Liability and Property programs.

4. Organizations on which HBMWD Serves: RCEA, RREDC

President Woo reported on the Terra Gen project. There had been several meetings and she gave a list of pros and cons related to the project.

Director Latt reported that RREDC did not meet due to the Public Safety Power Shutoff.

ADJOURNMENT

The meeting adjourned at 4:40 p.m.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer

CONSENT

ACWA ENGAGES AT SENATE HEARING ON POWER SHUTOFFS

- BY CAROLINE MINASIAN
- NOV 20, 2019
- WATER NEWS

On Nov. 18, the California Senate Committee on Energy, Utilities and Communications held a hearing to discuss the effects of electric utility power shutoffs. The hearing was scheduled in light of the unprecedented number of Public Safety Power Shutoff (PSPS) events that occurred during the month of October, leaving some areas without power for over a week.

In advance of the hearing, ACWA engaged with legislative members and staff to highlight the significant impact of PSPS events on water and wastewater agencies. ACWA formed a PSPS Work Group comprised of 28 member agencies throughout the state in response to the recent shutoffs. The PSPS Work Group has provided valuable insight into the on-the-ground challenges water agencies throughout the state are facing in trying to provide continuous service to customers during multi-day power outages.

During the Senate hearing, several panels, including investor-owned utilities, state agencies, business owners, schools, local governments and other utilities including Las Virgenes Municipal Water District (LVMWD) discussed the impacts of recent PSPS events.

LVMWD General Manager David Pedersen testified on the challenges that his agency and other water and wastewater agencies faced during the recent round of PSPS events that took place in October. Pedersen said that during these shutoffs, the goal of water and wastewater agencies is to maintain continuous supply to all their customers for health and safety purposes that include cooking, cleaning, sanitation and fire protection. He also outlined the significant challenges agencies face in meeting that goal that include the following areas:

- Communications: The amount of notice provided for de- and re-energization has been a concern for many agencies who would like to see enhanced and/or standardized protocols to ensure that the information is clear and consistent.
- Operations: There are numerous challenges associated with backup generators including refueling, runtime restrictions and failures.
- Finances: Agencies face multiple financial challenges associated with operating costs, staff working overtime, equipment rentals and fuel purchases. Also, many water and

wastewater districts are independent special districts and ineligible for recent funding from the Governor's Budget totaling \$75 million to mitigate impacts of shutoffs.

Pedersen concluded by emphasizing the fact that PSPS events are not the long-term solution to reduce the threat of wildfires. Many others shared this sentiment as Senator Nielsen said, "The new normal cannot be PSPS."

ACWA Director of State Legislative Relations, Adam Quiñonez also provided public comment at the hearing, underscoring the impact of PSPS events on water agencies and offering ACWA's support as the California Legislature seeks to adopt solutions that mitigate the impacts of shutoffs going forward.

Other testimonies throughout the day focused on improving notifications to impacted communities, the magnitude of collaboration taking place between state agencies and the impact on Californians. Solutions discussed included expediting grid hardening, integrating new technologies, better pinpointing outages and developing comprehensive community response plans. The day ended with plans for a follow-up hearing that will focus on electric utility infrastructure issues.

ACWA staff will continue to meet with legislators on this issue and continue to engage with member agencies through the PSPS Work Group to coordinate solutions to mitigate the unintended consequences of shutoffs. ACWA's State Legislative Committee also recently reviewed two proposals related to wildfire. The first addresses the challenges with generator runtimes during PSPS events and the second is a proposal for water agency coordination on emergency planning.

Member agencies can direct questions to ACWA Senior Legislative Advocate Julia Hall at JuliaH@acwa.com or ACWA Senior Regulatory Advocate Chelsea Haines at ChelseaH@acwa.com.



California Special Districts Association

CSDA

Districts Stronger Together

By CSDA ADMIN 11-25-19



Last week the Senate Committee on Energy, Utilities, and Communications held an oversight hearing on lessons learned from the Public Safety Power Shutoff (PSPS) events that have created fiscal, operational, and quality of life issues in affected regions. CSDA attended the hearing and testified under public comment.

Invited panelists included chief executives from Investor-Owned Utilities San Diego Gas & Electric, Southern California Edison, and Pacific Gas and Electric; State oversight officers from the Governor's Office, Office of Emergency Services, Government Operations Agency, GO-Biz, and the California Public Utilities Commission; and panelists representing impacts on California communities, including: employee representatives, independent living centers, healthcare, business owners, food banks, schools, counties, cities, and special districts.

The hearing lasted nearly eight hours and exhaustively covered the impacts of PSPS events from many angles. The committee questioned energy executives at length and shared the frustration of their constituents, making it clear the status quo is an unacceptable baseline. Witness after witness, the testimony to the committee spoke to the adverse consequences of PSPS events related to public well-being, financial losses, and local operational and safety risks.

David Pedersen, General Manager of Las Virgenes Municipal Water District, testified to the committee regarding his district's experiences in the devastating Woolsey Fire that burned two-thirds of their service area. He spoke to his agency's operational challenges experienced in PSPS events and the consequences of the service interruption threatened by them. In his remarks, he made it very clear to the committee that independent special districts are not eligible for current financial assistance and need to be included in funding moving forward so that they can continue to provide reliable critical services to Californians in times of need.

CSDA Legislative Representative Alyssa Silhi testified under public comment, reiterating the message that special districts provide public services and infrastructure essential to the public, with critical operations adversely impacted by PSPS events, and asking lawmakers to explicitly include special districts in all future rounds of funding assistance that may be considered by the state.

This hearing is anticipated to be just the first of many to come focusing on PSPS events and mitigating efforts in the form of proposed legislative and regulatory oversight. CSDA will actively monitor the discussion as it moves forward.

Paiute Traditions Inform Water Management Practices in Once-Lush Owens Valley

Ruth Nolan November 26, 2019 KCET

About 250 miles north of Los Angeles, there is a long valley known to the Big Pine and Bishop Northern Paiute people of the Owens Valley — the Nüümü (Paiute) and Newe (Shoshone) — as *Payahüünadü*, “The Land of Flowing Water.”

For at least 15,000 years, these Northern Paiute tribes have tended their homeland, more recently also known as the Owens Valley. The beloved region of green, well-tended gardens and wetlands, nestled between mountain ranges to the east and west, along California’s eastern edge, was nurtured by extensive and sophisticated irrigation ditches the Northern Paiute built and maintained to channel water from the seasonal, and wildly fluctuating snowmelt flowing down from the nearby Sierra Mountain Range.

In fact, their deep knowledge of their region’s water cycles informed their sustainable water usage practices, as the Big Pine Paiute Tribe states on its website: “All the resources our ancestors needed for a subsistence lifestyle relied on one variable which was unpredictable: water.”

And in tending their sustainable and sophisticated relationships with water, the Northern Paiute tribes not only survived but thrived. “The entire valley was our garden,” says Harry Williams, a Bishop Paiute elder and environmental activist of a time when the tribe’s irrigation ditches were fully operational. “The more you spread the water, the more your garden grew: plants, animals, everything. The valley was plump.”

By practicing careful and sustainable water management practices, the tribe has cultivated wild plants, including taboose (*Cyperus esculentus*), nahavita (*Dichelostemma capitatum*), as well as fruit trees and other vegetables. Anna Hohag, a member of the Bishop Paiute Tribe, has written, “Our elders and stories tell us of times when our entire valley consisted of wetlands, marshlands, and swamps — making for an abundance of crops, animals, hunting and fishing grounds, and simply put: a good life.”

However, starting in the mid-1800s with the arrival of European settlers making a claim to water rights in the Owens Valley, this once-lush area was transformed dramatically into a virtual desert in just decades. The heaviest blow to the Northern Paiute’s ancient way of widespread water cultivation came with the diversion of water south to the City of Los Angeles via the Los Angeles Aqueduct built by William Mulholland, which began heavily extracting water in 1913.

These events, along with the construction of a second aqueduct that not only channels snowmelt but also pumps groundwater to quench the thirsty demands of L.A.’s growing metropolis, also caused the near-extinction of a once-massive Owens Lake at the valley’s south end.

Subsequently, the Northern Paiute have struggled to this day to carry forth their ancient practices and maintain their traditional ways of life — a way of life based on their close relationships with water usage and sustainability. “The truth is, millions of people are now relying on a water supply because we’ve created these big cities in places that really aren’t sustainable,” says Alan Bacock, Big Pine Paiute tribal member and water program coordinator. “As a result, there are unresolved water rights issues our people are having to deal with. Nobody knows the bigger story, how actions in Los Angeles end up impacting those in the Owens Valley.”

As Bacock points out, the Northern Paiute have always known exactly where every drop of their water comes from, in contrast to the millions of people who receive water far away from the small Owens Valley towns of Big Pine and Bishop via massively extractive and endangered water practices in place today, not only by the City of Los Angeles, but throughout southern California and the arid southwest.

"Though we never really got a whole lot of water in the form of rain in the sky, we have had a whole bunch from the Sierra Nevada, where the snow would come down on mountains, and then it would warm up in the season, water would trickle down, into the creeks, and the creeks would continue down mountain ways," says Bacock. "We were able to utilize it, seeing how much water was available from the snowmelt and runoff and created a really extensive ditch network. To move water throughout the land as slowly as possible, throughout the land so that the more the water traveled, the more it absorbed into the land. That then helped raise up the water table and provide for the plants and animals."

Maps of these many, intricately interconnected irrigation ditches throughout the Big Pine-Bishop area, drawn from a tribal informant's memory, were sketched in 1927 by Julian Steward, showing just how extensive and durable these waterways had been built and maintained for centuries. Remnants of these ancient ditches, some miles long and as wide and deep as modern canals, are still evident today. In a 1930 essay excerpted in "Before the Wilderness: Environmental Management by Native Californians," a book by Thomas C. Blackburn and Kat Anderson, Steward noted that "ditch irrigation had been undertaken (by the Northern Paiute) 'upon a considerable scale' in Owens Valley with its greatest development being near the present-day town."



Detail of "Paiute subdivisions and boundaries" depicting a ditch system in Owens Valley (1933) | UC Berkeley - Anthropology Library

The Northern Paiute continue to struggle to receive their fair – though greatly diminished - share of water allocations guaranteed in their 1939 "forever and in perpetuity" agreement with the Los Angeles Department of Water and Power. In 2016, following a decade of historic drought throughout the state and increasing demands on their historic water sources, the Big Pine Paiute tribe posted an open letter to the LADWP requesting a resolution to their years-long

diminishment of water allocations due to improperly functioning equipment that was the City's responsibility to maintain.

In 2017, thanks to its own extensive efforts, the Big Pine Paiute Tribe was successful in its very public appeal to LADWP to fix its broken irrigation pipeline. With the support of tribal leaders, Big Pine tribal members, members of other tribes, tribal staff, and various residents of the Owens Valley, Los Angeles and elsewhere, the message of the #FixthePipe campaign got through as the result of a strong show of solidarity and sovereignty.

But for Bishop Paiute tribal member and farm manager Monty Bengochia, getting the water his reservation is guaranteed by the treaty of 1939 is far more than about justice – it's also a matter of reclaiming the health of his people and the land itself. Adequate water is critical for the Northern Paiute not only for daily use but to replenish and raise the water table and heal the land and make its soil sustainable for the growth of traditional, healthier food sources. It is a matter of sustainability, sovereignty — localized, tribal self- governance — and reciprocity between people, water, and the land.

Like the Northern Paiute, other tribes in the rural desert regions of southeastern California have also historically practiced sustainable water usage practices in ways critical to survival, and also struggle with current and proposed water extraction inflicted by municipalities far from the region. "Living water is crucial to the Native peoples of the California desert, and our desert springs are crucial to our way of life as traditional gathering places, sacred sites, as places to rest and restore ourselves," says Michael Madrigal, a member of the Cahuilla Band of Indians and current president of the Native American Land Conservancy (NALC).

Southern Paiute / Chemehuevi tribal member Matthew Leivas, Jr., another NALC member who lives on the Chemehuevi Indian Tribe Indian Reservation at Lake Havasu along the Colorado River, is, like Madrigal, actively involved in advocating for the protection of longtime Mojave Desert water sources. In particular, he opposes ongoing efforts for the heavy extraction of the irreplaceable waters of the Cadiz ancient aquifer. Such extractions, as currently proposed, would have an ecologically devastating impact on Bonanza Spring, which nurtures a rare riparian area in the east Mojave near Cadiz, according to a 2018 study published in the journal of Environmental Forensics.

Leivas is also helping his tribe regain its own historical irrigation practices with sustainable use of water from the Colorado River.

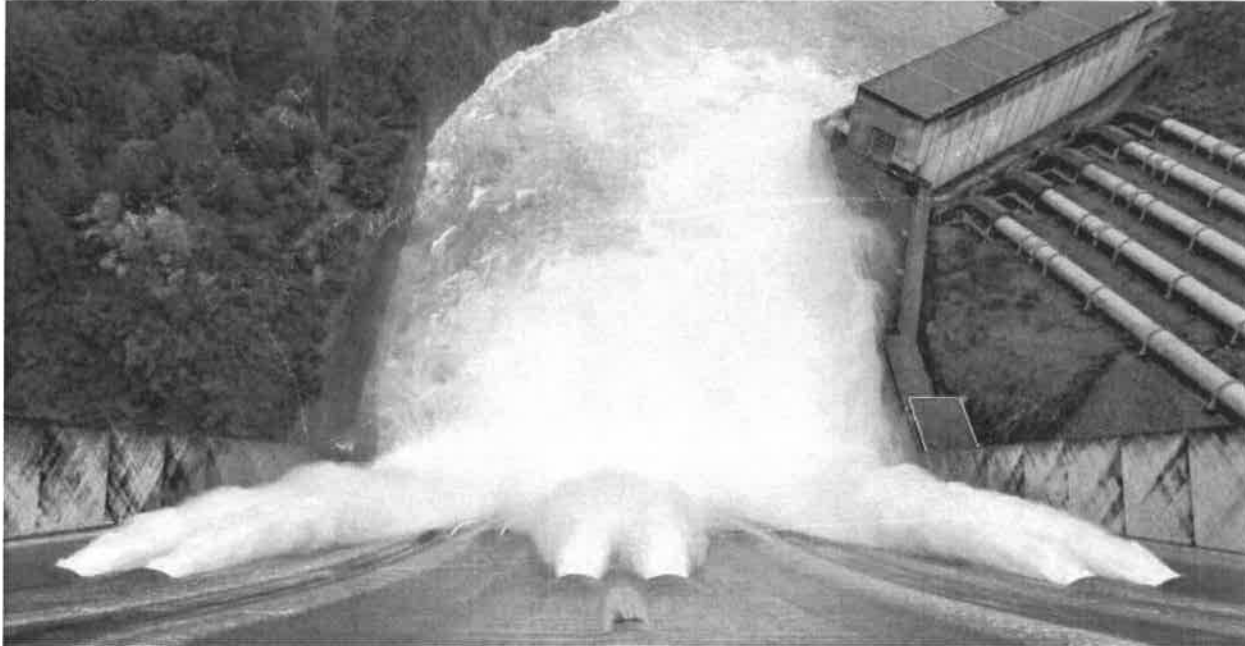
Californians stand to learn critical knowledge about their water sources and usage from the Northern Paiute. Ann Hayden, senior director of Western Water at the Environmental Defense Fund articulates this well: "By and large, Californians have little understanding as to where their water comes from, where it's stored, how it's delivered, that the flows in the rivers are highly controlled, that the lake levels are highly controlled, all to manage our water supply."

As Hayden notes, increasing our understanding and connection to the water would go a long way towards getting people to feel more passionate about protecting these resources when developing resilient and balanced approaches to climate change adaptation. "Native Americans have been thinking about that forever. Including those voices in that conversation right now is essential."

As Big Pine Tribal member and water and wastewater operator Paul Huetten puts it: "Tending the water would be respecting it, knowing where it comes from. There's a whole process. Know where it comes from. It doesn't just come from the tap."

WESTERN FarmPress.

Serving: West



Water is released from Shasta Dam in Northern California.

California drains lakes as rains fail to arrive

Commentary: The practice of draining California reservoirs by rote starting Oct. 1 needs to be revisited

Todd Fitchette | Nov 20, 2019

The practice of draining California reservoirs by rote starting Oct. 1 needs to be revisited given the state's refusal to store up water for farms and cities.

Granted, there's still a few months remaining to our yet-to-arrive rainy season, but with every passing dry day in the West we're one day closer to more drought and draconian water curtailments.

The back-to-back wet years we just experienced suggest we might not want to bank on a third season of the kind of rain and snow that can quickly fill our lakes and reservoirs. Meanwhile, we continue to pour fresh water into the Pacific Ocean at an unsustainable rate.

Speaking of sustainability, the plans required under the State Groundwater Management Act come due in January, and if the meeting I recently attended is any indication the numbers may be much worse than first predicted. Worse yet, these reports will be more in line with what we think we know, rather than what we know for certain.

Fresno, Calif., water attorney Lauren Layne said California's legislative move to preserve the state's aquifers was not based on science or careful, calculated study. Instead, Sacramento's

knee jerk reaction to groundwater over pumping became an unfunded mandate that forces local agencies to find a difficult solution to California's continued refusal to collect and store fresh water for farms and cities.

While countries like Denmark and states like Arizona first set out to study their water resources before enacting law to ensure sustainable supplies of water for human use, California did the opposite. It wrote a law to require groundwater sustainability without bothering to define the term "sustainable", then ordered local agencies to find a solution. Paying for it would be just another challenge as the Legislature failed to provide money for the local agencies they ordered into existence.

Michael Hagman, executive director of the East Kaweah Groundwater Sustainability Agency, says those costs are steep. A one-time cost of about \$1.5 million for his GSA to enact the mandated plan will be compounded by an annual cost of \$850,000 to implement it.

Local agencies can assess property to cover these costs, but only after securing landowner permission. The state didn't write the same rules for itself. Should California decide a GSA plan to reach sustainability is insufficient, it has the right to take over that region's water supply and tax residents whatever it chooses to implement it.

All this portends a significant fallowing of arable land in California. Estimates currently peg agricultural land retirements could reach one million acres, based on the need to curb upwards of two million-acre feet of groundwater pumping each year.

California's continued refusal to collect and store additional fresh water for farms and cities, thereby returning California to its pre-industrial condition, will surely compound the state's ability to collect taxes as businesses dry up and property values decline.

San Joaquin Valley's water solution? Look north to the mighty Columbia River

BY PHIL FULLERTON
THE FRESNO BEE
NOVEMBER 22, 2019 10:30 AM

Central Valley agriculture faces a looming existential water crisis from the interlocking problems of drought, climate change, and falling underground water tables. Yet the potential answer to this problem is incredibly simple and only a lack of political will may defeat it. The solution is to send south to California the abundant waters of the Columbia River.

New ground water rules to take effect in the coming decades are forecast to force the abandoning of thousands of acres of prime farm land. Potential drought and global warming mean less snow and more early, wasteful runoff. These spell doom for many farms.

This problem is not only important for us economically in the Central Valley, but for the United States and the world. Our Valley is the most productive food producing area in the United States and some would say the world. As the global population increases, the Malthusian risk of population growth exceeding food supply is always there.

This crisis potentially can be solved by a reference to fiction writer Edgar Allen Poe. In his short story, the "Gold Bug," Poe notes that the best way to hide something is to make it huge and obvious, like lettering on a map.

So it is with the water crisis! The answer is right in front of us: the giant Columbia River flowing between Washington and Oregon.

The Columbia has over 10 times the flow of the Colorado River, which serves 30 million people. That means the vast Columbia could serve 300 million people or almost the total population of the United States. A priori, one could postulate bringing its water to Lake Shasta, either over land or through the Pacific Ocean, and then following existing infrastructure south.

Politicians have seen this possibility of sending the water from the Columbia south, and with parochial limited vision have succeeded in blocking any research of it. In the late

1960s Henry "Scoop" Jackson, a U.S. senator from Washington state, sponsored and succeeded in having passed legislation barring any study of the feasibility of building a canal from the Columbia River in Oregon and Washington to parched California. This legislation effectively stopped any further study.

Cost is, of course, a question, but the lack of any studies of this project make any estimate impossible. Interestingly, China has been implementing a program to transfer water from the south Yangtze Basin to the parched north, a distance of over 1,000 miles.

It is not possible to directly transpose Chinese costs and experience to those of the U.S. But this shows the vitality of China, which has emerged as a major competitor to America on the world stage.

Unlike totalitarian China, political feasibility with a deadlocked Washington, D.C., is the looming problem with the Columbia project. The likelihood of bitter opposition is obvious, perhaps to the extent that it has not been considered at all.

Americans have historically shown altruism as with relief from Hurricanes Katrina and Sandy. But, sadly, altruism might not be the answer here. Instead, California as the world's fifth leading economy (if a separate entity) could send money to those two states to substantially ease their financial burden.

In an article in The Oregonian published Aug. 10, 2010, Michael Milstein suggested that Oregon should use this resource to aid its beleaguered budget by sale of the water. And he also cautioned that if they didn't move water to California, then folks would move from there to Oregon, a mortal threat to most Oregonians.

The issue is clearly: can the United States rise to a level of civic responsibility that transcends local politics? China, a Communist dictatorship, is moving to solve a similar problem, but doing so heedless of its human or environmental cost. Surely we can at least study this possibility! The future food supply of California, the nation and the world is at stake.

Phil Fullerton is a retired attorney in Fresno.

100-year-old Shasta County dam creating conditions of 'extreme peril'

Damon Arthur, Redding Record Searchlight

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With winter rains on their way, officials worry a dam that creates a small lake 17 miles west of Redding could collapse, inundating downstream homes with up to 20 feet of water if sediment and debris clogging two outlet pipes is not cleared.

Two 30-inch outlet pipes at Misselbeck Dam have been clogged with silt and debris since last summer, forcing water from Rainbow Lake to flow over the top of a deteriorated 100-year-old spillway, said Charles Tucker, president of the Igo-Ono Community Services District, which owns the dam.

Currently there is no imminent danger from water flowing over the spillway, he said. But with rains due next week and winter approaching, the situation could deteriorate, and possibly lead to the collapse of the dam, district officials said.

"We're waiting for help from folks who should be helping us and we're rather disappointed so far," Tucker said. "We're in a pretty ticklish situation. We need some big boy help."

The district has sought help from the Federal Emergency Management Agency and the California Office of Emergency Services, but they have been slow to react, he said.

Noting "conditions of extreme peril to the safety of persons and property," the Shasta County Board of Supervisors declared a local emergency in July and renewed that emergency Nov. 5.

"The damage from a dam breach when Cottonwood Creek is already at flood stage is exponentially greater, likely reaching many structures in the Cottonwood area," according to a letter the district sent to the supervisors.

The outlet pipes became plugged after tons of sediment from hillsides surrounding the 113-acre lake were washed into the reservoir last winter and spring during storms.

The 2018 Carr Fire left a burn scar covering 90% of the 12-square-mile watershed above the lake, according to a letter the district sent to the supervisors last summer.

Without vegetation to hold soil in place above the lake, the rains washed tons of sediment, and other debris washed into the lake, burying the pipes in about 20 feet of soil, much of it decomposed granite, Tucker said.

The district cannot afford the \$1.7 million to \$2.1 million to clear sediment from the lake so water can again flow through the outlet pipes. District officials have asked for help from FEMA and Cal OES.

But funding from FEMA is in question because the agency told the district the problem is not related to the Carr Fire, he said.

With the outlets plugged, the lake level can't be lowered, forcing water over the spillway, according to the district letter. The California Division of Safety of Dams has determined the spillway is unsafe to use.

There are holes completely through the spillway floor and water is scouring away the decomposed bedrock supporting the spillway. Winter rains could completely destroy the spillway, the district said.

"Failure of the dam or spillway would endanger lives and property between the dam and Cottonwood."

Igo-Ono Community Services District

Floating debris is also building up along the spillway, raising the level of the lake. If that continues, water could begin to flow over the top of the dam, which could lead to "total failure of the structure," the district said.

The letter says the Office of Water Safety at Sacramento State University estimates that if water overtops the dam, the structure "would be destroyed for its entire height and nearly its entire width in a period of 6 minutes."

"Failure of the dam or spillway would endanger lives and property between the dam and Cottonwood," the district said.

Several structures on Sunny Hill Road downstream of the dam would be inundated with 20 feet of water within 15 minutes of dam breach and multiple structures on Gas Point Road would be under 10 feet of water, the district said.

Structures near the main stem of Cottonwood Creek and structures on Ponder Way and Denise Way would also see water up to 5 feet deep, the district said.

"The worst-case scenario is the dam breach occurring when Cottonwood Creek is already at flood stage, which is the more likely scenario given the current outlet works condition," the district said.

County Public Works Director Pat Minturn said his office was aware of the problems at the dam and his office had determined that bridges downstream of the dam are tall enough that they could withstand the water flow if the dam broke.

It wasn't clear if residents and property owners living downstream of the dam had been notified about the issues at the dam. Officials at the sheriff's office could not be reached for comment Thursday afternoon.

'Fire is medicine': the tribes burning California forests to save them

For millennia, native people have used flames to protect the land. The US government outlawed the process for a century before recognizing its value

The Guardian by [Susie Cagle](#) with photographs by Alexandra Hootnick

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When Rick O'Rourke walks with fire, the drip torch is an extension of his body. The mix of diesel and gasoline arcs up and out from the little wick at the end of the red metal can, landing on the ground as he takes bite after bite out of the dry vegetation in the shadow of the firs and oaks.

"Some people are like gunslingers and some people are like artists who paint with fire," he says. "I'm a little bit of both."

This is the kind of land management O'Rourke grew up with on the Yurok reservation in the Klamath mountains of northern [California](#). Now, lighting the forest on fire to save it – and his tribe's culture along with it – has become his life's work, as fire and fuels manager of the Yurok Cultural Fire Management Council. On this day, he's working the drip torch alongside a few dozen cultural practitioners from tribes across the US, and firefighters from around the world.



Rick O'Rourke, Yurok fire practitioner, with his dog Puppens during the prescribed burn in Weitchpec, California.

He draws the can back and forth across the green, turning it red and then black. The lines of little flames creep along the forest floor, ebbing and growing with the contours of the land.

This fire will chew out the underbrush and lick the moss off the trees. It will blister the hazel stalks and coax strong new shoots that will be gathered and woven into baskets for babies and caps for traditional dancers, and it will tease the tan oak acorns to drop. It will burn the invasive plants that suck up the rain, letting more clean, cool water flow through the black, into the watershed and down the Klamath river for the salmon.

Soon all that black will be dotted with bear grass and huckleberries pushing up for the sunlight and down for the water they couldn't reach when they were crowded out by tall scotch broom and dense twists of blackberries and the ever-encroaching fir trees. Even sooner, animals will flock here to roll in the ash, a California dust bath.

For more than 13,000 years, the Yurok, Karuk, Hupa, Miwok, Chumash and hundreds of other tribes across California and the world used small intentional burns to renew local food,

medicinal and cultural resources, create habitat for animals, and reduce the risk of larger, more dangerous wild fires.



A view of the Klamath River from the town of Weitchpec, California.

This is “good fire”, traditional practitioners and firefighters would say.

For most of the last 100 years in California, however, government agencies have considered fire the enemy – a dangerous, destructive element to suppress and exclude from the land. Traditional ecological knowledge and landscape stewardship were sidelined in favor of wholesale firefighting, and a kind of land management that looked like natural conservation but left the ground choked with vegetation ready to burn. As the climate crisis creates hotter, drier, more volatile weather, that fuel has helped drive larger wildfires faster and further across the west.

Our first agreement with our creator was to tend the land. It was taken away from us, and now we’re trying to reclaim it
Rick O’Rourke, Yurok fire manager.

After decades suppressing small and gigantic fires alike, California is slowly embarking on a course correction. Alongside huge expenditures on firefighting staff and gear, the state is making new investments in prescribed burning. But who gets to decide where that fire goes, what it burns, why it burns – who is the steward of a natural element – remains contentious. These native people are trying to revitalize their right to indigenous cultural burning, a practice that was criminalized long before California became a state, before their culture dies out.

“Our first agreement with our creator was to tend the land,” says O’Rourke, 52, resting for a moment on a log in the green, lit drip torch still in hand. “It was taken away from us, and now we’re trying to reclaim it.”

How the US waged war on fire

The Spanish were the first California colonizers to prevent indigenous people from burning the land. In 1850, the US government passed the Act for the Government and Protection of Indians, which outlawed intentional burning in California even before it was a state.

Early National Forest Service officials considered “the Indian way” of “light-burning” to be a primitive, “essentially destructive theory”. Championed by the Forest Service, ecologists and conservationists, new colonial notions of what is “natural” won the day. The valuable timber trees would be protected and burns would be extinguished at all costs. Fire was a killer, and America would make war on this new enemy for most of the next 100 years.

“They said if we suppress all these fires, we end light burning, we will have great new forests,” said the fire historian Stephen Pyne. “And we did – we had so much great new forest that we created a problem.”

In 1968, after realizing that no new giant sequoias had grown in California’s unburned forests, the National Park Service changed its prescribed fire policy. In 1978, so did the Forest Service.

Since then, some state agencies have made prescribed burning a central part of their land and wildfire management strategies. The south-east leads the way: in Florida, landowners and government agents burn more than 2m acres a year.

But many in California, where millions of homes have sprawled into the mountainous and flammable wildlands, still fear fire in all forms. They fear it will destroy lush, natural forests and turn them into barren shrubland; that it is a tool of timber companies and a friend of clearcutting old growth; that it will produce oppressive, toxic smoke and emissions year-round. More than anything, they fear the flames will jump holding lines and run across the land and into communities, as they sometimes do – an escaped fire killed three people in 2012 in Colorado.

They fear fire cannot be controlled. On this, at least, firefighters and firelighters would agree – which is why most no longer use the term “controlled burn” to refer to something as powerful as fire, usually opting for “prescribed”, “cool” or “light” burning to distinguish between good fire and the wild kind.

After a string of disastrous fire seasons, though, California is growing bolder. In 2018, the state made plans to triple the amount of prescribed burning, “creating a culture where fire is a tool, not a threat”. Now, according to the state air resources board, 125,000 acres of wildlands are intentionally burned each year in California – which still comprises a tiny fraction of all the prescribed fire in the US.



Fire from Rick O’Rourke’s drip torch during the prescribed burn in Weitchpec on 4 October.

The burn, part I: ‘Putting fire on the ground’

Catching the good-fire windows in climate-changing California weather is an intricate proposition. For the best burn, the prescription has to be just right: a little humidity in the air, low winds, the leaf litter dry and crunchy underfoot.

For native people, the land is a renewing resource, and they feel a responsibility to keep it healthy. Light, frequent burning of the forest understory maintains oak tree health, and the

acorns and huckleberries for food, hazel and bear grass for weaving, and pepperwood and wormwood for medicine. Fire clears and maintains prairie landscapes as habitat for elk and deer, and visibility through the dense woods for hunting them. It promotes better spring flow and drought tolerance. The smoke from the burns in turn reflects sunlight and helps cool the river water, benefiting the salmon.

Indigenous people here essentially co-evolved with the landscape they tended.

“It’s selective manipulation through millennia to foster a more resilient, diverse and productive landscape,” said Frank Lake, a US Forest Service research ecologist with Karuk heritage and Yurok family.



Harold Myers and Christopher Villarruel begin the prescribed burn with the traditional practice of using wormwood to ignite the forest floor.

The burn units are identified ahead of time for their resources and carved out to manageable size. Clear 3ft holding lines on each side serve as paths for firefighters on the move, bumping up and down the steep terrain, and controlling boundaries for the fire itself. This unit is about 90 acres, but they’ll only burn half today, a little more than 30 football fields worth – the rest is still too damp from an unexpected rain shower earlier in the week. Engines full of water are staged in the slim shoulder of Highway 169 at the bottom edge of the unit.

The cultural burn begins in a small clearing, under a golden sliver of early afternoon sunlight from a break in the pine canopy. Harold Myers of the Yurok tribe and Chris Villarruel of the Pit River tribe hold wormwood branches, dried and bound into torches. The Yurok tribe member and secretary of the Cultural Fire Management Council, Elizabeth Azzuz, lights them.

“Creator, we’re here today to do work for the land, for the people,” Myers begins, crouching low to the earth with his torch. “Give us guidance, clarity of mind, purity, and we may carry this out with the best intentions. We apologize for our brothers and sisters who are living here, but we are here to help you and help us.”

He gently repeats the Yurok word for thanks, “*wokhlew, wokhlew, wokhlew*”, just above a whisper, and gratefully touches his torch to the leaf litter.

How ‘good fire’ is returning

“I’ve been burning since I was four – my grandfather and my father taught me,” said Azzuz. “For us, when little kids start playing with matches is when they need to learn about the importance of how we use fire and why we use fire.”

Margo Robbins, the executive director of the Yurok Cultural Fire Management Council and head of tribal education for the local school district, remembers a childhood spent sledding down the wide grassy meadows in the Klamath foothills. Now, after decades without fire, nearly all that formerly open space is dense with pine trees and blackberry brambles.

“The fire suppression and the rules that govern who can put fires on the land pretty much criminalized the average person from burning,” said Robbins.

“It’s called arson now if you want to go out and do any burning,” said Bill Tripp, deputy director of eco-cultural revitalization for the Karuk tribe Department of Natural Resources. “It has been a continual practice, but there may be only a few individuals or families doing it on a small scale here today.”



Crissy Robbins, daughter of Margo Robbins, holds her son Kenneth Koy-o-woh in front of the prescribed burn in Weitchpec, California.

“When you have colonization removing native people, disrupting that social structure around fire use, outlawing fire, and then actively using every construct in a militaristic way to suppress and exclude fires, then we have the conditions that we have now,” said the research ecologist Frank Lake.

Without fire, the Yurok art of basket weaving had begun to die out. What was once a mixed landscape of conifer forest and open prairie grew dense, and weevils and Sudden Oak Death took hold in the Klamath, leaving the land vulnerable to future wildfires. The vegetation that would benefit from low, slow intentional burns has suffered from higher, hotter wild burns, carried by that extra fuel. Wildfires used to burn a couple of thousand acres a year on average in the region – by the beginning of the 21st century, they were burning hundreds of thousands of acres.

The return of good fire plays a central role in the climate adaptation plan for the Karuk tribe, who self-describe as a “fix-the-world people”. “Across California, the increasing frequency of high severity fire points to the need to re-examine human relationships with fire,” the plan reads.

Eight years ago, the California Endowment’s Building Healthy Communities initiative surveyed hundreds of Yurok tribe members to find out what they wanted and needed to improve their lives.

“The community identified bringing fire back to the land as the number one most important thing,” said Robbins.

In 2014, fire practitioners from the Yurok and Karuk tribes began working with the environmental not-for-profit Nature Conservancy's Prescribed Fire Training Exchange, Trex, a global network of events designed to expose more firefighters to the concept and practice of prescribed burning.

The first year, the Yurok Trex burned 57 acres. The next year, 167.

"We have our babies in baskets again," said Robbins.

"In the last five years, everything just started falling in place," said Azzuz.

At this fall's Yurok Trex, 30 local indigenous practitioners and firefighters from federal, state and private agencies from as far away as Canada and Spain, some brand new to fire, some with decades of experience, gathered together in the tribe's community center in the tiny town of Weitchpec to start their cultural burn training week. They began by covering the 10 Standard Fire Orders of organization and safety. The final point: "Fight fire aggressively."

Robbins raised her hand in objection.

"I think it should be *light* fire aggressively," she insisted.

"We train *firelighters*, not *firefighters*," Azzuz added, grinning.



Trex participants undergo a briefing before starting a prescribed burn in Weitchpec.

The burn, part II: 'Accept some risks'

According to this day's prescription, they'll have 90 minutes to put fire on the ground. The tools of choice vary. The stalwart drip torch is a small metal can with a wick at the end, filled with a mix of one part gasoline (the starter) and three parts diesel (the carrier). When you walk with the drip torch, "you're taking fire with you," says the Nature Conservancy's Jeremy Bailey, a firefighter for over 25 years who envisioned the Trex model. "You basically have a loaded gun." The hand-held fusee is a fire-starting flare. Sometimes, if conditions are perfect, all it takes is a lighter held up against the brush.

As the fire begins to grow, the crew moves into their positions, one team on each flank: lineholders at the edge with their shovels and axes, firelighters at the ready to begin the burn, fire effects monitors with instruments to check the weather conditions.



Trex participants identify the location of the lines prior to the prescribed burn in Weitchpec.

A couple of flicks from O'Rourke's drip torch and a few moments later, the California laurels spark up.

"The only thing I could see that might create a problem is if we had a wind anomaly," he says as he checks over his work.

As the smoke grows thicker, the crackle and chatter of radio traffic picks up, and the firefighters hoot up and down the hill to signal where they are.

"Having a good time?" asks Gabriel Cortez, the Yurok wildland fire captain. Cortez first trained O'Rourke in prescribed burning seven years ago.

"Yeah, it's all right," O'Rourke responds, smiling. He hands his drip torch off to Raven Parkins for the second half of the burn, saying he's tired. He looks up at the gaps in the forest canopy, where the afternoon sun is shining lower, casting interrupted beams through the smoke.

"Divine light for sure."



Smoke during the prescribed burn.

The mood is relaxed, confident but vigilant. A pile of heavy logs catch and start putting off large plumes of smoke; they have to be chainsawed and doused. If the fire gets "sporty", it's quickly handled with a backpack pump full of water. There are brief moments of tension, as firefighters lose each other temporarily in the smoke. Someone's snagged in the black, caught in a thicket of blackberries with large hooking thorns. Someone's pants momentarily catch on fire.

Everything is fine. In over 10 years of Trex burns, no one has ever had to fight a fire.

“You can mitigate the danger but you can’t eliminate it,” says Bailey. “You have to accept some risks.”

The predominant collective concern is less that the fire will slop over the holding lines and escape, and more that it won’t burn the unit thoroughly and completely. As the firefighters work their way down the hill, neighbors and family members drive by on the narrow, winding Highway 169 and cheer, honk and stop to check on the team’s progress.

This unit burns so well, under conditions so ideal, it doesn’t need to be extinguished with water from the waiting engines. They’ll continue to monitor it for two days until it’s “cold out”, but for now the crew can walk away with the brush lightly smoking, little flames still working their way down into the ash.



Trex participants head to a location for prescribed burn training on prairie land in Weitchpec.

How tribes are leading the way

There is fire on the ground here again, but the work is far from done. While the ends may look similar, this version is not the true vision of indigenous burning.

“Although we’re burning for cultural purposes, this of course is not the way we did it,” said Robbins. “Traditionally, we didn’t dress in green pants and yellow shirts with helmets and have fire engines.”

In 2015, Robbins, Lake, Tripp and other indigenous fire practitioners began collaborating on a strategy to bring back native practices. Together they authored a “healthy country plan”, laying out the ramifications of fire exclusion and a path to returning indigenous burning to Karuk, Hupa and Yurok land in order to renew and maintain cultural resources, create sustainable economic opportunity, and make the land more resilient in the face of the climate crisis. That work has grown into the Indigenous Peoples Burn Network.

“The goal of the network is to get back to true traditional burning, where the average person can go out and burn their gathering spot or burn around their home to keep their home safe,” said Robbins.

These are forever people who care about these forever places, and they're never going to give up on fire
Mary Huffman of the Nature Conservancy

It's a goal Robbins is working toward today. The council obtains permits from Cal Fire that allow them to help families burn their properties. They're overwhelmed with applications from local landowners hoping to put fire on their ground.

"These are forever people who care about these forever places, and they're never going to give up on fire," said the Nature Conservancy's Mary Huffman, who facilitates the Indigenous Peoples Burn Network. "If their cultures are tied to fire, if they shaped the landscapes for thousands and thousands of years with fire, why would they?"

Despite California's fire-suppressing legacy, the indigenous fire history in the Klamath region has helped make it a hotspot for good fire.



Trex participants maintain the line during the prescribed burn in Weitchpec.

In 2018, the fire ecologist Lenya Quinn-Davidson founded the Humboldt County Prescribed Burn Association, a firelighting co-op of landowners who manage each others' properties – the first like it in the west. "People really want prescribed fire in their toolbox," she said. "Their grandpas used it, they've heard of the tribes using it historically. People are really curious and excited about it."

After suppressing fire in all forms, and the traditional ecological knowledge that went along with it, California's top politicians and fire officials are now seeking out tribal guidance on fire policy as state agencies gear up to burn more than ever before. The state's air quality managers are tasked with outreach to educate the public on the benefits of fire, as regions hand out more and more burn permits. In one particularly busy month in 2018, the north coast air quality management district permitted over 250 prescribed fires in the region.

But the tribes still do not fully control their own elements on their own land. A week after the Yurok Trex, a regional Cal Fire office shut down a burn during the fall Trex on Karuk land, citing elevated wildfire risk. The conditions were perfect, said Tripp. It didn't matter.

Indigenous people don't eschew the use of modern science – they just know this land, burned it and benefited from it for thousands of years. But convincing all the fire-fearful is still an uphill battle.

“A lot of them just still think we’re all arsonists,” said O’Rourke.

And the growth of support for prescribed burning at large is not necessarily all good news for native people, either. Tripp worries that transferring traditional ecological knowledge could mean being wholly co-opted, losing control of burning their land in a different way.

“We don’t have a problem teaching about our principles behind our practice and where, when, why, how,” said Tripp. “But we’re not interested in doing that if five years down the line they say OK, we’ll do it for you now, and you can just stay in poverty. That doesn’t work for us. If our culture’s going to die, we’ll just die with it.”

‘Fire is in our DNA’

The morning after the last burn, each Trex firefighter reports back to the group on their greatest lesson of the week. “It’s not just healing our lands, it’s healing our people,” says O’Rourke, beaming at the other firefighters.

No one outside the tribes has ever seen anything like this. One fire veteran with decades of experience is brought to tears.

The land may need more burning, but skeptics say we also can’t burn our way out of the climate crisis. And that preventive fire may be no match for more extreme wind-driven fire events like the ones California has seen more and more frequently in recent seasons.

Californians are learning what it means to coexist with fire – a lesson indigenous people have known roughly since the ice age – but doing so under the new extremes of global heating. Indigenous people aren’t promoting light burning as a panacea for the climate crisis. But, they say, it is one piece of the process. And it is their responsibility.

“Prescribed fire is medicine,” said Lake. “Traditional burning today has benefits to society as well as supporting what the tribes need.”

There is still burning on native land that is not permitted by Cal Fire, which is technically illegal. Sometimes it’s in a known gathering place, sometimes it’s just in the brush on the side of the road. Despite decades of criminalization, said Robbins, people just cannot and will not stop using fire here to the best of their abilities, knowledge and instincts.

“I think perhaps fire is in our DNA, because we’ve used it for thousands and thousands of years,” said Robbins. “When they refer to epigenetics, they say that the trauma is in our genes. But, you know, if the trauma’s in there, the other good stuff is there too.”

California Forward

11/20/2019 by Nadine Ono

California's working landscape makes \$333-billion impact on state economy

California's "working landscape" represents the sixth largest economic sector in the state, outpacing the healthcare, real estate and construction industries. That's according to a recent report issued by the University of California Division of Agriculture and Natural Resources (ANR).

"That's going to surprise an awful lot of people, because too many folks here in California just really take our working landscapes for granted," said ANR Vice President Glenda Humiston, speaking at the California Economic Summit in Fresno earlier this month. Besides traditional agriculture, working landscapes includes fishing, forestry, mining, outdoor recreation and renewable energy.

The report showed that in 2018, direct sales of agriculture contributed more than \$263 billion to the state economy and employed 1.2 million people benefitting both rural and urban regions.

"We're going to share this report and these numbers far and wide in the hopes that we can convince policy makers far and wide," added Humiston. "We've got to make investments in these working landscapes. They're critical to the state's economy."

The report only includes direct sales of agriculture and does not include the value of the ecosystem, which could double the value of this sector. And when all areas of the working landscapes are taken into account, the economic impact to the state increases to \$333 billion in sales and employment of 1.5 million people, numbers that benefit both rural and urban regions.

Humiston participated in Working Landscapes and Ecosystem Vitality working group at the California Economic Summit, where civic, business and community leaders gathered to discuss and create solutions for this sector. Priorities from the working group included:

San Joaquin Valley Water Sustainability

- Work together to establish guiding principles, goals, and outcomes for water sustainability in the San Joaquin Valley.

Land Use and Groundwater

- Build multi-stakeholder support to lobby for sustained funding for regional training and technical assistance for local leadership to bring together a wide variety of stakeholders to identify and plan multi-benefit recharge projects and design multi-benefit project planning and implementation grants that align application deadlines and expedite contract approval.

Ecosystem Services

- Participants will support an effort to fund a statewide open source decision support tool for ecosystem services in California.

Looking forward, additional economic growth can be found in advanced wood products using biomass that is currently overcrowding the state's forests. This could have positive results for both the economy and the environment.

"There's probably almost a dozen 'wins,'" explained Humiston. "Better, healthier forests, less fire, more water will come from those forests, better outdoor recreation and better wildlife habitat. Then you get into the jobs and economic development." She added that buildings made from advanced wood products are more energy efficient, more structurally sound in an earthquake and better are sequestering carbon.

"It is gratifying to see such a comprehensive study," California Department of Food and Agriculture Secretary Karen Ross. "It's much more than just agricultural production – it's the full range of products, services and jobs, and it all starts with dedicated stewardship of lands that sustain us."

For Humiston, this report sends a valuable message to not only the agriculture industry, but to those invested in California's economy. "If people start understanding the importance of working landscapes to the state's economy, I have to hope we're going to get folks willing to invest in it much more than they have in the past."

Wind and solar can save the planet — can they save our water supply, too?

By [Emily Pontecorvo](#) on Nov 13, 2019
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Solar panels and wind turbines are lifelines to any non-apocalyptic version of the future. They'll help us keep the lights on, the air breathable, and the planet inhabitable. But while the climate and health benefits of wind and solar are well known, they have another, underappreciated feature that could come in handy in our inevitably warmer, drier future: They don't rely on water.

A new [study](#) published in Nature Communications explores how this often overlooked benefit could help alleviate water scarcity and improve food security during a drought. The paper looks at California, where surface water — the kind found in rivers and lakes — is shared between hydropower facilities that produce electricity and farmers downstream who use it for irrigation. During a drought, there's less surface water available, forcing farmers to turn to the groundwater found in aquifers to water their crops. After a recent five-year dry spell where groundwater was being pumped out faster than it could be replenished, California's aquifers are now depleted.

"In the long term, if we do nothing, then we won't have any groundwater in the aquifers," said Xiaogang He, the study's lead author and a postdoc at the Woods Institute for the Environment at Stanford. "It's like a bank account. If you keep withdrawing your money, and put only a very small deposit, then in the long term you will have a deficit. It's not sustainable."

He's study uses an economic framework to show that adding more renewables to California's grid could reduce competition among hydropower, irrigation, and groundwater sustainability. As of 2016, wind and solar made up 17 percent of California's energy mix. But the state's Renewables Portfolio Standard requires that 40 percent of the mix come from renewable sources by 2030. He and his co-authors found that meeting the Renewables Portfolio Standard mandate could help keep more groundwater in the ground.

Here's how: Hydropower facilities store water in reservoirs in order to release it in a constant flow and produce energy consistently. If wind turbines and solar panels, paired with battery storage, took the pressure off of these facilities to fill the needs of the grid during a drought, more of that water could be released downstream for agricultural use, preventing further groundwater depletion.

The study's framework is specific to California, where wind and solar have a cost advantage over other renewable energy options along with the backing of the Renewables Portfolio Standard. But He said the study makes a few major assumptions, so his conclusions should be interpreted with caution. The framework does not take into account California's complicated water management rules, the [massive state-wide water transfer project](#), or any imports or exports of electricity with other states.

In the future, He hopes to do a quantitative analysis to see how much water could be saved with each kilowatt of solar and wind generation added. With this study, He hopes that people will see wind and solar in a new light. "People value solar and wind in terms of health benefits and mitigation of greenhouse emissions," he said. "The water sustainability value of solar and wind energy is largely overlooked. This is what we really want to highlight."

Sonoma County drills wells to study groundwater sustainability

GUY KOVNER
THE PRESS DEMOCRAT

November 11, 2019

The shallow wells Sonoma County's water agency is drilling near 11 waterways have nothing to do with delivering water to 600,000 residents of Sonoma and Marin counties.

Instead, the 21 wells will serve as measuring sticks to determine whether pumping groundwater in the county's three basins — the Santa Rosa Plain, Petaluma Valley and Sonoma Valley — is curbing the flow in creeks inhabited by federally protected fish and other species.

The \$300,000 project is the latest consequence of a state law, enacted during California's five-year drought, requiring long-term sustainability of underground water supplies that were heavily tapped during the prolonged dry spell.

And that means assessing the connection between surface water and groundwater and possibly, for the first time in state history, setting limits on use of well water by residents, ranchers, businesses and public water systems.

"We can't see what's beneath the surface, so these monitoring wells will act like underground telescopes. They can help us see how much and when water is available," county Supervisor Susan Gorin said in a statement.

Gorin is chairwoman of the Sonoma Valley Groundwater Sustainability Agency, which covers the basin seen as most susceptible to depletion. Local agencies were formed in 2017 in each of the county's basins to implement mandates of the Sustainable Groundwater Management Act that became law in 2015 amid the state's historic drought.

Farming interests generally have taken a dim view of the increased monitoring and prospect of pumping limits. During the recent drought, when stream flows were greatly diminished statewide, Central Valley farmers especially drew heavily on groundwater at rates that officials said were unsustainable, risking a whole host of related environmental impacts — on drinking water, soil and wildlife.

Still, regulation of groundwater use is a new thing in California, and local grape growers have eyed it warily, concerned about new restrictions on their businesses.

"Nothing good for farmers in this county ... can come from this monitoring," Jim Bundschu, an owner of Gundlach Bundschu Winery in Sonoma, told the Board of Supervisors in 2016, when representatives of the county's wine industry lobbied for a greater say in the new regulations. "Agriculture needs a larger voice."

The government agencies overseeing each of the three local basins have the ability to register and monitor wells, restrict pumping and prevent drilling of new wells. Agencies also have the ability to assess new fees and taxes.

This month, as part of the new monitoring initiative, a red drilling rig bored into the ground close to Paulin Creek, where it passes under a bridge at Hardies Lane north of West Steele Lane.

Twenty feet down, the drill hit water, no surprise to Mitch Buttress, a Sonoma Water hydrogeologist supervising the work.

"We've been seeing water at 20 to 30 feet," he said, referring to the wells previously sunk, with nine more to go this month.

After months without rain, underground water tables are generally at their lowest level and will "climb back up" when storms return, Buttress said.

The new wells will only be about 50 feet deep, far shallower than water supply wells that go down hundreds of feet. An instrument to measure water level and temperature every hour will be tucked inside a 2.5-inch PVC pipe. In the adjacent creeks, a gauge will measure the water flow, providing side-by-side reports on surface and subsurface water.

The data, which will be made public, will inform deliberations by the local groundwater agencies to set thresholds for well water pumping to avoid "unreasonable depletion" of stream flows, said Marcus Trotta, a principal hydrogeologist with Sonoma Water.

It will also help determine where creeks may serve the important function of recharging aquifers and indicate where the agencies may want to consider future groundwater recharge projects, Trotta said.

Underground aquifers and surface water in creeks and rivers have a complex relationship, with the aquifers in some cases feeding creeks and at other times drawing water from them.

When the drilling is done, there will be five wells on both Mark West Creek and Sonoma Creek, two each on the Laguna de Santa Rosa and Santa Rosa Creek and one each on Colgan and Paulin creeks, as well as Adobe, East Washington, Capri and Lichau creeks in Petaluma and the Petaluma River.

The state Department of Water Resources is paying for the wells at a cost of about \$15,000 per well. The state agency has also provided \$3 million to cover the operating costs of the three groundwater agencies.

The well project funding "is a big boon to our community and the information provided will be invaluable," said Supervisor David Rabbitt, the board chairman who also heads the Petaluma Valley basin agency.

You can reach Staff Writer Guy Kovner at 707-521-5457 or guy.kovner@pressdemocrat.com. On Twitter @guykovner.


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Bulrush and reeds grow on the Matilija Reservoir in Ventura County, California that's filled with sediment. The scissors and dashed line graffiti have made the dam an icon in the removal movement. | Photo: Frani Halperin/H2O Media, Ltd.

The Dam Nobody Wants Just Won't Go Away

The construction of dams on rivers worldwide has stopped the natural flow of sand and silt to the sea—resulting in coastal wetland loss and disappearing beaches—as well as preventing fish from reaching vital spawning grounds. But when the decision is made to remove a dam it can be remarkably challenging. Just ask the people of Ventura, California, who've been trying for 20 years—and are not much closer to ditching a dam that supplies no water but packs a lot of downsides—and risk.


[H2ORadio](#)
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Ventura, Calif.—It's a flawless sunny day in Ventura, California. In the coastal city, north of Los Angeles, surfers bob on boards watching the swells for the ideal wave. If you want a long ride, here at Surfers' Point, where the Ventura River meets the ocean, is the place you want to be. It's a classic California point break that creates waves surfers gravitate to up and the down the coast.

It's a favorite spot for Paul Jenkin, who's been surfing this break for over 30 years. But today he's not here waiting for the perfect wave; he's waiting for a *better beach*—or at least the beach that used to be here.

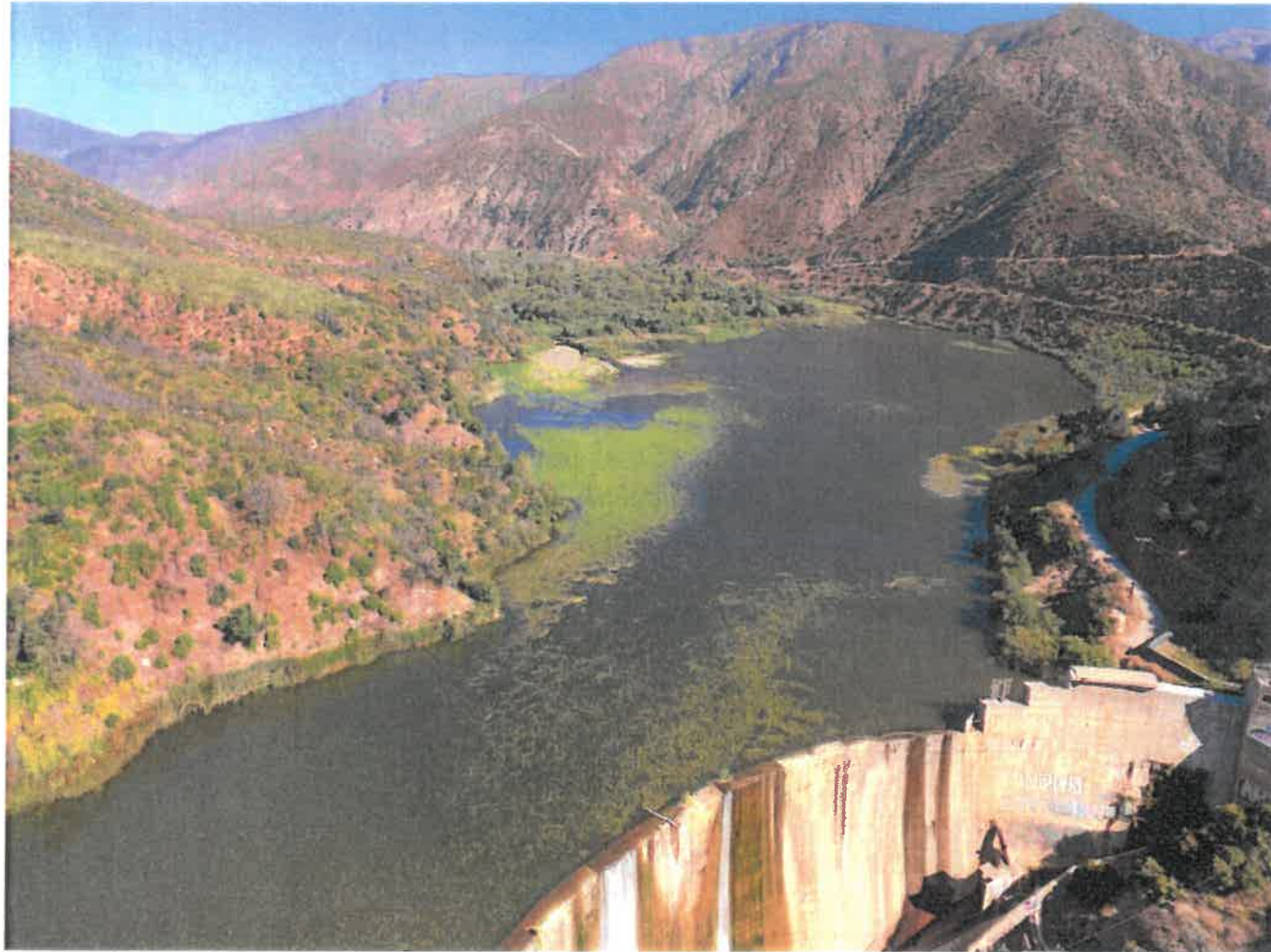
| We're going to lose our surf spots and lose a place just to put a towel down on the sand. |

Jenkin is the campaign coordinator for the Surfrider Foundation, a nonprofit organization focused on the protection and enhancement of the world's oceans, waves, and beaches. For 20 years he's been working to restore the natural supply of sand and gravel to this cobbled beach that's seen its parking lot and bike path crumble into the ocean. He says one of the concerns at Surfrider is that with sea level rise, recreational beaches are going to disappear. "We're going to lose our surf spots and lose a place just to put a towel down on the sand."

Rising sea levels along with coastal development are some of the threats to Surfers' Point, but the real culprit is some 16 miles away in a mountain canyon far above the city—the Matilija Dam.

Matilija Dam

Matilija Dam was built in 1947, driven by farmers and ranchers in the nearby Ojai Valley, who wanted it for flood control and water supply. Peter Sheydeyi, deputy director of Ventura County Watershed Protection District, the agency that owns the dam, says Matilija originally had 7,000 acre-feet of storage. But over the last 70 years it has completely filled with sediment—some 8 million cubic yards of sand and gravel—enough to fill 800,000 dump trucks—that no longer flows to the beach.

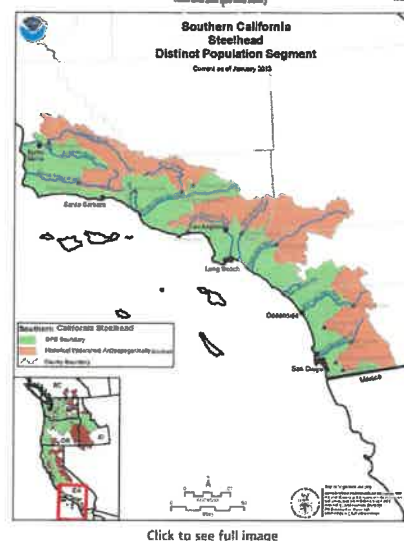


Matilija Reservoir has filled with sediment, allowing grasses to grow on its surface. | Photo: Paul Jenkin (August 2019)

Matilija Dam had bad juju right from the start. The Army Corps of Engineers warned the Ventura County Flood Control District not to build it, saying the surrounding steep landscape of coastal sage scrub and oak woodland was highly erodible and would fill the reservoir with sediment.

Then, during its construction, it was discovered the concrete used in the dam had a condition that would weaken over time. The original structure was 198 feet tall but was notched down in the 1960s and '70s to 168 feet due to safety concerns. Those safety concerns continue to this day because this is California, where earthquakes are always a possibility. In 2018, Matilija Dam received a "poor" rating for seismic risk in a review by state's Division of Safety of Dams (DSOD).

Lastly, before Matilija Dam was built, the Southern California steelhead (*Oncorhynchus mykiss*) would come upriver to spawn. But because the fish can no longer migrate to their historic freshwater habitats to reproduce to maintain or grow their populations, the trout has been listed as endangered. Sheydeyi, who's managing the Matilija Dam Ecosystem Restoration Project for the county says if the dam were removed it's believed that a good population of the fish would return to the upstream watershed.



Cut Here to Empty Contents

Given the numerous downsides—impeded fish migration, beach erosion, and seismic risk—not to mention that it provides *no water supply*—Matilija Dam has been slated for removal, and among the graffiti painted all around the dam is a dashed line with a giant pair of scissors suggesting, "cut here" to empty its contents. The artwork has become iconic in the movement to remove obsolete dams and was featured in the documentary *DamNation*.

But unleashing sediment that's accrued for over 70 years is not something you can do without a lot of planning, studies—and *money*. In 2000, Jenkin formed the **Matilija Coalition** to bring together the many non-governmental organizations interested in removing the dam, such as CalTrout and Friends of the River, two statewide organizations that were focused on restoring native steelhead. The outdoor retailer Patagonia, which is headquartered along the Ventura River in the city, has been a huge backer of the effort. Also, the Open Rivers Fund (a program of Resources Legacy Fund with support from the William and Flora Hewlett Foundation that aids local community efforts to remove obsolete dams, modernize infrastructure, and restore rivers across the western United States) stepped in to help.

And now—20 years, several studies, and over \$20 million later—they might finally have a solution. The current proposal is to drill two 12-foot holes at the base of the dam, and then, during a moderately sized rain event open them up to flush the fine sediments downriver. The county would then—potentially the following summer—dismantle the dam once the pressure load was released. Of the 8 million cubic yards in the reservoir it's estimated that only 2 million cubic yards would move downstream. The rest would be stabilized in place and be restored with native vegetation that would become a permanent part of the landscape. Sheydeyi hopes that after the dam is gone the area will be a recreational destination with trails, which will allow people "to enjoy the cool waters during the late summer months at Matilija Creek."



Matilija Dam | Photo: J. Clifton (Click to see larger image)

Los Angeles Times

By DAVID A. LIEB,
MICHAEL CASEY, MICHELLE MINKOFF
NOV. 12, 2019

5 AM

On a cold morning last March, Kenny Angel got a frantic knock on his door. Two workers from a utility company in northern Nebraska had come with a stark warning: Get out of your house.

Just a little over a quarter-mile upstream, the 92-year-old Spencer Dam was straining to contain the swollen, ice-covered Niobrara River after an unusually intense snow and rainstorm. The workers had tried but failed to force open the dam's frozen wooden spillway gates. So, fearing the worst, they fled in their truck, stopping to warn Angel before driving away without him.

Minutes later, the dam came crashing down, unleashing a wave of water carrying ice chunks the size of cars. Angel's home was wiped away; his body was never found.

"He had about a five-minute notice, with no prior warning the day before," said Scott Angel, one of Kenny's brothers.

State inspectors had given the dam a "fair" rating less than a year earlier. Until it failed, it looked little different from thousands of others across the U.S. — and that could portend a problem.

California is home to six of the 1,688 high hazard dams in poor or unsatisfactory condition in 44 states and Puerto Rico, an Associated Press investigation has found.

A more than two-year investigation by the Associated Press has found scores of dams nationwide in even worse condition, and in equally dangerous locations. They loom over homes, businesses, highways or entire communities that could face life-threatening floods if the dams don't hold.

A review of federal data and reports obtained under state open records laws identified 1,688 high-hazard dams rated in poor or unsatisfactory condition as of last year in 44 states and Puerto Rico. The actual number is almost certainly higher: Some states declined to provide condition ratings for their dams, claiming exemptions to public record requests. Others simply haven't rated all their dams due to lack of funding, staffing or authority to do so.

In California, six high-hazard dams were rated as poor or unsatisfactory, including Oroville, which failed in 2017 and prompted mass evacuations downstream. Crews have since been repairing the dam and it is now listed in "fair" condition, according to California inspectors. The other dams were Kelley Hot Spring in Modoc County; North Fork in Santa Clara County; Misselbeck in Shasta County; Moccasin Lower in Tuolumne County; and Matilija, a dam in Ventura County slated for removal.

Deaths from dam failures have declined since a series of catastrophic collapses in the 1970s prompted the federal and state governments to step up their safety efforts. Yet about 1,000 dams have failed over the last four decades, killing 34 people, according to Stanford University's National Performance of Dams Program.

Built for flood control, irrigation, water supply, hydropower, recreation or industrial waste storage, the nation's dams are more than half a century old on average. Some are no longer adequate to handle the intense rainfall and floods of a changing climate. Yet they are being relied upon to protect more and more people as housing developments spring up nearby.

"There are thousands of people in this country that are living downstream from dams that are probably considered deficient given current safety standards," said Mark Ogden, a former Ohio dam safety official who is now a technical specialist with the Assn. of State Dam Safety Officials.

The association estimates it would take more than \$70 billion to repair and modernize the nation's more than 90,000 dams. But unlike much other infrastructure, most U.S. dams are privately owned. That makes it difficult for regulators to require improvements from operators who are unable or unwilling to pay the steep costs.

"Most people have no clue about the vulnerabilities when they live downstream from these private dams," said Craig Fugate, a former administrator at the Federal Emergency Management Agency. "When they fail, they don't fail with warning. They just fail, and suddenly you can find yourself in a situation where you have a wall of water and debris racing toward your house with very little time, if any, to get out."

It's unclear whether Angel, a 71-year-old Vietnam War veteran, declined to flee or simply ran out of time after workers with the Nebraska Public Power District warned him that water was overtopping the dam near Spencer, a town of fewer than 500 residents.

An attorney for Angel's wife, who wasn't home when the dam broke, has filed a \$5-million lawsuit alleging negligence. It claims the power utility failed to properly maintain the dam, train its employees or inform the Angels of dangerous conditions.

Even though the Angels' home was squarely in its path, the dam was rated as a "significant" rather than "high" hazard, meaning it wasn't required under Nebraska law to have a formal emergency action plan. About 20% of state-regulated high-hazard dams nationwide still lack emergency plans, according to the U.S. Army Corps of Engineers, which maintains the national dam inventory.

When last inspected in April 2018, Spencer Dam's "fair" rating was accompanied by an ominous notation: "Deficiencies exist which could lead to dam failure during rare, extreme storm events."

Tim Gokie, chief engineer of Nebraska's dam safety program, said the warning was due to past water seepage the power utility addressed by installing a drain system. Ultimately, Gokie said, the rising Niobrara River simply overwhelmed the concrete and earthen dam, which was built in 1927 to generate hydroelectricity, not for flood control.

“The fact was that it was just an unprecedented situation,” Nebraska Public Power District spokesman Mark Becker said. “It was beyond what everybody anticipated.”

Nebraska was among the states hardest hit by storms and floods this year that have caused an estimated \$1.5 billion in damage to roads, dams, utilities and other infrastructure in 28 states, according to an Associated Press analysis.

A National Climate Assessment released by the White House last year noted growing frequency and intensity of storms as the climate changes. That can push some dams beyond what they were designed to handle.

Even if kept in good condition, thousands of dams could be at risk because of extreme rainstorms, said Fugate, the former FEMA official.

“These are like ticking bombs just sitting there, waiting for the wrong conditions to occur to cause catastrophic failure,” he said.

No national standard for inspecting dams

The nation’s dams are categorized as high, significant or low hazard in the National Inventory of Dams database. High hazard means loss of human life is likely if a dam were to fail. A significant rating means no deaths are likely, although economic and environmental damage are possible.

There is no national standard for inspecting dams, leading to a patchwork of state regulations. Some states inspect high-hazard dams every year while others wait up to five years. Some states never inspect low-hazard dams — though even farm ponds can eventually pose a high hazard as housing developments encroach.

Dam conditions are supposed to be rated as unsatisfactory, poor, fair or satisfactory. But the ratings are subjective — varying by state and the interpretations of individual inspectors — and are not always publicly disclosed.

Since the Sept. 11, 2001, terrorist attacks, the U.S. government has cited national security grounds in refusing to include dams’ conditions in its inventory, which was updated most recently in 2018. But the Associated Press was able to determine both condition and hazard ratings for more than 25,000 dams across the country through public records requests.

The tally includes some of the nation’s most well-known dams, such as Hoover Dam along the Colorado River, but mostly involves privately owned dams. Many are used for recreation.

The Associated Press then examined inspection reports for hundreds of high-hazard dams in poor or unsatisfactory condition. Those reports cited a variety of problems: leaks that can indicate a dam is failing internally; unrepaired erosion from past instances of overtopping; holes from burrowing animals; tree

growth that can destabilize earthen dams; and spillways too small to handle a large flood. Some dams were so overgrown with vegetation that they couldn't be fully inspected.

Georgia led the nation with nearly 200 high-hazard dams in unsatisfactory or poor condition, according to the AP's analysis.

Among them is Reservoir No. 1 in Atlanta, a 180-million-gallon water supply dating to the late 1800s that has been out of service much of the last few decades. The city made repairs and brought it back online in 2017, only to shut it down again after leaks were noticed.

If the dam were to catastrophically fail, the water could inundate more than 1,000 homes, dozens of businesses, a railroad and a portion of Interstate 75, according to [an emergency action plan](#).

Joel Iverson has previously noticed water trickling out of the dam near the brewery he co-founded, Monday Night Brewing.

"If that one goes, it's going to wash away us and a lot of beer," Iverson said.

The Atlanta Watershed Management Department declined the AP's request for an interview about the reservoir and instead asked for questions in writing. When those were submitted, it declined to answer them.

Spillways a common problem

One of the most common problems for aging dams are spillways incapable of handling an extreme rainfall event.

If water can't escape quickly enough through spillways, it could flow over the top of a dam, which increases the probability of rapid erosion that can cause it to collapse.

The spillway at the 107-year-old Willett Pond Dam near the Boston suburb of Norwood is capable of handling just 13% of the water flow from a serious flood before the dam is overtopped, according to a recent state inspection report. If the dam were to give way, it could send hundreds of millions of gallons of water into the heart of the city of nearly 30,000 people.

"We are not talking of just flooding someone's house. We are talking about covering their house," said Murray Beach, who lives on the shore of the 220-acre privately owned lake and belongs to a citizens group that has lobbied for years for the spillway to be repaired.

[A 2017 inspection report](#) said improvements to the spillway could cost between \$1 million and \$5 million. A nonprofit that owns the lake received a \$215,000 state grant last year to design spillway improvements. But there is no timeline to fix it.

More than 1,300 properties lie within the dam's inundation zone, including several shopping centers and at least two elementary schools, as well as more than 70 roads and two railroads.

Tamiko Porter, who operates a Montessori school serving some 75 students, said she was surprised to learn there was a dam upstream that could flood her school if it failed.

"Oh, God, please let it happen when my kids aren't here," Porter said.

Norwood emergency management director Bernard Cooper said there is no imminent risk of dam failure.

"Yes, it needs work. The spillway should be rebuilt. Absolutely, no question," Cooper acknowledged. But "there is no money in the system for that."

Budget cuts hurt inspections

In a 1982 report summarizing its nationwide dam assessment, the Army Corps of Engineers said most dam owners were unwilling to modify, repair or maintain the structures, and most states were unwilling to spend enough money for an effective dam safety program.

Since then, every state but Alabama has created a dam safety program.

But the Great Recession a decade ago forced many states to make widespread budget and personnel cuts. Since a low point in 2011, states' total spending on dam safety has grown by about one-third to nearly \$59 million in the 2019 fiscal year while staffing levels have risen by about one-fifth, according to data collected by the Corps of Engineers.

California, which runs the nation's largest dam safety program, accounts for much of that gain. It boosted its budget from \$13 million to \$20 million and the number of full-time staff from 63 to 77 following the failure of the Oroville Dam spillway in 2017.

The scare at Oroville, the nation's tallest dam, led to evacuation orders for nearly 200,000 people, although no one was injured and the dam ultimately held. An independent investigation cited "a long-term systemic failure" by regulators and the dam industry to recognize and address warning signs.

California spent \$1.1 billion repairing the Lake Oroville spillway, enacted new emergency plan requirements and launched a review of 93 other dams with similar spillways.

In South Carolina, after more than 70 dams failed following heavy rains in 2015 and 2016, the state tripled the personnel in its dam safety program and ratcheted up spending from about \$260,000 annually to more than \$1 million.

But some states have continued to pare back their dam safety programs. Thirteen states and Puerto Rico were spending less in 2019 than they did in 2011, and 11 states had fewer full-time positions in their programs.

The Assn. of State Dam Safety Officials says almost every state faces a serious need to pump additional money and manpower into dam safety programs.

“If you don’t have the staff to inspect a dam, or don’t have the authority to do that, you don’t know what the problems are,” said the association’s Ogden.

“If you are able to do the inspection but you can’t follow up, and you have dam owners who don’t have the resources to fix their dam, then ultimately you know what the problem is but you can’t get it addressed,” he added.

Concerns about inadequate dam spillways date back decades to when the Corps of Engineers undertook its first nationwide assessment of dams posing a high risk to life and property. From 1978 to 1981, the Corps inspected 8,818 dams. About one-third were deemed unsafe due to deficiencies, and about 80% of those cited inadequate spillway capacities.

One of the dams cited for a “seriously inadequate” spillway in 1978 was Lake Sebago, located in a New York state park near the village of Sloatsburg. Forty years later, nothing has changed.

A 2018 state inspection letter warned of “inadequate spillway capacity and dam stability” and asked for an improvement plan within 30 days. None was provided.

The state dam safety office has no authority to force the state parks department to make repairs.

To modify the Lake Sebago spillway, workers would have to rebuild a road and bridge that pass over the dam. The project could cost over \$15 million, said Jim Hall, the recently retired executive director of the Palisades Interstate Park Commission, which manages multiple dams.

“That structure has been in place with the same spillway capacity for over probably 60 to 70 years and it hasn’t been overtopped,” Hall said. “Should it be improved to meet all codes? Yeah, that would be nice. Does it make it the highest priority for us to do in relation to other dam structures we have? Probably not.”

Many states face a quandary when it comes to problematic private dams when they can’t identify the owners. Rhode Island’s two-person dam safety office last year listed 32 high- or significant-hazard dams with safety concerns whose owners were unknown.

“If we don’t know the owner, then we can’t take any action to order anybody to fix it,” said David Chopy, chief of compliance and inspection for the Rhode Island Department of Environmental Management.

In some states, dams go uninspected because of exemptions in state law.

A 2013 Texas law exempts all dams on private property with a capacity of less than 163 million gallons that are rated significant or low hazard and are located outside of city limits in any county with fewer than 350,000 people. As a result, about 45% of its roughly 7,200 dams are exempt from regulation.

Missouri performs safety inspections on only about 650 of its more than 5,000 dams. That's because state law exempts all dams that are under 35 feet, used for agricultural purposes or subject to federal regulation.

Former Missouri Gov. Matt Blunt attempted to significantly expand the number of dams under state supervision after the mountaintop Taum Sauk Reservoir collapsed in December 2005, injuring a state park superintendent's family. But the legislation failed after some rural landowners expressed concerns. Then the proposal quietly faded away as new officials took over.

"Maybe it's time to take a look at that again and make sure that our dams are safe," said Missouri state Rep. Tim Remole, who now leads the House committee overseeing dam safety.

'No idea the power of water'

Until Angel's death in Nebraska this year, the last fatal dam failure in the U.S. occurred on the Hawaiian island of Kauai in 2006.

An earthen wall of the Kaloko Reservoir collapsed during heavy rain and sent a wave of water rushing down a hillside. Seven people — including a pregnant woman — were killed on Bruce Fehring's property, including his daughter, son-in-law and grandson.

Fehring, who wasn't there at the time, got a phone call from a neighbor saying something terrible had happened. He was shocked by the scene.

"It took a while to register, and I went, 'Oh my God, everything's been washed away,'" Fehring recalled. "I mean, you have no idea the power of water [until] you see what it can do in a very short amount of time."

Dam owner James Pflueger pleaded no contest to felony reckless endangerment and was sentenced to seven months of confinement and five years probation. His property company pleaded no contest to seven counts of manslaughter. Prosecutors said Pflueger had filled in the dam's spillway while attempting to make space for a waterfront development.

The victims' families and those whose property was damaged, including actress Bette Midler, agreed to a \$25-million civil settlement. Though categorized by the state as low hazard at the time it failed, Kaloko Reservoir is now listed as a high-hazard facility in poor condition. It remains largely unrepaired.

That's also the case with Lake Dunlap Dam, northeast of San Antonio. On a sunny morning in May, one of the 91-year-old dam's corroded spillway gates suddenly gave way. No one was hurt in the rush of water, but scores of homeowners' lakeside docks were left high and dry, facing barren swaths of dried lakebed after the river retreated, leaving boats stranded.

The dam was the second hydroelectric facility along the river to fail within the last three years. The Guadalupe-Blanco River Authority responded with plans to drain a chain of four lakes because of concerns their similarly designed spillway gates also could fail.

But after property owners sued, the river authority agreed in September to a temporary injunction delaying the plan for a year. That could allow time to find funding for the estimated \$90 million to \$210 million to repair the dams.

"This is something that communities and states all across the country are grappling with as we are reckoning with our aging infrastructure," said Tess Coody-Anders, a homeowner near Lake McQueeney, one of the dams slated to be drained.

"I hope that everyone will recognize that, like in our community, entire economies and ways of life have developed around what started out as a civil engineering project," she added. "And you can't take that away."

Associated Press writers Lieb reported from Jefferson City, Mo.; Casey from Concord, N.H.; and Minkoff from Washington. Associated Press writers Eric Gay in San Antonio and Caleb Jones in Honolulu contributed to this report.

New law requires California dams to have emergency plans -- but do they?

KCRA/AP investigation looks at dam safety in California

KCRA 3 Updated: 8:31 PM PST Nov 11, 2019

David Manoucheri

Special Projects Producer

CAMERON PARK, Calif. —

In the heart of Cameron Park sits a neighborhood of homes with some of the widest streets in the county. The homes all have garages with doors wide enough to let a full airplane park inside.

That is what the neighborhood is known for: The streets double as runways and the residents all fly. Jim Bray and his wife moved into their house in March. The couple built a single prop plane together -- one he uses to commute to the Bay area.

"I fly to Palo Alto three days a week and work from home a couple days a week," Bray said from the driveway of his home. "So, this is perfect for me."

The neighborhood has another distinctive feature: To the north of the homes sits a dam and Cameron Park Lake is on the other side. Even though the dam has never had any breaches or problems, Bray did his homework.

"I went and looked at the flood charts, right," Bray said. "(I) looked at the contour lines to figure out where that water would go ... if anything happened."

Bray believes the water would move southwest of his house. He seems to be one of the few that would not be impacted if the dam fails -- considering the danger. His neighbors know about the lake, even use it frequently, but few of the residents KCRA 3 Investigates spoke with had given the dam that much thought.

"I know it's there," said Ron Kenzy, who walks through the neighborhood every day. "I've never been worried about it."

Donna Joyce visited the lake every day with her late husband when they moved to Cameron Park more than two decades ago. She still visits.

"I've lived here for almost 30 years and nothing has ever ... it's well maintained and taken care of," she said looking out at the lake and the geese that call it home.

"The amount of water that's in there," said Carol Skaggs, who lives on Bray's street, "because it's not fed from the mountains and ... because of the big berm that's there, it's gotta go through this property and then we just didn't think we'd be impacted as being flooded."

The state of California, however, does have concerns, particularly the state Legislature. Lawmakers wanted better oversight of dams after the Oroville Dam's spillway started to break apart in 2017, prompting mass evacuations. The Legislature passed a law in 2017 that requires every dam to have an emergency action plan, also known as an EAP. But a KCRA 3 investigation, in conjunction with the Associated Press, found that 50.6% of dams don't have that emergency plan. Something that concerns residents like Jim Bray.

"I don't want it to fail and find out if I was right or wrong about how high my house is," Bray said, pointing northwest toward the dam.

The department that controls the safety of those dams in the state of California is called the Division of Safety of Dams. The DOSD inspects and oversees more than 1,200 of the dams in the state. The agency said getting an emergency plan into place can be both expensive and time-consuming. The owner of the dam, often a water district or even the state of California, has to put a map together showing where flooding would occur if there is a problem. Once the map is approved, the dam owners have to put together an EAP, which is then approved by the state Office of Emergency Services.

"We started encouraging dam owners long before the Senate Bill 92 came out," said Sharon Tapia, with the Division of Safety of Dams. "To have EAPs -- it wasn't a law that we didn't have the authority to enforce that."

Under the new law, high hazard dams -- meaning dams that could cause damage to people or property if breached -- must have an EAP by January 2019. The most recent data, from the 2017-2018 fiscal year, shows that California has 672 high hazard dams, of which 215 have no emergency action plan.

El Dorado County has the most in KCRA's viewing area with 19 high hazard dams, of which 14 have no EAP. Cameron Park Lake is one of them.

"What we found with the new law is a lot of owners had to budget for the cost of the maps," Tapia explained. "They had to get contracting services to be able to have engineers do the maps, and so some of that has taken some of the owners longer time to do."

Even though state law said the dams must have a plan in place. Those are just the dams the state oversees, that doesn't take into account one of the biggest dams in the region: Folsom Dam.

KCRA 3 Investigates asked for the emergency plan and inspection reports for Folsom Dam. The Federal Bureau of Reclamation refused claiming "they are not records" and that releasing them isn't part of the Freedom of Information Act due to the "foreseeable harm associated with public release of these documents."

Bray sees the entire process as an issue that goes beyond just dams.

"I think it's a concern for all the infrastructure," he said. "We're not paying attention to our infrastructure, highways, bridges, roads, all that stuff. I think it needs the attention that it's due and it's not getting that."

By CSDA ADMIN 11/25/19

Follow g LIKE



UP to \$130 Million per Year Coming Through New Safe and Affordable Drinking Water Fund

By Guest Author: Eric O'Donnell, Senior Associate, Townsend Public Affairs

California is widely viewed as the wealthiest State in the Union and is the 5th largest economy in the world according to figures and statistics released by the US Department of Commerce. While most Californians receive safe and reliable drinking water, how can it be that nearly 1 million Californians lack reliable access to safe drinking water?

The issue is more complex than it may initially appear and the reasons that some Californians lack safe drinking water are abundant and can include: cyclic drought conditions, rural or isolated water systems, and unsustainable water management practices. However, the important question that many Californians are asking is: what is the State doing about it?

The issue of safe drinking water in California is not new but has been exacerbated by the most recent five-year drought and further underscored by the passage of landmark legislation establishing the Human Right to Water. For years, the State Legislature and the Governor's Administration have toiled to identify the root problems associated with access to safe drinking water; and more importantly, they have debated over how to generate the funding needed to implement a sustainable solution.

The Legislature and Administration have considered several different funding sources over the years including the State General Fund, bond funding, redirecting money from existing programs, and the creation of new funding programs. However, the one funding source that continuously surfaced and created the most uproar was a proposed tax on water.

One of the most popular funding solutions by non-governmental organizations in the clean water sphere of influence has been to levy a tax on urban water customers in order to pay for the needed water system upgrades for those lacking access to clean water. The proposed water tax gained traction in the Legislature, and with the Administration, as proponents argued that water ought to be taxed as a “public good”. However, the proposed water tax was never able to receive the support needed to be approved by the Legislature. While a number of influential legislators agreed that the lack of access to drinking water is a public health and safety issue, the precedent setting nature of a proposed tax on water had broader implications, the least of which was increasing water bills on the very residents that may be struggling to pay their existing water bills. Many in the Legislature preferred that the State look elsewhere for resources, such as the State’s General Fund.

After continued advocacy by water districts and industry organizations, such as the Association of California Water Agencies (ACWA), the California Municipal Utilities Association (CMUA), and CSDA, a new solution was presented in 2019 in the form of SB 200 (Monning). SB 200 proposed a new funding mechanism and did not raise taxes or place an arbitrary fee on urban water systems.

SB 200 continuously re-directs five percent of the proceeds in the Greenhouse Gas Reduction Fund (GGRF), up to \$130 million a year, for 10 years, to fund safe drinking water projects across the State. The GGRF is funded through Cap and Trade quarterly auctions that are held in conjunction with the Statewide Cap and Trade program.

Who is responsible for administering the money to fund safe drinking water projects?

SB 200 designated the State Water Resources Control Board (SWRCB) as the fiscal agent responsible for the newly created Safe and Affordable Drinking Water Fund (SADWF), and the bill further outlined the formation of a Safe and Affordable Drinking Water Advisory group that will be comprised of public water system representatives, technical assistance providers, local agencies, nongovernmental organizations, residents served by a community water system in disadvantaged communities, and members of the public.

How is this money going to be used?

Under the provisions of SB 200, the SADWF will be used to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long term. The bill requires the SWRCB, in consultation with the California

Department of Finance, to adopt a fund expenditure plan, by July 1, 2020, that lays out specific goals and processes.

According to SB 200, the money from the SADWF can be used for the following:

1. Operation and maintenance costs to help deliver an adequate supply of safe drinking water in both the near and long terms.
 2. Consolidating water systems or extending drinking water services to other public water systems, domestic wells, and state small water systems.
- The provision of replacement water to ensure immediate protection of health and safety as a short-term solution.
1. Provision of administrative and managerial services for purposes of helping the systems become self-sufficient in the long term.
 2. The development, implementation, and sustainability of long-term drinking water solutions.

What kind of water systems across the State will be receiving this money?

Eligible recipients of this funding are public agencies, nonprofit organizations, public utilities, mutual water companies, federally recognized California Native American tribes, non-federally recognized Native American tribes on the contact list maintained by the Native American Heritage Commission, administrators, and groundwater sustainability agencies.

The expenditure plan that will be created by the SWRCB by July 1, 2020 will identify public water systems, community water systems, and state small water systems that consistently fail or are at significant risk of failing to provide an adequate supply of safe drinking water and will prioritize these systems for funding from the SADWF.

What if the Cap and Trade auctions do not produce enough money for the SADWF?

The Legislature recognized that the GGRF is subject to volatile funding levels based on the potential for inconsistent emission credit revenue. In fact, just a few years ago, each Cap and Trade auction was only generating tens of millions of dollars instead of several hundred million. Since then, the Legislature has made adjustments to the Cap and Trade Program that provided a significant boost to the revenue generated and added stability to auction revenues. Based on recent trends and future projections,

the GGRF should have sufficient funding to provide the SADWF with the money it expects.

However, if the designated five percent of the GGRF is less than \$130 million per year, starting in fiscal year 2023-2024, the State's General Fund will act as a "backstop" and will fund the difference to ensure the SADWF will receive \$130 million per year.

How can agencies apply for this funding?

Once the SWRCB finishes its rule-making and expenditure plan process, agencies who are eligible for this funding will be able to apply for competitive grants that align with the objectives that will be established in the annual adoption of the fund expenditure plan. The SWRCB anticipates that SB 200 funding will start to be available in Spring 2020.

How does this impact my special district?

If the SWRCB has identified your service area as one in need, you may be eligible for technical, managerial or financial support.

How can I stay informed and who may I contact for more information?

If you would like to receive additional updates as the Safe and Affordable Drinking Water Advisory Group moves forward and as SWRCB finalizes its expenditure plan process and funding becomes available, please contact your CSDA Public Affairs Field Coordinator or CSDA Legislative Representative Alyssa Silhi at alyssas@cda.net.

This article was written by guest author Eric O'Donnell, Senior Associate, Townsend Public Affairs, as part of CSDA's New Laws Series, where experts explain legislation passed in 2019 and how it will affect special districts moving forward. This article is provided for general information only and is not offered or intended as legal advice. Readers should seek the advice of an attorney when confronted with legal issues and attorneys should perform an independent evaluation of the issues raised in these materials.

CONTINUING BUSINESS

Mad River Union
11/20/2019



**FISH FARMERS CITE
INVESTOR SUPPORT**

FISHY BUSINESS Marianne Naess of Nordic Aquafarms listens to an audience question at last week's public forum on the company's planned fish farm. DANIEL MINTZ | UNION

By Daniel Mintz

MAD RIVER UNION

A representative of a Norway-based aquaculture company told an audience at a public meeting that investors in its planned fish farm facility on Humboldt Bay are confident of the project's viability and believe conditions are favorable for its success.

FISH FARM ♦ A4

Fish farm | JPA considered

❖ FROM A1

Marianne Naess of Nordic Aquafarms hosted a November 14 public meeting at Eureka's Wharfinger Building, telling an audience of about 60 people that the facility's features will meet environmental standards and appeal to the market.

She said the land-based facility will feature clean discharge, high quality feed, a 20-acre solar array and virtually escape-proof containment.

Nordic plans to build a \$400 million fish farm on the Samoa Peninsula's former pulp mill site that will produce 22,700-metric tons of head-on-gutted fish per year, serving 50 million West Coast customers.

The county's Harbor District is leasing the project site and the Board of Supervisors is also supportive of the company's proposal.

The project is gaining community support, has attracted additional business attention to Samoa and controversy is minimal at this point.

Naess said Nordic's investors have considered seismic/tsunami risks and mitigations, project site conditions and the "stakeholder situation" in determining that the project is viable.

She said the fish feed used will be free of anti-biotics and GMOs, and fish-based ingredients will be avoided as much as possible.

During a question and answer session, Naess said those aspects are related to discharge permits. "The nutrients in the discharge will be dependent on what we feed the fish," she continued. "We will have a limit, a threshold we will need to stay within."

The consumer market is also a consideration. "If we don't do this in a way that's acceptable to the consumers, we will not succeed," said Naess.

Earlier this month, Nordic announced that it will be proceeding with the project.

Prior to that, there was a period of doubt, as the turbidity of industrial water supply emerged as what a company PowerPoint presentation had described as a potential "show stopper" issue.

Asked about that, Naess said that "the industrial surface water is actually pretty good" and turbidity is only a problem during storm seasons, when it occasionally spikes.

The company is in discussions with the Humboldt Bay Municipal Water District on the issue and potential solutions include switching to well water use when the spikes occur or deploying a clarifier.

Reflecting discussions of the Board of Supervisors and county staff, Naess added, "This is not an issue for Nordic Aquafarms in particular, this is for any economic development on the peninsula"

The county is exploring creation of a joint powers authority dedicated to improving Samoa's water supply and delivery infrastructure.

Asked about potential effects on the bay's oyster production, Naess said the facility's outfall pipe extends 1.5 miles offshore and discharge water will feature 99 percent removal of phosphorous, total suspended solids and biological oxygen demand substances. Nitrogen removal will reach 90 percent.

She said that if not for its salinity, discharge from the facility would be safe to drink.

Naess said the degree of fish production will be geared to staying within those limits and they'll be part of permitting.

"When you go big, you have to invest more in water treatment," she continued. "We think that's important and we're committed to those numbers and they will be in black and white in the permit."

Nordic will use established filtration technology but "we will take it further than other RAS (Recirculating Aquaculture System) facilities today and hopefully we're setting a standard - and that's our goal."

Competition with the county's ocean fishing industry may become a higher-profile issue. The board of the Humboldt Fishermen's Marketing Association will soon be meeting to decide on a stance on the project.

Naess said she hopes there can be "synergies" between the farmed and wild-caught industries and the company's goal is to "co-exist."

Permit applications for the project are expected to be submitted this summer and Naess said the company hopes to gain approvals in 12 to 15 months.

The company's public outreach has been extensive and beginning in January, a local office at 911 Third Street in Eureka will be staffed full-time.

*Mad River Union
Continued
11/20/2019*

Nordic Aquafarms to pursue permits

Residents challenge company's promises



Nordic Aquafarms executive Marianne Naess presented on Thursday at the Wharfinger Building in Eureka. (Shomik Mukherjee — The Times-Standard)

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

PUBLISHED: November 14, 2019 at 8:32 pm | UPDATED: November 14, 2019 at 8:34 pm

The next phase is underway for Nordic Aquafarms, the \$400 million land-based fish farm coming to Humboldt Bay, as the company begins to seek permits to develop at the Samoa Peninsula.

Nordic received the go-ahead from its board of directors at the start of the month, launching the major aquaculture venture fully into the journey of making Humboldt Bay a West Coast hotspot for fish supply.

Since a significant portion of the U.S. fish supply comes in the form of imported goods that don't face rigorous testing standards, the Norway-based Nordic Aquafarms offers an in for locally sourced, fresh fish, company executive Mariaenne Naess said Thursday evening.

"Humboldt is a beautiful location and has this image of being a clean, pristine area," said Naess at a presentation at the Wharfinger Building in Eureka.

Naess described how the company had a consulting firm examine the West Coast south of the Canadian border for an optimal building spot.

Humboldt Bay "checked the most boxes," she said.

The company will try to obtain three permits: A "sea chest" permit for extracting saltwater from the ocean; an "ocean outfall" permit for discharging 5 million to 6 million gallons of water back to the ocean (after taking in that amount the same day); and a "terrestrial development" permit for the actual site at the Samoa Peninsula.

The last of those three permits will need to be approved by the state Coastal Commission.

One speaker at the Wharfinger Building event questioned Naess on whether the executives would commit to conditioning their permits on the company's multiple big promises, including that its fish won't contain GMOs.

Naess made it clear that Nordic would only adhere to conditions that the permitting agencies could hold the company to under their jurisdictions. The company won't add conditions of its own, but Naess emphasized that doesn't mean Nordic will look to shirk its responsibilities.



Audience members came prepared with questions about the fish farm's viability and economic details. (Shomik Mukherjee — The Times-Standard)
The speaker pressed on — if Nordic's promises aren't in writing, he said, then future management could simply ignore them.

"The market will regulate it," Naess offered. "We will be punished in the market. The worst thing we can do is not fulfill our promises to the local community."

Nordic plans to build at the site of the defunct pulp mills, which operated for decades at the Samoa Peninsula. In February, the company secured a lengthy lease to build on the property.

Earlier this year, company executives raised concerns that the mills had rendered the Samoa land too toxic for development. They additionally worried that the pulp mills' old water infrastructure was rusty, its water running in poor quality during the winter months.

By the time the company's board made its decision, both problems had been sufficiently mitigated, Naess said. A U.S. Environmental Protection Agency study of the brownfield found it was less toxic than anticipated, while a host of local agencies have committed to finding a solution for the water infrastructure.

Prompted by audience questions, Naess offered some more project details. Nordic wants to convert its waste to renewable products, like lobster bait.

The company plans for 15% of its energy consumption to be solar; in the event of a power shutoff, the fish farm will remain operable on generators for about a week.

Nordic hasn't decided whether it will farm steelhead, salmon or some combination of other fish. What the company does know for sure, Naess said, is that the fish will be sustainable.

"It's our perception that quality seafood... has documented benefits, especially if it's responsibly sourced," Naess said.

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

LOST COAST OUTPOST

RYAN BURNS / 11/14/2019 @ 2:50 P.M. / BUSINESS

Nordic Aquafarms, Which Now Has a Local Office and is Recruiting Employees, Will Host a Community Meeting Tonight



The Harbor District's Redwood Marine Terminal property, formerly home to a pulp mill, is slated to be transformed into a \$500 \$400 million land-based fish farm. | File photo.

Nordic Aquafarms has set up shop in Eureka.

Now that company's board of directors, back in Norway, has given the green light to invest in permitting for a large-scale, land-based fish farm on the Samoa Peninsula, Nordic has rented an office on Third Street and is looking to hire a couple of local employees.

Marianne Naess, Nordic's commercial director, spoke to the *Outpost* this morning at a coffee shop in Old Town. She'd flown in from Norway earlier this week in part to lead a community meeting tonight at Eureka's Wharfinger Building, where she'll present an overview of the planned facility and outline the next steps in the permitting process.

The company is touting the proposed fish farm as "a fully contained, state-of-the-art RAS (Recirculating Aquaculture Systems) facility" capable of producing about 50 million pounds of fish per year, to be distributed up and down the West Coast.

A similar facility, which will function as an East Coast hub, is already in development in Belfast, Maine, where the proposal "has drawn both broad support and loud opposition," according to *Bangor Daily News*.

In February, the Humboldt Bay Harbor, Recreation and Conservation District agreed to lease a 30-acre Samoa property, formerly home to the Sierra Pacific pulp mill, to a subsidiary of Nordic Aquafarms, called California Marine Investment Corporation, for 30 years, preceded by an option period of up to three years, during which Nordic could choose to back out.

Naess said this morning that Nordic is looking to hire a senior vice president of projects, who will head up the permitting, engineering and construction of the Samoa facility, as well as a project/engineering manager. Personnel from the company's two Maine offices — its U.S.

headquarters in Portland and a field office in Belfast — are expected to come work in Eureka, too, but Naess said the company hopes to hire locals whenever possible.

“Gradually we will build a larger location here, as well,” she said.

Local governments, including the County of Humboldt, the Harbor District and the Humboldt Bay Municipal Water District are pursuing state and federal grants in an effort to help finance upgrades to the infrastructure of the Samoa Peninsula. Nordic has said that the existing water supply, which is delivered via pipeline from the Mad River, is often too turbid to be used in its aquaculture facility.

Scott Adair, Humboldt County’s director of economic development, said earlier this year that it will cost the water district between \$16 million and \$34 million to address deferred maintenance and upgrade the system.

Naess is optimistic that those improvements can be made. “We think it’s achievable for the county, and this is larger than Nordic,” she said. Upgraded infrastructure, including a reliable supply of clean water, will help economic development efforts beyond this one project, she argued.

“By Nordic coming, you’ll have a lot of ancillary businesses coming [too],” she said.

The company plans to build a 20-acre solar array on the Samoa property, which will reduce the project’s carbon footprint while also allowing Nordic to qualify for a lower electricity rate from PG&E, according to Naess.

Many key details of the estimated \$400 million project have yet to be determined — for example, what breed of fish will be produced in the facility (steelhead and kingfish, aka king mackerel, are possibilities) and exactly what kind of feed they’ll consume.

The project in Maine is further along than the local one. “We’re going through the final stages of public hearings in the city [of Belfast] right now,” Naess said. In February the project is scheduled to go before the Maine Department of Environmental Protection.

Nordic hopes to break ground in Maine sometime next year. Locally, the company hopes to submit permit applications next summer, though that will depend in part on getting a local workforce in place. Eventually the company expects to create 80 jobs locally.

“And hopefully we have permits within the year ... 12 to 15 months,” Naess said. “And then we’ll go into pre-construction and engineering. That will take a while. And then we’ll break ground, probably a couple of years from now.”

From that point it will be about a year before the fish eggs arrive and two more years before the fish are ready to be harvested.

“So I would think — you know, best case scenario — we have fish on the market about five years from now,” Naess said.

Below is a press release with more information about tonight’s community meeting:

The community is invited to attend a meeting with Nordic Aquafarms representatives on Thursday, November 14 from 5:30 p.m. to 7 p.m. at the Wharfinger Building, 1 Marina Way, Eureka.

Nordic’s Commercial Director Marianne Naess will present an overview of Nordic’s plan to construct a fully contained, state-of-the-art RAS (Recirculating Aquaculture Systems) facility in Humboldt County and next steps in their permitting process.

Community members are encouraged to attend this event, which will offer a formal presentation and open forum for questions.

Refreshments will be provided.

Additional Information

On October 31, 2019, Norwegian-based Nordic Aquafarms Board of Directors directed its California subsidiary California Marine Investments, LLC, to move forward with permitting their planned land-based Recirculating Aquaculture Systems (RAS) aquaculture facility on the Samoa Peninsula in Humboldt County, California. This will be the company's second proposed land-based aquaculture facility in the US, and the first commercial scale RAS facility on the West Coast.

Permit applications are expected to be submitted in the summer of 2020.

LOCO STAFF / TODAY @ 10:28 A.M. / MARIJUANA AND/OR CANNABIS

STATS: Over 200,000 Cannabis Plants Eradicated by Humboldt Sheriff's Office During 2019 Season



Photos: HCSO



Press release from the Humboldt County Sheriff's Office:

The Humboldt County Sheriff's Office Marijuana Enforcement Team (MET) has concluded the 2019 Domestic Cannabis Eradication/Suppression Program (DCE/SP) grant cycle. The 2019 grant cycle funded Sheriff's cannabis enforcement operations from October 2018 to September 2019.

During the 2019 cycle the following statistics were calculated:

- 86 operations conducted at non-permitted cannabis cultivation/processing sites
- 206,966 cannabis plants eradicated
- 39,788 pounds of processed cannabis destroyed
- \$94,718 in U.S. currency seized
- 81 illegal firearms seized
- 16 arrests

Numerous environmental violations associated with unpermitted cannabis cultivation sites were also discovered during the 2019 cycle.





The DCE/SP grant is funded by the Drug Enforcement Administration with the intent to reduce domestic cannabis cultivation. The DCE/SP grant started in 1979 and funds deputy overtime costs, expendable and non-expendable equipment, aircraft rental and training/travel costs. For the 2019 grant cycle, the Sheriff's Office received \$220,000 to cover these costs. The Sheriff's Office has been a recipient of this grant for the past 20 years.

While the DCE/SP grant cycle has ended, the Sheriff's MET will be continuing its cannabis enforcement investigations this winter with a focus on unpermitted indoor cultivation operations.

To report illegal cannabis operations in your neighborhood, please contact the Humboldt County Sheriff's Office Crime Tip Line at 707-268-2539.

Illegal pot farms on public land create environmental hazard

CHRISTOPHER WEBER
ASSOCIATED PRESS

November 19, 2019, 10:21AM

LOS ANGELES — A month after two men were arrested at an illicit marijuana farm on public land deep in the Northern California wilderness, authorities are assessing the environmental impact and cleanup costs at the site where trees were clear-cut, waterways were diverted, and the ground was littered with open containers of fertilizer and rodenticide.

A group including U.S. Forest Service rangers, local law enforcement, scientists and conservationists hiked into the so-called trespass grow where nearly 9,000 cannabis plants were illegally cultivated on national forest land in the region known as the Emerald Triangle, for the marijuana that has been produced there for decades.

Authorities allege members of an international drug trafficking ring set up camp at the site as far back as 2015.

When deputies raided the remote clearing in the woods Sept. 9, they found hundreds of pounds of harvested marijuana, thousands of pounds of trash and more than 3 miles (4.8 kilometers) of plastic irrigation piping, according to the Trinity County Sheriff's Office. They also discovered bottles of carbofuran, a banned neurotoxicant used to kill rodents that also has been linked to the deaths of spotted owls, fish and mountain lions. A quarter-teaspoon can kill a 300-pound (136-kilogram) bear.

The case highlights some of the growing pains California has faced since kicking off broad legal sales in 2018. Its legal marijuana market has grown to more than \$3 billion but remains dwarfed by a thriving illegal market, which rakes in nearly \$9 billion annually. Limited resources mean officials can't keep up with all the illegal sites that are remnants of the outlaw era, when much of the pot for the U.S. black market came from the Emerald Triangle.

Experts say illegal sites like the one found in the Shasta Trinity National Forest, about 100 miles (160 kilometers) from the Oregon line, siphon valuable water, pollute legal downstream grows and funnel potentially tainted cannabis onto the streets.

"These places are toxic garbage dumps. Food containers attract wildlife, and the chemicals kill the animals long after the sites are abandoned," said Rich McIntyre, director of the Cannabis Removal on Public Lands (CROP) Project, which is dedicated to restoring criminal grow sites on state and federal property in California. "We think there's a public health time bomb ticking."

CROP is a coalition of conservation organizations, tribes, elected officials, law enforcement agencies and federal land managers. Also lending its support is the legal cannabis industry, which says it's being undercut by the criminal market. Officials estimate that up to 70% of California's illicit pot comes from trespass grows mostly on public land.

"We see illegal grows as undermining the legal cultivators and manufacturers" by reducing tax revenue, said Lindsay Robinson, executive director of the California Cannabis Industry Association, a trade group. "We're seeing untested and unregulated cannabis flooding the market."

Black market marijuana is potentially dangerous because traces of the toxic chemicals used at grow sites are often found in the plants, she said.

"If you have an illicit grow upstream from you, and you're legal, that could end up tainting your product and prevent it from entering the market," Robinson said.

CROP estimates that 9 billion gallons (34 billion liters) of water are diverted to trespass grows in California each year — a yearly supply for a city of 35,000 homes.

"In a state like California where water battles and drought are a way of life, that number is shocking," McIntyre said. More than 60% of California's water comes from national forest land.

Authorities in 2018 made dozens of arrests at trespass grows while seizing hundreds of thousands of pot plants along with cash and guns. Criminal growers often use powerful firearms to protect their operation, McIntyre said.

"There are stories of people — hunters, fishermen, hikers — who find themselves down the barrel of an AK-47" after stumbling on illegal grow sites, he said.

The toxic chemicals were cleared from the Shasta site Oct. 16, and a "decommissioning" cleanup — removing everything brought in by growers — should happen within a year. The goal is to restore illegal grows to pristine condition complete with reseeding and replanting, but that plan lacks funding.

CROP is lobbying for federal and state money to clean and reclaim an estimated 2,000 sites, a process it says could take seven to 10 years.

It's also pushing to increase the number of U.S. Forest Service rangers in California's national forests. Reclaiming each site costs an average of \$40,000, requiring trained crews, law enforcement resources and often National Guard air support to remove tons of materials from remote areas, the group said.

The group has a supporter in Democratic U.S. Congressman Jared Huffman, whose Northern California district includes huge swaths of state and federal property.

"We've seen firsthand how illegal grow operations threaten visitors to our public lands, steal water and contaminate streams, and kill wildlife on a landscape scale," Huffman said in a statement. He's introduced legislation that would identify the problem of trespass grows, expand land protections and free up funds to address it.

CROP is also pushing lawmakers to increase penalties for anyone who brings toxic chemicals to public lands. U.S. Attorney McGregor Scott said last year that federal authorities are concentrating their efforts on hazardous illegal grows.

Nine of every 10 illegal marijuana farms raided in California in 2018 contained traces of carbofuran, researchers at the Integral Ecology Research Center in northwestern California said last year.

That was a jump from chemicals found at about 75% of illegal growing operations discovered on public land in 2017, and it was six times as high as in 2012.

Ordinance No. 13

Rates, Rules and Regulations
For Retail Water Service Provided by
Humboldt Bay Municipal Water District

Originally adopted March 12, 1987

Amended December 14, 2006

Amended December 12, 2019

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Humboldt Bay Municipal Water District

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Ordinance No. 13

Rates, Rules and Regulations

For Retail Water Service Provided by

Humboldt Bay Municipal Water District

*Be it ordained by the Board of Directors of the Humboldt Bay Municipal Water District
that the prior Ordinance 13, amended December 14, 2006
is hereby repealed and replaced by this Ordinance 13 as follows:*

ARTICLE 1 - DEFINITIONS

- 1.1 **Account** refers to the retail water services account held by a customer (account owner) for the purpose of receiving and paying for retail water service provided by HUMBOLDT BAY MUNICIPAL WATER DISTRICT.
- 1.2 **Air-Gap System** is the unobstructed vertical space between the water outlet and the flood level of a fixture that provides back-flow prevention. As per the *International Residential Code 2003*, an air-gap must meet the requirements of being two times the effective inner diameter of the pipe (2*D) in order to be sufficient.
- 1.3 **Backflow** is the reversal of flow of water or any substance into or towards the water distribution system.
- 1.4 **Base-Rate Charge** is a monthly charge for the cost of providing water service to retail customers (pipes, meters, and all related appurtenances). Customers receive this charge regardless of water consumption.
- 1.5 **Blow-Off Valves** means valves installed to allow periodic flushing of dead-end lines or low elevation water lines.
- 1.6 **Board** means the BOARD OF DIRECTORS of the HUMBOLDT BAY MUNICIPAL WATER DISTRICT.
- 1.7 **Connection (Service Connection)** means the pipeline and appurtenant facilities such as the curb stop, meter and meter box all used to extend water service from a main to premises, the laying thereof and the tapping of the main. Where services are divided at the

curb or property line to serve several customers, each such branch service shall be deemed a separate service.

- 1.8 **Cross-Connection** means any connection or structural arrangement between a customer's potable water system and any other source or system through which backflow can occur. Bypass arrangements, jumper connections, removable sections, swivel or changeover devices, and other temporary or permanent devices through which, or because of which, backflow can occur are considered cross connections.
- 1.9 **Curb Cock (Curb Stop, Corp Stop)** is a control valve for the water supply, typically located near the curb and between the water main and the building. Used to control the water supply to a meter.
- 1.10 **Customer (Account Owner)** is the individual(s) or entity that is ultimately responsible for charges incurred for retail water service provided by HUMBOLDT BAY MUNICIPAL WATER DISTRICT.
- 1.11 **District** means the HUMBOLDT BAY MUNICIPAL WATER DISTRICT.
- 1.12 **Fee Schedule** refers to Appendix B, the separate listing of charges and fees associated with HUMBOLDT BAY MUNICIPAL WATER DISTRICT'S retail water services.
- 1.13 **General Manager** means the GENERAL MANAGER of the HUMBOLDT BAY MUNICIPAL WATER DISTRICT.
- 1.14 **Loop Lines** means water lines designed to allow circulation from one main line to another main line.
- 1.15 **Main (Main Line)** means a water line in a street, highway, alley or easement used for public or private fire protection or for general distribution of water.
- 1.16 **Owner** means the person in whose name the legal title to the property appears, by deed duly recorded in the County Recorder's office, or the person in possession of the property or buildings under claim of, or exercising acts of, ownership over same or as executor, administrator, guardian or trustee of the owner.
- 1.17 **Person** means an individual or a company, association, partnership, or public or private corporation.
- 1.18 **Premises** means a lot or parcel of real property under one ownership, except where there are well defined boundaries or partitions such as fences, hedges or other restrictions preventing the common use of the property by the several tenants, in which case each portion shall be deemed separate premises. Apartment houses, trailer courts and office buildings may be classified as single premises.

- 1.19 **Private (Stand-by) Fire Protection Service** means water service and facilities for providing sprinkler systems, hydrants, hose reels and other facilities installed on private property for fire protection.
- 1.20 **Reconnection Fee** is the fee charged when an account is discontinued (shut-off) due to non-payment. Reconnection Fee must be paid prior to re-establishment of water services to a premises.
- 1.21 **Retail Water Service** means water service and facilities rendered for normal domestic, commercial and industrial purposes on a permanent basis, and the water available therefore, not to exceed anticipated monthly consumption in excess of 500,000 gallons per day average. Requirements for deliveries of water in excess of this amount will be sold by the DISTRICT under separate contract only.
- 1.22 **Superintendent** means the SUPERINTENDENT of HUMBOLDT BAY MUNICIPAL WATER DISTRICT.
- 1.23 **Temporary Water Service** means water service and facilities rendered for construction work and other uses of limited duration and the water available therefor.

ARTICLE 2 - RETAIL SERVICE APPLICATIONS

HUMBOLDT BAY MUNICIPAL WATER DISTRICT provides limited retail services. Application can be made for the following services:

- 2.1 Existing Retail Water Service for a residence or business
- 2.2 New Connection for Retail Water Service for a residence or business
- 2.3 Private (Stand-by) Fire Protection Service
- 2.4 Temporary Water Services

2.1 Application for Existing Retail Service

2.1A Water Service Application: A person wishing to sign-in for retail water services at an existing service connection must complete in its entirety a Water Service Application provided by the DISTRICT. The application must be accompanied by a non-refundable processing fee.

2.1B Undertaking of Applicant: An application will signify the customer's (account owner's) agreement to comply with this and other ordinances or regulations relating to retail water service and to make payments for water service. It shall also contain a provision granting the right of ingress and egress to the customer's property to the DISTRICT for reading meters and making repairs to the facilities.

2.1C Payment for Previous Service: An application will not be approved unless payment in full has been made for water service previously rendered to the applicant by the DISTRICT.

2.1D Service Discontinuation (Voluntary): The customer (account owner) is responsible for notifying the DISTRICT when they wish to cease service. Failure to do so will result in ongoing monthly base-rate charges to the customer's account.

2.1E Fee Schedule: All fees associated with the Application for Existing Retail Service are listed on the DISTRICT'S Fee Schedule (Appendix B).

2.2 Application for New Retail Water Service (New Connection)

2.2A Meter Installation Application: A person requesting a new meter be installed for a new retail service connection to be added to the District's distribution grid must complete a Meter Installation Application provided by the DISTRICT and pay a connection fee (as applicable) at time of application. The Meter Installation Application must contain the following information:

- Name of applicant responsible for the account
- Service address for the new connection request
- Description of the premises to be served by connection
- Mailing Address (if different)
- Any other information needed as determined by the Superintendent or General Manager.

2.2B Water Service Application: A person wishing to sign-in for retail water services at an existing service connection must complete a Water Service Application provided by the DISTRICT. The application must be accompanied by a non-refundable processing fee

2.2C Undertaking of Applicant: An application will signify the customer's (account owner's) agreement to comply with this and other ordinances or regulations relating to retail water service and to make payments for water service. It shall also contain a provision granting the right of ingress and egress to the customer's property to the DISTRICT for reading meters and making repairs to the facilities.

2.2D Payment for Previous Service: An application will not be approved unless payment in full has been made for water service previously rendered to the applicant by the DISTRICT.

22E Installation of New Retail Water Service Connection: DISTRICT, or its authorized agents, shall perform all installation required for retail water service and shall determine the meter size if a new or replacement meter is required. Service installations will be made to property abutting on distribution mains as have been constructed in public streets, alleys or easements, or to extensions thereof or as otherwise required by the DISTRICT in other situations. Such installations shall be placed as close as possible to distribution mains. Services installed in new subdivisions prior to the construction of streets must be accepted by the applicant in the installed location. The applicant will be responsible for providing any easements required for the installation.

- I. Cost of Installation. All new service connections shall be made according to DISTRICT'S charges for labor, materials, equipment and overhead. The amount estimated by the DISTRICT shall be paid in advance by the applicant. If the actual cost of all the above items varies from the estimated cost, an appropriate adjustment will be made.
- II. Meter Installation Location: Meters will be installed in the sidewalk area or location approved by the DISTRICT, and shall be the property of the DISTRICT. No rent or other charge will be paid by the DISTRICT for a meter or other facilities, including connections.
- III. Change in Location of Meter: Meters moved for the convenience of the customer will be relocated at the customer's expense. Meters moved to protect the DISTRICT'S property will be moved at the DISTRICT'S expense.
- IV. Curb Cock. Every service connection installed by the DISTRICT shall be equipped with a curb cock or valve on the inlet side of the meter. The curb cock is intended for the exclusive use of the DISTRICT in controlling the water supply through the service connection pipe. Due to potential equipment damage, only an employee of the DISTRICT shall operate the curb cock. Anyone operating the curb cock may incur a fee for TAMPERING WITH DISTRICT PROPERTY at the discretion of the DISTRICT. If the curb cock is damaged by the customer's use to an extent requiring replacement, such replacement shall be at the customer's expense. Service valves or curb stops above 2" pipe size shall be equipped with an operator riser tube and capped at the surface.

2.2F Service Discontinuation (Voluntary): The customer is responsible for notifying the DISTRICT when they wish to cease service. Failure to do so will result in ongoing monthly base-rate charges to the customer's account.

2.2G Fee Schedule: Any fees associated with the APPLICATION FOR NEW RETAIL WATER SERVICE (excluding installation fees) are listed on the DISTRICT'S Fee Schedule (Appendix B).

2.3 Application for Private (Stand-by) Fire Protection Service

2.3A Private (Stand-by) Fire Protection Service Application: Any person may make application for Standby Fire Protection Service. A person requesting Private (Stand-by) Fire Protection Service must complete a Meter Installation Application provided by the DISTRICT and pay a connection fee (as applicable) at time of application. This application will be forwarded to the BOARD for consideration. The Meter Installation Application must contain the following information:

- Name of applicant responsible for the account
- Service address for the new Standby Fire Protection Service request
- Description, full supporting plans, and requirements of the applicant
- Mailing Address (if different)

2.3B Investigation: Upon receipt of the application, the DISTRICT staff shall make an investigation and the GENERAL MANAGER or designee shall submit a report and recommendations to the BOARD.

2.3C Ruling: The BOARD shall thereupon consider such application and report, and after such consideration, accept, modify or reject it. The BOARD'S decision shall be final and binding upon the applicant.

2.3D Water Service Application: A person requesting a Private (Stand-by) Fire Protection Service connection be added to the District's distribution grid must also complete a Water Service Application form provided by the DISTRICT and pay processing fee (as applicable) at time of application.

2.3E Undertaking of Applicant: An application will signify the customer's agreement to comply with this and other ordinances or regulations relating to retail water service and to make payments for water service. It shall also contain a provision granting the right of ingress and egress to the customer's property to the DISTRICT for reading meters and making repairs to the facilities.

2.3F Payment for Previous Service: An application will not be approved unless payment in full has been made for water service previously rendered to the applicant by the DISTRICT.

2.3G Private (Stand-by) Fire Service Installation: Fire protection services for private and commercial uses shall be installed in accordance with the standards for installation of fire suppression services established by the American Water Works Association.

- I. Cost of Installation: All Standby Fire Protection Service connections shall be made according to DISTRICT'S estimated charges for labor, materials, equipment and overhead. The amount estimated by the DISTRICT shall be paid in advance by the applicant. If the final cost varies from the estimated cost, an appropriate adjustment will be made.
- II. Valve: When a fire protection service connection is installed, the valve governing same will be closed and sealed and remain so until a written order is received from the owner of the premises to have the water turned on, and approval is provided by the DISTRICT.
- III. Additional Service: The DISTRICT shall have the right, with the approval of the appropriate fire suppression authorities, to add a domestic, commercial or industrial service connection from the fire service connection to supply the same premises as those to which the fire service connection belongs. The DISTRICT shall also have the right to determine the proportion of the installation cost properly chargeable to each service connection, if such segregation of costs shall become necessary.
- IV. Backflow Prevention Device: All fire protection service connections shall be equipped on the service end with an approved backflow prevention device. The requirements are set forth in Article 5 hereof.
- V. Housing-Valve Boxes: All meters and valves shall be housed in approved structures for DISTRICT access at all times.
- VI. Equipment Ownership: The construction and installation of all the above fire protection service connection devices will be at customer's expense. Such equipment and structures after installation shall become the property of the DISTRICT.

2.3H No Connection to Other System: There shall be no connections between any fire protection service system and any other unauthorized water distribution system

on the premises. All water lines and facilities from the DISTRICT'S main to the customer's property boundary, and including the meter if it is placed on the customer's property, shall belong to the DISTRICT.

2.3I Use of Service: There shall be no water used through the fire protection service except to extinguish fires and for testing the firefighting equipment. The only exception is for services approved for combination use through compound meter installations.

2.3J Violation of Agreement: If water is used from a standby fire protection service in violation of the agreement or of these regulations, the DISTRICT, after first notifying the customer and the appropriate fire department, may at its option, and as provided herein, discontinue and remove the fire protection service connection.

2.3K Water Pressure and Supply: The DISTRICT assumes no responsibility for loss or damage due to lack of water or variations of water pressure, and merely agrees to furnish such quantities and pressures as are available in its general distribution system. The service is subject to shutdowns and variations required by the operation of the system.

2.3L Private (Stand-by) Fire Meter Consumption Rates: With the exception of water consumed in actual fire suppression uses, any consumption recorded on the meter will be charged at regular service rates for fully metered use. Installations which are not fully metered shall be charged at the rate of five (5) times the amount shown on the bypass or other metering device.

2.3M Service Discontinuation (Voluntary): The customer is responsible for notifying the DISTRICT when they wish to cease service. Failure to do so will result in ongoing monthly base-rate charges to the customer's account.

2.3N Fee Schedule: Any fees associated with PRIVATE (STAND-BY) FIRE PROTECTION SERVICE (excluding installation fees) are listed in the District's Fee Schedule (Appendix B).

2.4 Application for Temporary (Construction) Service

2.4A Temporary Service Application: A person requesting Temporary (Construction) Service connection must complete a Water Service Application provided by the DISTRICT for the hydrant meter.

- I. Deposit Required: The applicant shall deposit, in advance, the estimated cost of installing and removing any facilities required to furnish temporary service exclusive of the cost of salvageable material. Upon

discontinuance of service, the actual cost shall be determined by an adjustment made as an additional charge, refund or credit. All water so provided will be charged in accordance with rates established by the BOARD.

- II. Liability Insurance Required: The applicant must provide evidence of liability insurance coverage satisfactory to the DISTRICT relating to such Temporary Service connection, and shall agree to hold harmless, indemnify and defend DISTRICT from any claims arising out of the customer's use of the temporary service.
- III. Permit Required: An applicant for Temporary Service of water from a fire hydrant must secure a permit both from the DISTRICT and from any fire protection agency having jurisdiction.

2.4B Installation and Operation: All facilities for temporary service to the customer connection shall be installed by the DISTRICT and shall be operated in accordance with its instructions.

2.4C Responsibility for Meter and Operation: The customer shall use all possible care to prevent damage to the meter or to any other facilities of the DISTRICT which are involved in furnishing the temporary service. If the meter or other facilities are damaged, the cost of making repairs shall be paid by the customer.

2.4D Water Supply from Fire Hydrant: The applicant shall pay for the water used in accordance with the meter readings, at the rates prescribed by the DISTRICT.

2.4E Duration of Service: Temporary Service connections shall be disconnected and terminated within six (6) months after installation unless an extension of time is granted in writing by the DISTRICT.

2.4F Unauthorized Use of Hydrants: Tampering with any fire hydrant for the unauthorized use of water, or for any other purpose, is a misdemeanor, punishable by law.

2.4G Fee Schedule: Any fees associated with TEMPORARY (CONSTRUCTION) SERVICE are listed in the District's Fee Schedule (Appendix B).

ARTICLE 3 – MAIN EXTENSIONS

3.1 Application: Any owner of one or more lots or parcels or a subdivider of a tract of land, desiring the extension or enlargement of one or more water mains to serve such property, shall make a written application to the BOARD. The application shall contain the following:

- Legal description of the property to be served
- The county assessor's parcel number thereof
- Map showing the location and number of the proposed connections.
- Any additional information which may be required by the DISTRICT

3.2 Investigation: Upon receipt of the application, the DISTRICT staff shall make an investigation, and the GENERAL MANAGER or designee shall submit a report and recommendations to the BOARD.

3.3 Ruling: The BOARD shall thereupon consider such application and report and after consideration, reject, modify or approve it.

3.4 Cost of Installation: All main extensions shall be made according to DISTRICT'S charges for labor, materials, equipment and overhead. The amount estimated by the DISTRICT shall be paid in advance by the applicant. If the actual cost of all the above items varies from the estimated cost, an appropriate adjustment will be made.

3.5 Equipment Ownership: All extensions thus provided for, in accordance with these regulations, shall be and remain the property of the DISTRICT.

3.6 Dead-End Lines: No dead-end lines shall be permitted, except at the discretion of the DISTRICT. In cases where loop lines or blow-off valves are necessary, they shall be designed and installed by DISTRICT personnel as part of the cost of the extension.

3.7 Additional Customers: If other customers, after initial application, shall be connected to any such main extension, DISTRICT shall establish an equitable basis for partial refund to the original applicant in cases where the applicant has not recovered the costs of installation through sales of property. DISTRICT shall pay the refund to such person within fifteen (15) days after all amounts due to DISTRICT from such other customers shall be received by DISTRICT. All right to refund hereunder to any and all persons shall terminate at the expiration of three (3) years from the date of connection of the main extension to DISTRICT'S pipeline. The decision of the BOARD in regard to any refund shall be final.

3.8 Economic Advantage: If, in the opinion of the BOARD, the extension of a main may result in an economic advantage to the DISTRICT, the DISTRICT may participate in the cost of such extension.

ARTICLE 4 - METERS

4.1 Meter Tests: If a customer desires to have the meter serving the customer's premises tested, the DISTRICT will do so at the customer's expense.

4.2 Adjustment for Meter Errors: After testing, if a meter is found to be more than two percent (2%) inaccurate, an appropriate billing adjustment for the current month only will be made.

4.3 Meter Malfunctions: If a meter is found to be not registering, the charges for service shall be at the minimum monthly rate or based on the estimated consumption, whichever is greater. Such estimates shall be made by the DISTRICT and will be based on previous consumption for a comparable period.

ARTICLE 5 - CROSS-CONNECTIONS AND BACKFLOW DEVICES

5.1 Cross-Connections: The customer must:

5.1A Comply with state and federal laws and DISTRICT ordinances governing the separation of water systems or sources; and

5.1B Install backflow protective devices to protect the public water supply from the danger of cross-connections or other potentially hazardous backflow. Unless otherwise provided herein, backflow protective devices must be installed as near the service as possible and shall be available for test and inspection by the DISTRICT. Plans for installation of backflow protective devices must be approved by the DISTRICT prior to installation.

5.2 General Backflow Control Requirements: An approved backflow prevention device consisting of shutoff valves and/or check valves and tri-cocks will be required on all service connections. Any backflow prevention device required by this ordinance must be a model approved by the University of Southern California, Foundation for Cross-Connection Control and Hydraulic Research, as amended. All backflow prevention devices will be inspected and tested by the DISTRICT as required by law. The devices shall be repaired or replaced whenever they are found to be defective, and all costs of repair and maintenance shall be borne by the customer.

5.3 Backflow Control Requirements for Piers, Docks, and Wharfs: All services to piers, docks and wharfs, regardless of intended use, shall be equipped as follows:

5.3A Each service line shall be equipped with an approved air gap system or an approved reduced pressure principal backflow prevention device.

5.3B Where such devices as described above cannot be practically installed, each service head on the dock will be equipped with an approved reduced pressure device backflow preventer.

5.4 Backflow Control Requirements – Special Cases: In special circumstances, when the customer is engaged in the handling of hazardous or corrosive liquids or industrial or process waters, the DISTRICT may require the customer to eliminate certain plumbing or piping connections as an additional precaution and will require an approved backflow preventive device to be installed at the meter connection.

5.5 Defective Backflow Device: Immediate Termination of Service. The service of water to any premises may be immediately discontinued without notice by the DISTRICT if any defect is found in the check valve installations or other protective devices, or if it is found that dangerous unprotected cross-connections exist. Service will not be restored until such defects are corrected. Any such corrections shall be at the sole cost of the customer.

5.6 Control Valve on Customer Property: The customer shall provide a valve on the customer's side of the service installation, as close to the meter location as practicable, to control the flow of water to the piping on the premises. The customer shall not use the service curb stop to turn water on and off.

ARTICLE 6 – RETAIL RATES AND FEES

6.1 Rate Schedule: Monthly rates for Retail Water Service, Stand-by Fire Protection and other ordinary charges are established by the Board of Directors, based on the cost of providing Retail Water Service. The Board may modify these rates by Resolution at any time. Rates are updated each July 1.

6.2 Fee Schedule: All fees associated with Retail Water Services are found in the Fee Schedule (Appendix B), and include, but are not limited to the following:

- I. Returned Payment: Any fees encountered by the DISTRICT based on returned payments shall be the responsibility of the Applicant.
- II. Past-Due/Late Fees: A customer (account owner) may incur past-due/ late fees charged to their Retail Water Service Account should that account become delinquent. These fees shall represent the additional cost to the DISTRICT in customer notification and attempts to bring account current.
- III. Collections Fees: Applicant will be responsible for any collection fees or any other fees charged to the DISTRICT by a collection agency in

attempts to collect past-due debt related to their Retail Water Service Account.

- IV. Service Discontinuance: The customer is responsible for notifying the DISTRICT when they wish to cease service. Failure to do so will result in ongoing monthly base-rate charges and potentially other fees to the customer's account.

ARTICLE 7 – RETAIL WATER SERVICE CUSTOMER BILLING

7.1 Billing Period: The regular billing period will be monthly at the option of the DISTRICT.

7.2 Meter Reading: Meters will be read as nearly as possible on the same day of each month at the option of the DISTRICT. If a billing period for a customer spans seven (7) days or more, the customer will be charged the entire monthly minimum plus water used in excess of the minimum. If a billing period for a water customer spans less than seven (7) days, there will be no minimum charge during this period and this usage will be added to the following monthly billing.

7.3 Water Charges: Water charges are due and payable upon presentation to the CUSTOMER or agent designated in the application, and are considered delinquent on the twenty-third (23rd) day of the month. Service may be discontinued as provided in the *Discontinuation of Residential Water Service Policy* (Appendix A) if payment is not made by the twenty-third (23rd) of each month. Failure to receive a mailed bill does not relieve customer's obligation for payment.

7.4 Payment: Bills for Retail Water Service shall be rendered at the end of each billing period. Payment can be made online (HBMWD.com), by telephone (707-443-5018), in person or by mail at the DISTRICT'S main office (828 Seventh Street, Eureka, CA, 95501-1114).

7.5 Leak Adjustments: See details in "*Retail Water Service Billing Adjustment Policy*," Appendix C

7.6 Past-Due Fees/Late Charges: Water service charges not paid by midnight on the twenty-third (23rd) day of the month shall be considered delinquent. A penalty of 10% of the delinquent amount shall be assessed and added to the account balance on the 24th day of the month.

7.7 Billing of Separate Meters Not Combined: Separate bills will be rendered for each meter installation except where the DISTRICT has, for its own convenience, installed two

or more meters in place of one meter. Where such installations are made the meter readings will be combined for billing purposes.

7.8 Liability: Failure to receive a bill does not relieve a customer (account owner) of liability. Any amount due shall be deemed a debt to the DISTRICT, and any person, firm or corporation failing, neglecting or refusing to pay said indebtedness shall be liable.

7.9 Undertaking of Applicant: An application will signify the customer's agreement to comply with this and other ordinances or regulations relating to retail water service and to make payments for water service. The water charge begins when a service connection is installed and the meter is set except in cases where the customer does not want water service at the time of hookup.

7.10 Disconnection for Non-Payment (Discontinuation or Shut-Off): The DISTRICT complies with Senate Bill 998 (SB 998), effective February 1, 2020. Details regarding Disconnection/Discontinuation of water service are found in the *Discontinuation of Residential Water Service Policy*, (Appendix A).

7.1 Reconnection Fee After Disconnection for Non-Payment: A service charge as set forth in the Fee Schedule (Appendix B) adopted by resolution of the Board will be assessed for restoration of water service. The DISTRICT will require this fee and any past-due amounts to be paid prior to restoration of water service.

ARTICLE 8 - GENERAL PROVISIONS

8.1 Domestic, Commercial and Industrial Service Connection: It shall be unlawful to maintain a connection excepting in conformity with the following rules:

8.1A Separate Building: Each residential dwelling must be provided with a separate service connection with the following exceptions: Business and industrial facilities supplied by one service and other structures whose use is connected to the primary dwelling subject to the written approval of the General Manager.

8.1B Different Owners: A service connection shall not be used to supply more than one property owner or to supply property of the same owner across a street or alley, without written approval by the General Manager.

8.1C Divided Property: When property provided with a service connection is divided, each piece of property will have a separate service connection.

8.1D Service Connections: The service connections extending from the water main to the property line and include the meter, meter box and curb cock or gate valve and shall be maintained by the DISTRICT. All pipes and fixtures extending beyond the property line shall be installed and maintained by the customer.

8.2 Damage To Water System Facilities: No customer shall maintain or use any equipment which causes, or threatens to cause, damage to the DISTRICT'S facilities. The customer shall be liable for any damage to the service facilities when such damage is from causes originating on the premises by an act of the customer or his or her tenants, agents, employees, contractors, licensees or permittees, including the breaking or destruction of locks by the customer or others on or near a meter, and any damage to a meter that may result from hot water or steam from a boiler or heater on the customer's premises. The DISTRICT shall be reimbursed by the customer for any such damage promptly on presentation of a bill.

8.3 Interruptions in Service: The DISTRICT shall not be liable for damage which may result from an interruption in service from any cause.

8.4 Maintenance Of Water Pressure & Shutting Down For Emergency Repairs & Modifications: The DISTRICT shall not be responsible for the maintenance of water pressure, and it reserves the right to discontinue service while making emergency repairs and for any other reason requiring the shutdown of water services as determined by the DISTRICT. Customers dependent upon a continuous supply should provide emergency storage.

8.5 Number Of Services Per Premises: The applicant may apply for as many services as may be reasonably required for the premises provided that the pipeline system for each service be independent of the other and not interconnected.

8.6 Penalty For Violation: For the failure of the customer to comply with all or any part of this ordinance, and any ordinance, resolution or order fixing rates and charges of the DISTRICT for which a penalty has not herein been specifically fixed, the customer's service shall be discontinued as provided herein, and the water shall not be supplied such customer until the customer shall have complied with the rule or regulation, rate or charge which has been violated.

8.7 Pressure Conditions: All applicants for service connections or water service shall be required to accept such conditions of pressure and service as are provided by the distributing system at the location of the proposed service connection, and to hold the DISTRICT harmless for any damages arising out of low pressure or high pressure conditions or interruptions in service.

8.8 Relief Valves: As a protection to the customer's plumbing system, a suitable pressure reducing valve should be installed and maintained by the customer. The pressure reducing valve should be installed between the check valves and the water meter.

8.9 Responsibility For Equipment: The customer shall, at customer's own risk and expense, furnish, install and keep in good and safe condition all equipment that may be required for

receiving, controlling, applying and utilizing water, and the DISTRICT shall not be responsible for any loss or damage caused by the improper installation of such equipment, or the negligence or wrongful act of the customer or of any of customer's tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, operating or interfering with such equipment. The DISTRICT shall not be responsible for damage to property caused by faucets, valves and other equipment that is left open, or for any leaks, on the customer's premises.

8.10 Responsibility For Equipment On Customer Premises: All facilities installed by the DISTRICT on private property for the purpose of rendering water service shall remain the property of the DISTRICT and may be maintained, replaced or repaired by the DISTRICT without consent or interference of the owner or occupant of the property. The customer shall use reasonable care in the protection of the facilities. No payment shall be made by the DISTRICT for placing or maintaining said facilities on private property.

8.11 Ruling Final: All rulings of the General Manager shall be final unless appealed in writing to the BOARD within five (5) days. When appealed, the BOARD'S ruling shall be final.

8.12 Separability: If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

8.13 Tampering With Humboldt Bay Municipal Water District Property: No one except an employee or representative of the DISTRICT shall at any time in any manner operate the curb cocks, fire plugs, valves, or main valves of the DISTRICT'S system; or interfere with meters or their connections, street mains or other parts of the water system.

8.14 Termination Of Service: Water service may be terminated by the DISTRICT for default in performance of the customer's obligations as set forth herein. Prior to termination of service, except in emergency situations, the DISTRICT shall comply with the notice and other requirements of SB 988, effective February 1, 2020

9.14 Water Waste: No customer shall knowingly permit leaks or waste of water. Where water is wastefully or negligently used on a customer's premises, and impairs or threatens to impair the general service provided by the DISTRICT, the DISTRICT may discontinue the service as provided herein, if such conditions are not corrected within ten (10) days after giving the customer written notice.

ARTICLE 9 - REMEDIES

9.1 Unsafe Apparatus: Water service may be refused or discontinued to any premises where apparatus or appliances are in use which in the SUPERINTENDENT'S or GENERAL MANAGER'S judgment might endanger or disturb the service to other customers.

9.2 Cross-Connections: Water service may be refused or discontinued as provided herein to any premises where there exists a cross-connection in violation of state or federal laws or this ordinance.

9.3 Water Used Without Application Being Made: Any person using water from an active service connection without having made application to the DISTRICT for water service, shall be held liable for the water delivered from the date of the last recorded meter reading. If the meter is found inoperative, the quantity consumed will be estimated by the DISTRICT. If proper application for water service is not made upon notification by the DISTRICT, and if accumulated bills for service are not paid immediately, the service will be discontinued by the DISTRICT as provided herein.

9.4 Fraud or Abuse: Service may be discontinued as provided herein if necessary to protect the DISTRICT against fraud or abuse.

9.5 Noncompliance with Regulations: Service may be discontinued as provided herein for noncompliance with this or any other ordinance or regulation relating to the water service.

9.6 Vacating Premises: Customers desiring to discontinue service should so notify the DISTRICT two (2) days prior to vacating the premises. Unless discontinuance of service is ordered, the customer shall be liable for charges whether or not any water is used.

9.7 Suit: All unpaid bills and penalties herein provided may be collected by suit. In the event of such litigation, or litigation brought to enforce any provision of this ordinance, the prevailing party shall recover reasonable attorney's fees and court costs.

ARTICLE 10 - NOTICES

10.1 Notices To Customers: Notices from the DISTRICT to a customer will normally be given in writing, and either delivered or mailed to customer's last known address. Where conditions warrant and in emergencies, the DISTRICT may resort to notification either by telephone, internet, messenger, or public media.

10.2 Notices From Customers: Notice from the customer to the DISTRICT may be given in writing at the DISTRICT'S office, located at 828 Seventh Street, Eureka, California.

ARTICLE 11 - TIME of TAKING EFFECT

11.1 Effective Date: The foregoing ordinance shall be in full force and effect as of XXXXXXXX. Any amendments shall take effect 31 days after adoption.

APPENDIX A

Humboldt Bay Municipal Water District		Revision Number	0	Revision Date	
Standard Operating Procedure	Original Date:	Revised by		Revision Approval	
Subject: Discontinuance of Residential Water Service		Revision Description			

DISCONTINUANCE OF RESIDENTIAL WATER SERVICE POLICY

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1. POLICY EXPLANATION

This policy details Humboldt Bay Municipal Water District’s (The District) administrative actions regarding delinquent accounts and the discontinuance of residential water service. This includes notifications, payment arrangements, account appeals, fees, service discontinuance, and service reconnection. This policy shall comply with all aspects of the *Water Shutoff Protection Act* (SB 998), effective February 1, 2020.

District staff can be contacted in person at the main office (828 Seventh St., Eureka, CA, 95501) or by phone (707-443-5018) to discuss options for avoiding discontinuation of residential water service for non-payment under the terms of this policy.

A copy of this policy is available to the public on the District website and in writing upon request. This policy is available in English, Spanish, Vietnamese, Korean, Chinese, and Tagalog.

2. DEFINITIONS

- a) *Account Owner (Customer):* The individual(s) who is financially responsible for the retail water service utility payment at a location.
- b) *Alternative Payment Agreement:* A written agreement between the Account Owner and the District providing for the payment of current or delinquent charges on an alternative schedule. All alternative

payment agreements must be requested by the account owner and approved by the District. See specific details in *Alternative Payment Agreements*, #3-a1.

- c) *Appeals Process*: Written request by the account owner to the Business Manager for a review, discussion, and possible adjustment of the bill and/or balance on the retail water utility account. See specific details in *Appeals Process*, #4.
- d) *Business Manager*: The District's Business Manager.
- e) *Non-Payment*: Failure of the account owner to pay all charges (including penalties) by the due date, subjecting the retail water utility account to potential service discontinuance.
- f) *Delinquent Account*: Any account that is not paid, in full, by midnight on the 23rd of the month.
- g) *Primary Care Provider*: Any of the following: any internist, general practitioner, obstetrician-gynecologist, pediatrician, family practice physician, nonphysician medical practitioner, or any primary care clinic, rural health clinic, community clinic or hospital outpatient clinic currently enrolled in the Medi-Cal program, which agrees to provide case management to Medi-Cal beneficiaries.
- h) *Service Discontinuance (Lock-Off)*: The discontinuance of service at an address by turning off and locking a meter, or the removal of a meter due to non-payment.
- i) *Small Balance Account*: Any balance on an account of \$25.00 or less may be carried over and added to the next billing period without being assessed a late fee or incurring further collection action.

3. ALTERNATIVE PAYMENT AGREEMENTS

- a) Any and all alternative payment agreements must be requested by the account owner prior to the scheduled date of service discontinuance (lock-off). Alternative Payment Agreements include: 1) Alternate Payment Arrangements/Temporary Deferral of Payment; 2) Payment Amortization; 3) Partial or Full Reduction of Unpaid Balance.
 - 1. *Alternative Payment Arrangement/Temporary Deferral of Payment*: An account owner who is unable to pay for retail water service within the normal payment period may request an alternative payment arrangement or a temporary deferral of payment to avoid late fees or disruption of service. The Business Manager will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.
 - 2. *Payment Amortization*: Payment arrangements that extend into multiple months are considered an amortization plan. An amortization plan will amortize the unpaid balance over an extended period agreed to by the District, not to exceed 12 months from the original date of the bill (unless approved by the Business Manager). Amortization Plans must be in writing and signed by the account owner. The amortized payment amount and the current payment must be received by the District by midnight on the 23rd of each month. The account owner must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period.
 - 3. *Partial Reduction of Unpaid Balance*: Request of partial reduction of the unpaid account balance must be presented in writing to the District Main Office (828 Seventh St., Eureka, CA, 95501), and will be forwarded to the Business Manager. Only one request per Account Owner may be presented within a twelve month period. Decisions by the Business Manager are final.

- b) Only one active alternative payment agreement may exist on an account at any given time. An account owner will not be eligible to participate in any alternative payment agreement if he or she has failed to comply with the terms of a prior alternative payment arrangement within the previous twelve (12) month period.
- c) Failure to comply with the terms of any alternate payment agreement listed above will result in the account being subject to service discontinuance. Service may be discontinued (shut-off) if either of the following occurs: (1) the customer fails to comply with the terms of an alternative payment agreement and the breach remains uncured for a period of 60 days or (2) if the customer does not pay his or her current residential service charges for 60 days or more while participating in an alternative payment agreement.
- d) The District retains the ability to select which of the payment arrangement options are available to the account owner, and may set the said parameters for such. (SB 998, Chapter 6, §116910, article (b)2).
- e) It is the account owner's obligation to ensure the timely submission of complete and satisfactory documentation demonstrating eligibility to participate in an alternative payment agreement. If the information is not submitted in a timely manner or if the information is incomplete, the District will provide notice of a new intended disconnection date no earlier than five (5) calendar days after mailing. In such a circumstance, the only way to avoid the disconnection of service is the payment, in full, of all delinquent charges.

4. APPEALS PROCESS

If the account owner wishes to appeal all or part of the account balance, a written request for such must be presented to the District Main Office and will be forwarded to the Business Manager. While an account appeal is pending, no additional Past-Due/Late Charges will be applied to the account balance. The District will also not discontinue (shut-off) water service for non-payment while the appeal is pending. (SB 998, 116908, §2b)

- a) The written request for appeal may be dropped off in person or mailed to the main office (828 Seventh St., Eureka, CA 95501).
- b) The written request must include the account owner's contact information, the amount requested for appeal, and the explanation/justification for the request.
- c) This request must be received within 60 days of the issuance of the bill the customer wishes to appeal and prior to the scheduled date of service discontinuance (shut-off).
- d) For purposes of the appeal, disputed water charges are presumed valid. The burden rests with the account owner to demonstrate an inaccuracy by a preponderance of the evidence.

5. PAST-DUE CHARGES/LATE FEES

- a) Past-Due Charges/Late Fees (if applicable) are assessed on the 24th of the month. Fees are calculated on all accounts that have a balance exceeding \$25.00 as of midnight on the 23rd of the month.
- b) An outstanding balance that carries over multiple months may be assessed multiple past-due charges/late fees.
- c) Past-due charges/late fees will not be assessed on unpaid charges that are the subject of an alternative payment agreement or on unpaid charges that were the subject of an unsuccessful appeal and which are not paid, in full, within five (5) days following the appeal.
- d) The account owner may request a waiver of past-due/late fee charges if the account has not been assessed past-due/late fees within the preceding six months. Approval of a waiver is at the discretion of the District.
- e) See Fee Schedule (Appendix B) for Past-Due/Late Fee calculations.

6. SERVICE DISCONTINUATION NOTIFICATION

- a) 30-DAY NOTICE
 - 1. As a courtesy, the District will make a reasonable, good faith effort to notify account owners who have a delinquent account approximately 30 days after initial bill issuance.
 - 2. The District assumes no responsibility for phone or other contact information that has not been kept up-to-date by the customer.
- b) 60-DAY NOTICE
 - 1. As a courtesy, the District will again make a reasonable, good faith effort to notify the account owner that the account remains past due approximately 60 days after bill issuance.
 - 2. The District assumes no responsibility for phone or other contact information that has not been kept up-to-date by the customer.
- c) SHUT-OFF NOTICE
 - 1. The District will make a reasonable, good faith effort to notify an account owner whose account remains delinquent in the second week of the third month after the initial bill was issued (approximately 70-73 days delinquent).
 - i. The account owner will be advised of the amount past due, the service disconnection (shut-off) date, instructions on how to contact the District to make payment arrangements or appeal the bill, and the availability of the District's Policy on Discontinuation of Residential Service for Non-Payment in writing.

- ii. This final notice will be provided a minimum of seven (7) days prior to water service disconnection. (SB 998, 116908, §a1A)
- iii. The District assumes no responsibility for phone or other contact information that has not been kept up-to-date by the customer.

- 2. If the account owner's mailing address on file with the District and the address of the property to which water service is provided are different, a notice will be mailed to the account owner's address and to the service address; addressed to "Occupant". (SB 998, 116908, §a1C)
- 3. If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to post the "Final Notice" in a conspicuous place at the service address subject to discontinuation of water service. (SB 998, 116908, §a2)

d) OTHER SERVICE TYPES

- 1. For services other than to account owner-occupied detached single family residences, including commercial, master meter, multi-unit residential structure, or mobile home park, where the off-site owner/manager/employer is the account owner (customer), at least ten (10) days before water service disconnection, the District shall also attempt to notify the occupant(s) of the premises where service is provided of the pending service termination.
- 2. In a tenant/landlord situation, the District will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least ten (10) days before water service disconnection.
 - i. The written notice will advise the tenant/occupant that they have the right to become the account owner without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address.
 - ii. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments.

7. WATER SERVICE DISCONTINUATION

- a) All delinquent water service payments must be received by the District by midnight on the day specified in the Final Notice. Any customer's account which remains unpaid and without an alternative payment agreement beyond the due date of the final notice will be subject to water service discontinuation (shut-off).
- b) All alternative payment agreement requests or requests for appeal must be received by the District Main Office (828 Seventh St., Eureka, CA, 95501) by 5pm on the day specified in the written disconnection notice.

- c) The District will discontinue (shut-off) water service by turning off and locking off the water meter on the date provided on the 30-Day, 60-Day, and Final Service Discontinuation Notices. The account owner (customer) will be charged a "Reconnection Fee." See Fee Schedule (Appendix B) for Reconnection Fee amount.
- d) District Field Staff are unable to make payment arrangements or accept payments.
- e) Water services shall not be shut-off to a residence if **ALL** of the following conditions are met:
 - 1. Receipt and verification by the District Main Office of "*Certification of Medical Necessity*" provided by the Primary Care Provider stating the "*discontinuance of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.*" (SB998 §116910, a1)
 - 2. An account owner (customer) has demonstrated they are financially unable to pay for residential service within the District's normal billing cycle. The account owner (customer) "*shall be deemed financially unable to pay for residential service within the ...normal billing cycle if any member of the customers household is a current recipient of CalWORKS, CalFresh, General Assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the households annual income is less than 200 percent of the federal poverty level.*" (SB998 §116910, a2)
 - 3. The account owner (customer) is willing to enter into an amortization agreement, alternate payment schedule, or a plan for deferred or reduced payment, consistent with the written policies of the District. (SB998 §116910, a3)
 - 4. It is the account owner's obligation to ensure the timely submission of complete and satisfactory documentation. If the information is not submitted in a timely manner or if the information is incomplete, the District will provide notice of a new intended disconnection date no earlier than five (5) calendar days after mailing. In such a circumstance, the only way to avoid the disconnection of service is the payment, in full, of all delinquent charges.

8. WATER SERVICE RECONNECTION (RESUME SERVICE)

- a) In order to re-establish or resume water service that has been disconnected for non-payment, the account owner (customer) must pay at minimum all past-due bill amounts, all past-due charges/late fees and the reconnection fee attributable to the service discontinuation.
- b) Payment plans and payment amortization plans are not available to the account owner while the water service is discontinued.

- c) The District will endeavor to reconnect service as soon as possible between the hours of 8:30am - 4:30pm on normal business days. At a minimum, the District will reconnect service before the end of the next regular working day following receipt of payment.
- d) There may not be District personnel available to complete an after-hours reconnection. If available, service restored after 4:30pm Monday-Friday, weekends, or holidays will be charged an after-hours reconnection fee. The after-hours reconnection fee is in addition to the regular reconnection fee and the past-due charges/late fees for a delinquent account. See Fee Schedule (Appendix B) for Reconnection Fee amount.
- e) Water meters, curb cocks, and locks are District property, and shall only be operated by qualified District staff.
 - 1. Retail water service that is reconnected or resumed by any individual other than District staff will be subject to a "Tampering Fee" and a "Lock Replacement Fee". If applicable, these fees will be added to the account owner's (customer's) water utility account, and will be subject to the same policies of water utility services and if left unpaid, may result in the discontinuance of water service.
 - 2. See Fee Schedule (Appendix B) for Tampering Fees and Lock Replacement Fees.
 - 3. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the account owner (customer). Any damage to District property (lock, meter, curb cock, etc.) requiring replacement of equipment will be billed to the account owner's water utility account. Charges to the account owner will include all costs for replacement and installation of the damaged property.
 - 4. Unpaid balances for damage to District property or miscellaneous charges will be subject to the same policies of water utility services and if left unpaid, may result in the discontinuance of water service.

9. RETURNED PAYMENTS

When a payment of any kind is not honored by a customer's bank (returned payment), the retail water account shall be considered unpaid and subject to possible disconnection. The District will make a reasonable, good faith effort to notify the customer by phone or mail of the returned payment.

- a) If the account is delinquent, water service will be discontinued (shut-off) if the amount of the returned payment and the returned payment charge (if applicable) are not paid on or before the date specified in the Service Discontinuation Notice(s). Only payment in the form of cash or cashier's check will be accepted to pay for the returned payment and returned payment fee (if applicable).

- b) If it is determined that a payment was made in person or online on the disconnection deadline date in order to avoid service interruption and/or a reconnection fee, and that payment is subsequently returned by the bank, a seven (7) day *Final Notice of Discontinuance of Service* will be issued, advising the customer that payment for the returned payment and the returned payment charge (if applicable), must be made by the date specified on the Final Notice to avoid water service discontinuation and the reconnection fee. Payment must be made by cash or cashier's check only.
- c) In the event a customer's check or online payment is returned by the bank unpaid three (3) times within a twelve (12) month timeframe, a letter will be mailed to the customer notifying them that only cash or cashier's check will be accepted as payment for a period of twelve (12) months from the most recent returned payment.
- d) Returned Checks & Payments for Previously Discontinued Water Service
 - 1. In the event an account owner (customer) tenders a non-negotiable payment to restore retail water service previously disconnected for non-payment and, in good faith, the District restores retail water service to the location; the District will consider the delinquent account unpaid and may promptly discontinue water service without providing additional notice.
 - 2. Any account owner issuing a non-negotiable payment to restore retail water service discontinued for non-payment will be required to pay cash or cashier's check to restore any future water service discontinuations for a period of 12 months from the date of the returned payment.

APPENDIX B

Humboldt Bay Municipal Water District		Revision Number	0	Revision Date	
Standard Operating Procedure	Original Date:	Revised by		Revision Approval	
Subject: Retail Water Services Fee Schedule		Revision Description			

FEE SCHEDULE

RELATING TO RESIDENTIAL WATER SERVICE

After-Hours Reconnection Fee (only if available).....	\$150.00
Collection Fees.....	Any Fees Charged by Collection Agency
Lock Replacement Fee.....	\$15.00
Past-Due Charges/Late Fees.....	10% of Past-Due Balance
Processing Fee (Retail Application).....	\$30.00
Reconnection Fee.....	\$50.00
Returned Payment Fee.....	\$25.00
Tampering Fee.....	\$150.00

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APPENDIX C

Humboldt Bay Municipal Water District		Revision Number	0	Revision Date	
Standard Operating Procedure	Original Date:	Revised by		Revision Approval	
Subject: Retail Water Service Billing Adjustment Policy		Revision Description			

RETAIL WATER SERVICE BILLING ADJUSTMENT POLICY

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1. POLICY EXPLANATION

This policy details Humboldt Bay Municipal Water District’s (HBMWD’s, The District) administrative actions regarding extending billing adjustments for property-side of the meter leaks to retail water service customers of HBMWD.

2. DEFINITIONS

- a) Account Owner (Customer): The individual(s) who is financially responsible for the retail water service utility payment at a location.
- b) Property-side Leak (Leak): means any loss of water due to deterioration of pipes, fittings, or equipment, the existence of which if known or unknown to the property owner or tenant (account owner or customer), and said loss emanated from any point past the coupling on the customer’s side of the water meter, servicing the customer’s property.
- c) Service Discontinuance (Lock-Off): The discontinuance of service at an address by turning off and locking a meter, or the removal of a meter due to non-payment.
- d) Small Balance Account: Any balance on an account of \$25.00 or less may be carried over and added to the next billing period without being assessed a late fee or incurring further collection action.

3. PROPERTY-SIDE LEAKS

- a) Humboldt Bay Municipal Water District is responsible for all retail water service equipment up to and including the water meter. Account owners (customers) are responsible for the service and fittings attached to the retail water service beginning at the coupling on the customer's side of the water meter.
- b) Any leaks in the line which are the responsibility of the customer, must be maintained and repaired by the customer solely at their expense.
- c) The customer's service line, including the fittings on the customer's side of the meter, is to be maintained in a state of repair sufficient to allow the removal and replacement of the meter for maintenance. No adjustment or credits will be given for leaks which develop as a result of changing or maintaining the water meter, unless it can be shown that the District was negligent in performing the meter change or maintenance.
- d) The customer is responsible for monitoring their water consumption as reported on their monthly retail water service bill. It is the customer's responsibility to investigate higher than expected usage to determine if the usage was caused by a property-side leak.
- e) A customer who has observed or has actual knowledge of a property-side leak is required to promptly repair the leak.

4. BILLING ADJUSTMENT CRITERIA

The District may adjust the retail water charges (excluding service charges) on a customer's bill when all of the following requirements have been met:

1. Customer shall notify the District of water loss and repair of a leak within 60 days from the bill issuance date for the period in which the loss occurred.
2. The customer has not received a property-side leak billing adjustment at any one service address in the past twelve (12) months. The 12-month period begins the first month of the billing period following the billing period for which a property-side leak billing adjustment was received.
3. Customer shall pay at least the uncontested portion of the bill in order to prevent past-due charges and possible service discontinuation.
4. There must be evidence that excessive use of water was not due to the account owner's (customer's), or their tenant's, willful or neglectful acts. The District will not extend any adjustment for excess water use due to left-on hoses, excessive irrigation (in time or in frequency), or the neglect of wear-and-tear items such as toilet flappers, leaking faucets, water softening systems or any other related water distributing devices.
5. The District must be satisfied that the problem that resulted in a request for a billing adjustment has been properly repaired or resolved.

5. BILLING ADJUSTMENTS

The District shall not extend the due date of a water bill as a result of the customer submitting a request for an adjustment to a bill for a property-side leak. The following billing adjustments will be made once a customer satisfies the billing adjustment criteria:

1. The property-side billing adjustment shall be limited to one adjustment per twelve (12) month period.
2. The property-side billing adjustment shall be limited to two (2) consecutive billing periods.
3. The property-side leak billing adjustment will be calculated on the following criteria:
 - a. Water usage will be adjusted to match the usage of the same month during the immediately previous year.
 - b. If the past years' history is unavailable, the water usage will be adjusted to match the most recent three month average prior to the leak occurrence.

6. VARIANCE PROCEDURES

Variances will be granted, on a case-by-case basis, at the discretion of the District, and upon approval of the Business Manager. The following conditions are among those that may be given consideration in the variance process:

1. Granting a leak adjustment more often than once every twelve (12) months.
2. Granting a leak adjustment for more than two (2) billing periods.

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Board of Directors of the HUMBOLDT BAY MUNICIPAL WATER DISTRICT will hold a public hearing on December 12, 2019 at 9:15 a.m. at 828 Seventh Street, Eureka, CA to consider and possibly revise District Ordinance 13, prescribing rules and regulations for Retail Water Service provided by Humboldt Bay Municipal Water District. If adopted, the main revisions are the addition of three Appendices: Appendix A - Discontinuance of Residential Water Services Policy; Appendix B - Fee Schedule as Related to Retail Water Services; and Appendix C - Retail Water Service Billing Adjustment Policy. Ordinance 13 was originally adopted in March 1987 and was last revised December 2006. The purpose of this revision is to update District policy to more accurately reflect current District practices as well as meet requirements of Senate Bill 998.

Humboldt Bay Municipal Water District is primarily a water wholesaler, providing domestic water to seven different municipalities, who in turn, provide water service to over 88,000 Humboldt County residents. The scope of Humboldt Bay Municipal Water District's Retail Water Service is very small, limited to approximately 200 locations. This Ordinance covers rules and regulations of the Retail Water Service provided by Humboldt Bay Municipal Water District. This ordinance establishes requirements for installing new residential, fire protection, or temporary/construction service. This ordinance also outlines the requirements for signing-in to existing residential service. As parts of this ordinance: Appendix A outlines the District policy on discontinuation of residential water service and options available to retail customers to avoid discontinuation; Appendix B establishes a fee schedule for non-utility rate related misc. charges imposed by the District; Appendix C establishes the District's billing adjustment policy for residential water leaks.

A complete copy of the proposed Ordinance 13 is available at the District office - 828 7th Street, Eureka. A copy is also posted on the District's website: www.hbmwd.com. Please direct comments or questions to Business Manager Chris Harris, 707-443-5018 or harris@hbmwd.com

SECTION H3 PAGE NO. 32

To: Board of Directors
From: Sherrie Sobol
Date: November 27, 2019
Subject: Board Vacancy

Director Hecathorn plans to retire on December 31, 2019 prior to the end of her term. The Board has the option to hold a special election (approximate cost of \$10,000 per Elections Office) or appoint someone to fill the position. The District went through the appointment process in 2005, 2010, 2015 and 2016.

Government Code 1780 outlines the options for filling a Board vacancy. If the Board decides to appoint, it must do so within 60 days after the date on which the District is notified of the vacancy or the effective date of the vacancy, whichever is later. In this case, sixty days from December 31, 2019.

- The County Elections department is notified of vacancy.
- A Notice of Vacancy has been posted (see attached). The notice must be posted in three or more conspicuous places within the vacated Division for at least 15 days before the Board makes an appointment. The notice can ask the potential applicants for this position to submit a letter of interest and a resume. Posting locations include: Freshwater School, Humboldt Community Services District, Moose Lodge Eureka, District website and the North Coast Journal.

Although not required per Code 1780, in the past the District has accepted applications for the vacancy and:

- Applications will be accepted through January 8, 2020.
- President can appoint a screening/nominating committee. The committee makes recommendations to the Board, the Board decides which candidates to interview.
- The Board can receive and review the nominating committee's recommendations and conduct interviews at a Regular or Special Board meeting.

If the Board does not appoint or call for an election within 60 days, the County Board of Supervisors shall make the appointment, or call for an election for the vacant position (per Government Code 1780)

- The County Elections Department is notified of the outcome.

TIMELINE:

At the November Board meeting, the Board directed staff to follow the appointment process for replacing a Director and that staff should prepare the appropriate timeline to accomplish this within the 60 timeframe. Below is the timeline proposed by staff for the Board to appoint a replacement for Director Hecathorn within 60 days from her vacancy date of December 31, 2019.

1. Post vacancy (applications due by January 8, 2020)
 - a. North Coast Journal: Will run in November 28 and December 12 and 19, 2019.
 - b. Currently posted in three public locations at:
 - > Humboldt Community Services office; 5055 Walnut Drive, Cutten.
 - > Freshwater Elementary School; 75 Greenwood Heights Drive; Eureka.
 - > Moose Lodge Eureka: 4328 Campton Road; Eureka.
 - c. Also posted at District office and on HBMWD website
2. January 9, 2020 Board to review applications at regularly scheduled Board meeting.
3. January 10, 2020 Distribute Candidate Questions form.
4. Special Meeting week of January 20 or 27 to review responses to Candidate Questions.
5. February 13, 2020 Regular Board meeting can discuss and narrow interview field if needed.
6. Special Meeting on February 17 or 24 to interview candidates and select new Director.

Must select new Director by February 28, 2020



NOTICE OF VACANCY
BOARD OF DIRECTORS – DIVISION 3
HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7TH STREET
EUREKA, CALIFORNIA 95501

The Humboldt Bay Municipal Water District has a vacancy, effective January 1, 2020, for its Division 3 Director. The term expires December 4, 2020, with the election for this position during November 2020. The person appointed to fill this vacancy would serve through December 3, 2020.

Anyone interested in being considered to fill the vacancy must reside within the boundaries of Division 3, which is comprised primarily of the south and east of Eureka and extends north east to Sunny Brae. 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 3.

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 Wednesday, January 8, 2020. 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.

Continued on next page »



Notice Of Vacancy
**BOARD OF DIRECTORS
- DIVISION 3**
Humboldt Bay Municipal
Water District
828 7th St., Eureka, CA 95501

The Humboldt Bay Municipal Water District has a vacancy, effective January 1, 2020, for its Division 3 Director. The term expires December 4, 2020, with the election for this position during November 2020. The person appointed to fill this vacancy would serve through December 3, 2020.

Anyone interested in being considered to fill the vacancy must reside within the boundaries of Division 3, which is comprised primarily of the south and east of Eureka and extends north east to Sunny Brae. 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 3.

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 **Wednesday, January 8, 2020**. 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.

DEADLINE TO APPLY 5 PM WED., JANUARY 8, 2020

11/28/2019 - North Coast Journal

Scheduled to run again 12/12/19 & 12/19/19

**Humboldt Bay Municipal Water District
Candidate Questions**

SECTION H4, PAGE NO. 5

1. Do you reside within Division 3 and do you expect to live there through 2020?
2. Is it your intention to run for election in 2020?
3. Do you have any possible conflicts of office or interest (this could include contractual relationships, District customers, or Ruth Lake CSD)?
4. Describe any prior experience serving on a Board?
 - 4a. May we contact former/current Board members?
 - 4b. If yes, please provide contact information.
5. What is your understanding of the District's Mission?
6. Our Board meets the second Thursday of the month. The meetings are potentially full day meetings, beginning at 9am. If chosen, how soon can you begin serving?

EMERGENCY SUCCESSION PLAN POLICY GENERAL MANAGER

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Introduction

The Board of Directors (Board) of the Humboldt Bay Municipal Water District (HBMWD or District) recognizes that this is a plan for contingencies due to the disability, death or unexpected departure of the General Manager (GM). If the District is faced with the unlikely event of an untimely vacancy, it has in place the following emergency succession plan to facilitate the transition to both interim and longer-term leadership.

The HBMWD Board has reviewed the job description and list of critical tasks of the GM. The job description and list are attached. The Board has a clear understanding of the GM's role in organizational leadership, program development, program administration, operations, Board relationships, financial operations, resource development and community presence.

Definitions

Unplanned absence: An abrupt absence that arises unexpectedly, in contrast to a planned leave, such as a vacation, retirement or a sabbatical.

Short-term absence: An absence lasting two months or less, with the expectation that the GM will return to his/her position.

Long-term absence: An absence lasting more than 2 months, with the expectation that the GM will return to his/her position.

Acting General Manager: A senior staff person to whom the Board temporarily delegates all actions and decisions described in the GM job description.

Interim General Manager: An individual hired from outside the District to assume the duties of the GM, assist with the selection of the permanent GM and help prepare the Board and staff for the transition. Any individual who serves as an Interim GM may be considered for the permanent position.

Permanent Change: A permanent change is one in which it is firmly determined that the GM will not be returning to the GM position.

Succession Plan in Event of an Unplanned Absence

In the event of an unplanned absence of the GM, the Business Manager is to immediately inform the Board President (or highest-ranking Board Member) of the absence. ~~As soon as possible but within one week, the President should convene a Special Meeting of the Board~~

~~to: 1) affirm the procedures prescribed in this plan or to make modifications as the Board deems appropriate; and, 2) designate an Acting GM.~~

~~The Acting General Manager shall convene as soon as practicable with the Board President to determine whether a special board meeting is advisable to discuss relevant issues.~~

Succession Plan in Event of a Short-term Unplanned Absence

Since it is expected that the GM will return to his/her position once the events precipitating the absence are resolved within two months, the Board will appoint one person to be the Acting GM and delegate all actions and decisions described in the GM job description. The Board may also consider the option of splitting executive duties among the designated appointees. To facilitate timely distribution of duties, the GM will prepare a document outlining which key tasks should be assigned to which staff person.

At the time this plan was approved, the position of Acting GM would be:

Dale Davidsen, Superintendent

Should the standing appointee to the position of Acting GM be unable to serve, the first and second back-up appointees for the position of Acting GM will be:

(1) Chris Harris, Business Manager

(2) Operations or Maintenance Supervisor, as determined by the Board.

Name,	position
-------	----------

Authority and Compensation of the Acting General Manager

The person appointed as Acting GM shall have the full authority for decision-making and independent action as the regular GM.

At the discretion of the Board, the Acting GM may be offered:

- A temporary salary increase to the entry-level salary of the GM position
- A bonus negotiated by Acting GM and Board for the Acting GM Period
- No additional compensation

Board Oversight

The Board ~~Member is~~ responsible for monitoring the work of the Acting GM ~~shall be the Board President.~~

The ~~above-named person~~ Board will be sensitive to the special support needs of the Acting GM in this temporary leadership role.

Communications Plan

Immediately upon transferring the responsibilities to the Acting GM, the Board President will notify staff members and all members of the Board.

As soon as possible after the Acting GM has begun covering an unplanned absence, Board members and the Acting GM shall communicate the temporary leadership structure to key external stakeholders.

Succession Plan in Event of a Long-term Unplanned Absence

For a long-term absence, (I.E. lasting more than two months) the procedures and conditions to be followed should be the same as for a short-term absence with one addition:

The Board will give consideration, in consultation with the Acting GM, to temporarily fill the management position left vacant by the Acting GM if it is determined that work load cannot be delegated to the Acting GM's subordinates. This is in recognition of the fact that for a term of more than two months, it may not be reasonable to expect the Acting GM to carry the duties of both his or her positions. The position description of a temporary manager would focus on covering the priority areas in which the Acting GM needs assistance.

Alternatively, should the absence extend beyond two months the Board may elect to hire an Interim GM from outside the District. This can be done immediately after being notified of the temporary separation of the GM, or after designating an Acting GM to serve until the Interim Manager is hired.

Succession Plan in Event of an Unplanned, Permanent Change in General Manager

The Board will appoint a Transition and Search Committee within one week to plan and carry out a transition to a new permanent GM. The Board will also consider the need for outside consulting assistance depending on the circumstances of the transition and the board's capacity to plan and manage the transition and search.

The Transition and Search Committee will:

- Assign an Acting GM (within one week)
- Recruit, select and hire an Interim GM from outside the District (within two months)
- Coordinate the recruitment and selection of the permanent GM (within one year)

Any individual who serves as an Interim GM may be considered for the permanent position.

The Business Manager will assist the Board in identifying recruitment resources for hiring a qualified Interim GM.

[Attachments](#)

1. General Manager Job Description
2. List of Critical Tasks

[General Manager Job Description](#)

SAMPLE

List of Critical Tasks

SAMPLE

SHORT-TERM VACANT LAND RENTAL AGREEMENT

THIS SHORT-TERM VACANT LAND RENTAL AGREEMENT (“Lease”) is entered into as of December 12, 2019, between the Humboldt Bay Municipal Water District, a California public entity (“Landlord”), and Vivid Green, LLC, a California limited liability company (“Tenant”).

Recitals

A. Landlord is the owner of that certain real property commonly referred to as 17350 Mad River Road, Ruth, California, Trinity County Assessor Parcel Number 020-100-35-00 (“Landlord’s Parcel”). Landlord’s Parcel is an approximate 230 acre parcel located on the Mad River upstream from Ruth Lake.

B. Tenant is the owner of that certain real property commonly referred to as 140 Buckwheat Lane, Ruth, California, Trinity County Assessor Parcel Number 020-490-04-00 (“Tenant’s Parcel”). Tenant’s Parcel is approximately 30 acres and lies to the immediate west of Landlord’s Parcel.

C. Tenant has begun developing Tenant’s Parcel for commercial cannabis cultivation pursuant to a permit issued by the County of Trinity, including the grading of a flat and construction of greenhouse facilities located in the south-east corner of Tenant’s Parcel.

D. Tenant discovered and notified the Landlord that a portion of the flat and newly constructed greenhouse facilities encroach onto Landlord’s Parcel.

E. Landlord and Tenant have engaged in discussions to apply for a lot line adjustment with the County of Trinity to adjust the shared boundary line such that the greenhouse facilities and the required setbacks are fully within Tenant’s Parcel and to adjust the shared boundary line at another location to enlarge Landlord’s Parcel proportionally. It is the intent of Landlord and Tenant to cooperate to complete a lot line adjustment, at Tenant’s cost to correct the encroachment.

F. During the interim period, Landlord and Tenant desire to enter into a short-term rental agreement for that portion of Landlord’s Parcel described in Exhibit A hereto (the “Leased Premises”).

AGREEMENT

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

Section 1. Definitions

“Environmental Laws” means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational Health or industrial hygiene (and only to the extent that the occupational Health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under,

Landlord’s Initials: _____

Tenant’s Initials: _____

or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") [42 U.S.C.A §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 ("RCRA") [42 U.S.C.A §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act ("FWPCA") [33 U.S.C.A §§ 1251 et seq.]; the Toxic Substances Control Act ("TSCA") [15 U.S.C.A §§ 2601 et seq.]; the Federal Insecticide, Fungicide, Rodenticide Act [7 U.S.C.A §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 U.S.C.A §§ 9601 et seq.]; the Clean Air Act [42 U.S.C.A §§ 7401 et seq.]; the Safe Drinking Water Act [42 U.S.C.A §§ 300f et seq.]; the Solid Waste Disposal Act [42 U.S.C.A §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 U.S.C.A §§ 1201 et seq.]; the Emergency Planning and Community Right-to-Know Act [42 U.S.C.A §§ 11001 et seq.]; the Occupational Safety and Health Act [29 U.S.C.A §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [Health & Saf. Code §§ 25280 et seq.]; the California Hazardous Substances Account Act [Health & Saf. Code §§ 25300 et seq.]; the California Hazardous Waste Control Act [Health & Saf. Code §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [Health & Saf. Code §§ 25249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat. Code §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational Health or industrial hygiene, and only to the extent that the occupational Health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

"Hazardous Substances" includes without limitation:

- (a) Those substances included within the definitions of "hazardous substance," "hazardous waste," "hazardous material," "toxic substance," "solid waste," or "pollutant or contaminant" in CERCLA, RCRA, TSCA, or under any other Environmental Law;
- (b) Those substances listed in the United States Department of Transportation (DOT) Table [49 C.F.R. 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 C.F.R. Part 302];
- (c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and
- (d) Any material, waste, or substance that is:
 - (i) a petroleum or refined petroleum product,
 - (ii) asbestos,
 - (iii) polychlorinated biphenyl,
 - (iv) designated as a hazardous substance pursuant to 33 U.S.C.A § 1321 or listed pursuant to 33 U.S.C.A § 1317,

Landlord's Initials: _____

Tenant's Initials: _____

(v) a flammable explosive, or

(vi) a radioactive material.

“Law” shall mean any constitution, statute, ordinance, regulation, rule, judicial decision, administrative order, or other requirement of any governmental entity.

Section 2. Leased Premises

Landlord leases to Tenant and Tenant leases from Landlord the Leased Premises for the term, at the rental, and upon all other terms, covenants, and conditions in this Lease.

Section 3. Use of Leased Premises

(a) The Leased Premises shall not be used for any unlawful purpose. Tenant agrees that it shall not engage in any commercial cannabis activity on the Leased Premises without obtaining and maintaining the appropriate licenses and permits required by law. Tenant shall promptly provide Landlord a copy of all licenses and permits prior to the Commencement Date.

(b) Tenant shall not do or permit any act that could cause damage to any part of the Leased Premises, except to the extent reasonably necessary for the construction of alterations as permitted under this Lease or as approved in writing in advance by Landlord.

(c) Tenant shall use the Leased Premises in compliance with all applicable laws, statutes, ordinances, rules, regulations, orders, recorded covenants and restrictions, and requirements of any fire insurance underwriters or rating bureaus, now or later in effect. It is, however, agreed that the existing encroachments and grading, by reason of their location upon the District’s property, shall not be considered a violation of this clause so long as Tenant is diligently working to complete a lot line adjustment and correct any associated problems with the County of Trinity.

(d) Tenant shall not commit any waste or any public or private nuisance upon the Leased Premises.

(e) Landlord shall cooperate to execute a notarized acknowledgment satisfactory to the County of Trinity that the Tenant’s use of the leased premises will be for commercial cannabis cultivation.

Section 4. Lease Term

The term (“Term”) of this Lease shall be for twelve (12) months, commencing on November 1, 2019 (“Commencement Date”), and ending on October 31, 2020, unless sooner terminated according to this Lease.

Section 5. Monthly Rent

Commencing on the Commencement Date and continuing thereafter on the first day of each month until

Landlord’s Initials: _____

Tenant’s Initials: _____

the end of the term of this Lease, Tenant shall pay to Landlord, in advance, rent in the amount of Five Hundred Dollars (\$500.00), all without offset or deduction. Tenant's obligation to pay rent shall be prorated in the first and last months of the term of this Lease based upon the portion of the month during which Tenant occupies the Leased Premises. Rent shall be payable in lawful money of the United States to Landlord at the address stated in this Lease or to any other address that Landlord may designate from time to time.

Section 6. Property Taxes.

Tenant shall pay as due all taxes on its personal property located on the Leased Premises or otherwise.

Tenant is hereby notified by Landlord that the possessory interest created hereunder may be subject to a possessory interest tax or property taxation when created, pursuant to Sections 107 to 107.6 of the California Revenue and Taxation Code or other applicable law, and that Tenant and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on such interests. Tenant agrees and acknowledges that it has actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code that it may be required to pay a possessory interest tax as a result of this Lease. Tenant hereby acknowledges that it has actual knowledge of the possible existence of a possessory interest tax and has read the provisions of Sections 107 to 107.6 of the California Revenue and Taxation Code. From and after the Commencement Date and continuing thereafter throughout the Term, Tenant shall pay all possessory interest taxes levied by any governmental agencies by reason of this Sublease or Tenant's possession of the Leased Premises.

Section 7. Security Deposit

Tenant agrees to deposit with Landlord on the date of this Lease the sum of Four Thousand Dollars (\$4,000.00), which shall be held by Landlord, without interest, as security for the performance of Tenant's covenants and obligations under this Lease, it being expressly understood and agreed that the deposit is not an advance rental deposit or a measure of the Landlord's damages in case of Tenant's default. Upon the occurrence of any Event of Default by Tenant, Landlord may, from time to time and without prejudice to any other remedy provided by this Lease or by law, use that fund to the extent necessary to make good any arrears of rent or other payments or liability caused by the Event of Default. Tenant shall pay to Landlord on demand the amount that was applied in order to restore the security deposit to the amount then required under this Lease. Although the security deposit shall be deemed the property of Landlord, any remaining balance of the deposit shall promptly be returned by Landlord to Tenant at the time after termination of this Lease that all of Tenant's obligations under this Lease have been fulfilled.

Section 8. Condition of Leased Premises.

Tenant acknowledges that as of the date of this Lease, Tenant has inspected the Premises and that the Premises and improvements are in good order, repair, and condition. Landlord makes no warranty or

Landlord's Initials: _____

Tenant's Initials: _____

representation that the Leased Premises are suitable for Tenant's intended use.

Section 9. Delivery of Possession

Except as otherwise provided in this Lease, Tenant agrees to accept possession of the Leased Premises in its then existing condition, "as is," including all patent and latent defects and subject to all applicable laws, ordinances, and regulations governing and regulating the use of the Leased Premises, and any recorded covenants or restrictions. Tenant's taking possession of any part of the Leased Premises shall be deemed to be an acceptance by Tenant of any completed work of improvement, if any, done by Landlord and in accordance with the terms of this Lease, except for defects of which Tenant has given Landlord written notice prior to the time Tenant takes possession.

Section 10. Hazardous Substances

- (a) Tenant agrees that, during the term, it shall strictly comply with all applicable Environmental Laws.
- (b) Tenant shall not use, handle, store, transport, generate, release, or dispose of any Hazardous Substances on, under, or about the Leased Premises, except that Tenant may use Hazardous Substances that are necessary for the operation of Tenant's business **and** for which Landlord gives prior written consent prior to the Hazardous Substances being brought onto the Leased Premises. At any time during the term of this Lease, Tenant shall, within ten (10) days after written request from Landlord, disclose in writing all Hazardous Substances that are being used by Tenant on the Leased Premises, the nature of the use, and the manner of storage and disposal.
- (c) Tenant agrees to indemnify and defend Landlord harmless from any liabilities, losses, claims, damages, penalties, fines, attorney's fees, expert fees, court costs, remediation costs, investigation costs, or other expenses resulting from or arising out of the use, storage, treatment, transportation, release, or disposal of Hazardous Substances on or about the Leased Premises by Tenant or Tenant's failure to comply with any Environmental Laws.
- (d) If the presence of Hazardous Substances on the Leased Premises caused or permitted by Tenant, with or without Landlord's consent, results in the contamination or deterioration of the Leased Premises, Landlord's Parcel, or any water or soil beneath the Leased Premises or Landlord's Parcel, Tenant shall promptly take all action necessary to investigate and remedy that contamination.
- (e) Landlord and Tenant each agree to promptly notify the other of any communication received from any governmental entity concerning Hazardous Substances or the violation of Environmental Laws that relate to the Leased Premises.

Section 11. Repairs and Maintenance

- (a) Tenant agrees, at Tenant's own expense, to keep the Leased Premises in good condition and repair, and to deliver to Landlord physical possession of the Premises at the end of the Term, or any extension of the Term, in good condition and repair, reasonable wear and tear and use and loss by fire or other

Landlord's Initials: _____

Tenant's Initials: _____

casualty or by earthquake or other act of God excepted.

(b) If at any time during the Term, including renewals or extensions, Tenant fails to maintain the Premises or make any repairs or replacements as required by Section 11, Landlord may, but shall not be required to, enter the Premises and perform the maintenance or make the repairs or replacements for the account of Tenant; any sums expended by Landlord in so doing, together with interest at ten percent (10%) per annum, shall be deemed additional rent and shall be immediately due from Tenant on demand of Landlord.

(c) Tenant waives the provisions of Civil Code §§ 1941 and 1942 and any other law that would require Landlord to maintain the Premises in a tenantable condition or would provide Tenant with the right to make repairs and deduct the cost of those repairs from the rent.

Section 12. Alterations

(a) Tenant shall not construct any alterations, improvements, or additions or otherwise alter the Leased Premises ("Alterations") without Landlord's prior written consent, provided, however, that Tenant shall be entitled, without Landlord's prior consent, to make Alterations the reasonably estimated cost of which does not exceed \$5,000.00. If Landlord's approval for any Alterations is required, Tenant shall not undertake the Alterations until Landlord has given written consent to the plans and specifications, and the Alterations shall be constructed substantially in compliance with plans and specifications approved by a licensed contractor and by Landlord. All Alterations shall be constructed by a licensed contractor in accordance with all Laws using new materials of good quality.

(b) Tenant shall not commence construction of any Alterations until:

- (i) all required governmental approvals and permits have been obtained,
- (ii) all requirements regarding insurance imposed by this Lease have been satisfied,
- (iii) Tenant has given Landlord at least ten (10) days' prior written notice of Tenant's intention to commence construction, and

(c) Tenant shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished in connection with the Alterations that are or may become mechanics' or materialmen's liens against the Leased Premises or any interest in them. Tenant shall have the right to, in good faith, contest the validity of any lien, claim, or demand, provided that Tenant shall, at Tenant's sole expense, defend Landlord against the lien, claim, or demand, and, upon the request of Landlord, Tenant shall furnish to Landlord a surety bond in an amount equal to the contested lien, claim, or demand indemnifying Landlord against liability and holding the Leased Premises free from the effect of the lien, claim, or demand. In addition, Landlord may require Tenant to pay Landlord's attorney's fees and costs in connection with the defense of any lien, claim, or demand. Tenant shall pay and satisfy any adverse judgment that may be rendered to enforce the lien, claim, or demand against the Landlord, or the Leased Premises.

(d) All Alterations shall be and remain the property of Tenant during the term of this Lease but shall not

Landlord's Initials: _____

Tenant's Initials: _____

be altered or removed from the Leased Premises. At the expiration or sooner termination of the term of this Lease, all Alterations shall become the property of Landlord, and Landlord shall have no obligation to reimburse Tenant for any portion of the value or cost. However, Landlord shall have the right to require Tenant to remove any Alterations; in that case, Tenant shall remove the Alterations prior to the expiration or sooner termination of the term of this Lease.

(e) Tenant shall make any alteration, addition, or change of any sort to the Leased Premises that is required by any Law because of:

- (i) Tenant's particular use or change of use of the Leased Premises;
- (ii) Tenant's application for or issuance of any permit or governmental approval, including without limitation, any permit or license for the cultivation of cannabis; or
- (iii) Tenant's construction or installation of any Alterations.

(f) It is agreed that the existing encroachments and grading shall not be considered a violation of this Section 12 so long as Tenant is diligently working to complete a lot line adjustment and correct any associated problems with the County of Trinity. Notwithstanding the foregoing, however, if at the expiration or sooner termination of the Term (and any extensions thereof), Tenant and Landlord are unable to agree to a satisfactory lot line adjustment or if the County of Trinity does not approve the lot line adjustment or if the Lease is terminated as a result of Tenant's default, then Landlord may, at its election, require Tenant to remove any structures or other improvements made to or placed upon the Premises, whether such structures or other improvements existed prior to or were constructed during the Term.

Section 13. Intentionally Omitted.

Section 14. Insurance

(a) Tenant shall, at Tenant's expense, obtain and keep in force during the term of this Lease:

- (i) Commercial general liability insurance, including property damage, against liability for bodily injury, personal injury, death, and damage to property occurring on the Leased Premises with combined single limit coverage of at least \$1,000,000.00 per occurrence and a general aggregate combined single limit of bodily injury and property damage liability of at least \$2,000,000.00; that policy shall include contractual liability, insuring Tenant's performance of indemnification obligations contained in this Lease; and
- (ii) Fire and "all risk" property damage insurance, insuring any Alterations and all of Tenant's equipment and Trade Fixtures located on the Leased Premises for full replacement cost.

(b) Where applicable, each policy of insurance required to be carried by Tenant pursuant to Section 14(a):

Landlord's Initials: _____

Tenant's Initials: _____

- (i) shall name Landlord and any other parties in interest that Landlord reasonably designates as additional insureds;
- (ii) shall be primary insurance that provides that the insurer shall be liable for the full amount of the loss without the right of contribution from any other insurance coverage of Landlord;
- (iii) shall be in a form satisfactory to Landlord;
- (iv) shall be carried with companies reasonably acceptable to Landlord;
- (v) shall provide that the policy shall not be subject to cancellation, lapse, or change, except after at least thirty (30) days' prior written notice to Landlord;
- (vi) shall not have a "deductible" in excess of any amount reasonably approved by Landlord;
- (vii) shall contain a cross liability endorsement; and
- (viii) shall contain a "severability" clause. If Tenant has in full force a blanket policy of liability insurance with the same coverage for the Leased Premises as described in Section 14(a), that blanket insurance shall satisfy the requirements of Section 14(a), provided that the blanket policy specifically states the address of the Leased Premises as being covered. A copy of each policy evidencing the insurance required to be carried by Tenant pursuant to Section 14(a) or a certificate of the insurer, certifying that the policy has been issued, which provides the coverage required by Section 14(a) and which contains the specified provisions, shall be delivered to Landlord prior to the time Tenant takes possession of the Leased Premises and upon renewal of those policies, not less than thirty (30) days prior to the expiration of the term of the coverage.

Section 15. Intentionally Omitted.

Section 16. Intentionally Omitted.

Section 17. Utilities

Tenant shall promptly pay, as they become due, all charges for water, gas, electricity, telephone, sewer service, waste pick-up, and any other utilities or services furnished directly to or used by Tenant on or about the Leased Premises, including but not limited to any connection or hook-up fees and any penalties for discontinued or interrupted service.

Section 18. Assignment and Subletting

(a) Tenant shall not voluntarily, involuntarily, or by operation of laws, without the prior written consent of Landlord (i) sublet all or any part of the Leased Premises or allow it to be sublet, occupied, or used by any person or entity other than Tenant; (ii) assign Tenant's interest in this Lease; (iii) mortgage or encumber the Lease, or otherwise use the Lease as a security device in any manner; or (iv) amend or

Landlord's Initials: _____

Tenant's Initials: _____

modify an assignment, sublease, or other transfer that has been previously approved by Landlord.

Any action taken or proposed to be taken pursuant to Section 18(a) shall be collectively referred to as an "Assignment," and any third party succeeding to all or a portion of Tenant's interest under this Lease or proposed to succeed to all or a portion of Tenant's interest under this Lease shall be referred to as an "Assignee."

(b) Tenant shall pay to Landlord, as an additional rent, all reasonable costs and attorney's fees incurred by Landlord in connection with the evaluation, processing, or documentation of any requested Assignment, whether or not Landlord's consent is granted. Landlord's reasonable costs shall include the cost of any review or investigation performed by Landlord or consultant acting on behalf of Landlord of: (i) any Hazardous Substances used, stored, released, or disposed of by the proposed Assignee, or (ii) violations of any Environmental Law by the Tenant or the proposed Assignee.

(c) Any Assignment approved by Landlord shall not be effective until Tenant has delivered to Landlord an executed counterpart of the document evidencing the Assignment that is in form and substance reasonably satisfactory to Landlord, and (ii) contains the same terms and conditions as stated in this Lease.

(d) Any attempted Assignment without Landlord's consent shall constitute an Event of Default and shall be voidable at Landlord's option. Landlord's consent to any one Assignment shall not constitute a waiver of the provision of Section 18 as to any subsequent Assignment or a consent to any subsequent Assignment. No Assignment, even with the consent of Landlord, shall relieve Tenant of the obligation to pay the rent and to perform all of the other obligations to be performed by Tenant. The acceptance of rent by Landlord from any person shall not be deemed to be a waiver by Landlord of any provision of this Lease, nor to be a consent to any Assignment.

(e) Landlord's consent to any Assignment shall not constitute an acknowledgment that no default exists under this Lease, nor shall consent be deemed a waiver of any existing default, except as otherwise stated by Landlord at the time.

Section 19. Indemnity

Tenant agrees to indemnify, defend, and hold Landlord, and Landlord's directors, employees, agents and contractors harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments arising by reason of any death, bodily injury, personal injury, or property damage resulting from:

- (i) any cause occurring in or about or resulting from an occurrence in or about the Leased Premises during the Term,
- (ii) the negligence or willful misconduct of Tenant or Tenant's agents, employees, and contractors, wherever it occurs, or
- (iii) an Event of Tenant's Default.

Landlord's Initials: _____

Tenant's Initials: _____

The provisions of Section 19 shall survive the expiration or sooner termination of this Lease.

Section 20. Default

Each of the following shall constitute an event of default under this Lease (each, "Event of Default"):

- (a) Tenant's failure to make any payment required under this Lease when due;
- (b) The failure of Tenant to perform any of the covenants, conditions, or provisions of this Lease to be performed by Tenant, other than those requiring any payment to Landlord, where this failure continues for a period of fifteen (15) days after written notice from Landlord to Tenant. However, if the nature of Tenant's failure reasonably requires more than fifteen (15) days for cure, Tenant shall not be deemed to be in default if Tenant commences to cure within the fifteen (15) day period and thereafter diligently continues this cure to completion;
- (c) Any of the following:
 - (i) The making by Tenant of any general arrangements or assignments for the benefit of creditors;
 - (ii) Tenant's becoming a "debtor" as defined in 11 U.S.C.A § 101 or any successor statute, unless, in the case of a petition filed against Tenant, it is dismissed within sixty (60) days after filing;
 - (iii) The appointment of a trustee or receiver to take possession of substantially all of Tenant's assets at the Leased Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days of this appointment; or
 - (iv) The attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Leased Premises or of Tenant's interest in this Lease, where this seizure is not discharged within thirty (30) days after the seizure.
- (d) The vacation or abandonment of the Leased Premises by Tenant;
- (e) Tenant's Assignment in violation of Section 18.
- (f) Tenant's failure to make payment to Landlord pursuant to paragraph 6 of that certain Non-Binding Letter of Intent dated December 14, 2019, by Landlord and accepted by Tenant.

Section 21. Remedies

Upon the occurrence of an Event of Default, Landlord shall have all rights and remedies provided by law, including, but not limited to, the right to seek summary possession of the Leased Premises through the unlawful detainer remedy and/or bring an action for damages.

Section 22. Default by Landlord

Landlord's Initials: _____

Tenant's Initials: _____

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within thirty (30) days after written notice by Tenant to Landlord, specifying in what respect Landlord has failed to perform the obligation. However, if Landlord's obligation requires more than thirty (30) days for performance, Landlord shall not be in default if Landlord commences to perform within the thirty (30) day period and afterwards diligently completes it.

Section 23. Late Charges

Tenant acknowledges that late payment of sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Therefore, if any sum due from Tenant is not received by Landlord when due, then without any requirement for notice to Tenant, Tenant shall pay to Landlord a late charge equal to 10% of the overdue sum. The parties agree that the late charge represents a fair and reasonable estimate of the costs Landlord will incur because of late payment by Tenant. Acceptance of the late charge by Landlord shall not constitute a waiver of Tenant's default for the overdue sum, nor prevent Landlord from exercising any of the other rights and remedies in this Lease.

Section 24. Interest on Past Due Obligations

Any amount that is due to Landlord and not paid when due shall bear interest from the date due at the maximum rate then allowable by law; provided, however, that interest shall not be payable on late charges incurred by Tenant. Payment of the interest shall not cure any default by Tenant under this Lease.

Section 25. Incorporation of Exhibits.

All attached exhibits are incorporated in this Lease by this reference.

Section 26. Intentionally Omitted.

Section 27. Intentionally Omitted.

Section 28. Severability

If any provision of this Lease is held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this Lease shall remain in effect, unimpaired by the holding.

Section 29. Time of Essence

Time is of the essence under this Lease.

Section 30. Additional Rent

Landlord's Initials: _____

Tenant's Initials: _____

All monetary obligations of Tenant to Landlord under the Lease shall be deemed rent.

Section 31. Entire Agreement

(a) This Lease constitutes the entire agreement between Landlord and Tenant, and there are no agreements or representations between the parties except as expressed in this Lease. Tenant acknowledges that neither Landlord nor Landlord's representatives have made any legally binding representation or warranty as to any matter except those expressly set forth, including any warranty as to:

- (i) whether the Leased Premises may be used for Tenant's intended use under existing law,
- (ii) the suitability of the Leased Premises for the conduct of Tenant's business,
- (iii) the condition of any improvements, or
- (iv) the right to extend the Term beyond the period stated in Section 4, above.

(b) There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels all previous negotiations, arrangements, agreements, and understandings, if any, between Landlord and Tenant with respect to the subject matter of this Lease. This instrument shall not be legally binding until it is executed by both Landlord and Tenant and the condition stated in the Recitals is satisfied. No subsequent change or addition to this Lease shall be binding unless in writing and signed by Landlord and Tenant.

Section 32. Notices

Except as otherwise expressly provided by law, all notices or other communications required or permitted by this Lease or by law to be served on or given to either party to this Lease by the other party shall be in writing and shall be deemed given when personally delivered to the party to whom they are directed, or in lieu of the personal service, upon deposit in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed as follows:

If to Landlord: Humboldt Bay Municipal Water District, Attn: John Friedenbach, PO Box 95, Eureka, CA, 95502-0095.

If to Tenant: Vivid Green, LLC, Attn. Dustin Owens, Owens & Ross, 310 Third Street, Suite D, Eureka, CA 95501

Either party, Tenant or Landlord, may change the address for the purpose of this Section by giving written notice of the change to the other party in the manner provided in this Section.

Section 33. Waivers

No waiver by Landlord, nor any provisions in this Lease shall be deemed a waiver of any other

Landlord's Initials: _____

Tenant's Initials: _____

provision of this Lease, of any subsequent breach of this Lease by Tenant, or of any other provision. Landlord's consent to or approval of any act by Tenant shall not waive the necessity for Landlord's consent to or approval of any subsequent act by Tenant. Landlord's acceptance of rent shall not be a waiver of any preceding breach of Tenant, other than Tenant's failure to pay the rent that Landlord accepted, regardless of Landlord's knowledge of the preceding breach at the time of acceptance of the rent.

Section 34. No Recording

Neither party shall, without the express written consent of the other, execute, acknowledge, or record a memorandum of this Lease.

Section 35. Surrender of the Leased Premises

(a) Upon the expiration or sooner termination of this Lease, Tenant shall vacate and surrender the Leased Premises to Landlord in the same condition as existed at the Commencement Date, except for:

- (i) reasonable wear and tear, and
- (ii) damage caused by any peril or condemnation.

(b) If Landlord so requests, Tenant shall, prior to the expiration or sooner termination of this Lease:

- (i) remove any Alterations that Tenant is required to remove pursuant to this Lease and repair all damage caused by such removal, and
- (ii) return the Leased Premises or any part of the Leased Premises to its original configuration existing as of the time the Leased Premises were delivered to Tenant.
- (iii) Tenant shall remedy any condition of the Leased Premises that is required by any order, law, or regulation of any government agency having jurisdiction over the Leased Premises/

(c) If the Leased Premises are not so surrendered at the termination of this Lease, Tenant shall be liable to Landlord for all costs incurred by Landlord in returning the Leased Premises to the required condition. Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in surrendering the Leased Premises, including without limitation any claims made by any succeeding tenant or losses to Landlord due to lost opportunities to lease to succeeding tenants.

(d) Notwithstanding anything in this Lease to the contrary, Landlord reserves any and all rights available to it under law or equity to demand removal of all structures constructed by Tenant as of the Commencement Date that encroach upon Landlord's Parcel, including but not limited to the Leased Premises. While it is contemplated that during the Term a lot line adjustment will be negotiated and pursued to bring within Tenant's Parcel the Leased Premises, nothing in this Lease shall be construed to require Landlord to agree to a lot line adjustment or as a waiver of its rights, upon termination or expiration of this Lease, to demand the removal of the encroaching structures in the event that a lot line

Landlord's Initials: _____

Tenant's Initials: _____

adjustment agreement is not reached or if a lot line adjustment is not approved by all entities having any approval authority.

Section 36. Holding Over

At the end of the Term, or any extension, if Tenant holds over for any reason, it is hereby agreed that in the absence of a written agreement to the contrary that tenancy shall be from month-to-month only and not a renewal of this Lease, nor an extension for any further term. In that case, Tenant shall pay rent in an amount equal to the rent payable prior to the end of the Term or any extension, and the month-to-month tenancy shall be subject to every other term, covenant, and condition contained in this Lease that is consistent with and not contrary to a month-to-month tenancy.

Section 37. Cumulative Remedies

No remedy of election under this Lease shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

Section 38. Covenants and Conditions

Each term of this Lease performable by Tenant shall be deemed both a covenant and a condition.

Section 39. Binding Effect

Subject to Section 18, this Lease shall be binding on and inure to the benefit of the parties and their successors and assigns.

Section 40. Attorney Fees

If either party brings an action to enforce the Lease, the prevailing party, shall be entitled to reasonable attorney's fees as determined by the court. "Prevailing party" shall include without limitation:

- (a) a party who dismisses an action in exchange for sums allegedly due;
- (b) a party who receives performance from the other party for an alleged breach of covenant or who receives a desired remedy that is substantially equal to the relief sought in an action; or
- (c) a party determined to be the prevailing party by a court of law.

Section 41. Entry

(a) Landlord and its agents may enter the Leased Premises at any reasonable time after giving at least twenty-four (24) hours' prior written notice to Tenant, and immediately in the case of emergency, for the purpose of: (i) inspecting the Leased Premises; (ii) posting notices of non-responsibility; (iii) supplying

any service to be provided by Landlord to Tenant; (iv) showing the Leased Premises to prospective purchasers, mortgagees, or tenants; (v) making necessary alterations, additions, or repairs; (vi) performing Tenant's obligations when Tenant has failed to do so after written notice from Landlord; (vii) placing on the Leased Premises ordinary "for lease" signs or "for sale" signs; and (viii) responding to an emergency.

(b) Landlord shall have the right to use any means Landlord deems necessary and proper to enter the Leased Premises in an emergency. Any entry into the Leased Premises obtained by Landlord in accordance with this Section shall not be a forcible or unlawful entry into, or a detainer of, the Leased Premises, or an eviction, actual or constructive, of Tenant from the Leased Premises.

Section 42. Security Measures

Tenant acknowledges that Landlord shall have no obligation to provide any guard service or other security measures to the Leased Premises and Tenant assumes all responsibility for the protection of Tenant, Tenant's agents, invitees, and customers, and the property of Tenant and of Tenant's agents, invitees, and customers from acts of third parties.

Section 43. Governing Law

This Lease shall be governed by California law, and any litigation concerning this Lease between the parties shall be initiated in the Superior Court of Trinity County.

Section 44. Accessibility Requirements

The following requirements are included herein by Landlord to comply with Civ. Code, § 1938:

The Premises have not undergone inspection by a Certified Access Specialist (CASp).

Tenant acknowledges and agrees that a Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

SIGNATURE PAGE FOLLOWS ON NEXT PAGE

Landlord's Initials: _____

Tenant's Initials: _____

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first set forth above.

LANDLORD:

*HUMBOLDT BAY MUNICIPAL
WATER DISTRICT*

By: _____

Name: _____

Its: _____

TENANT:

VIVID GREEN LLC

By: _____

Name:

Its: Authorized Member

Exhibits

Exhibit A –Leased Area

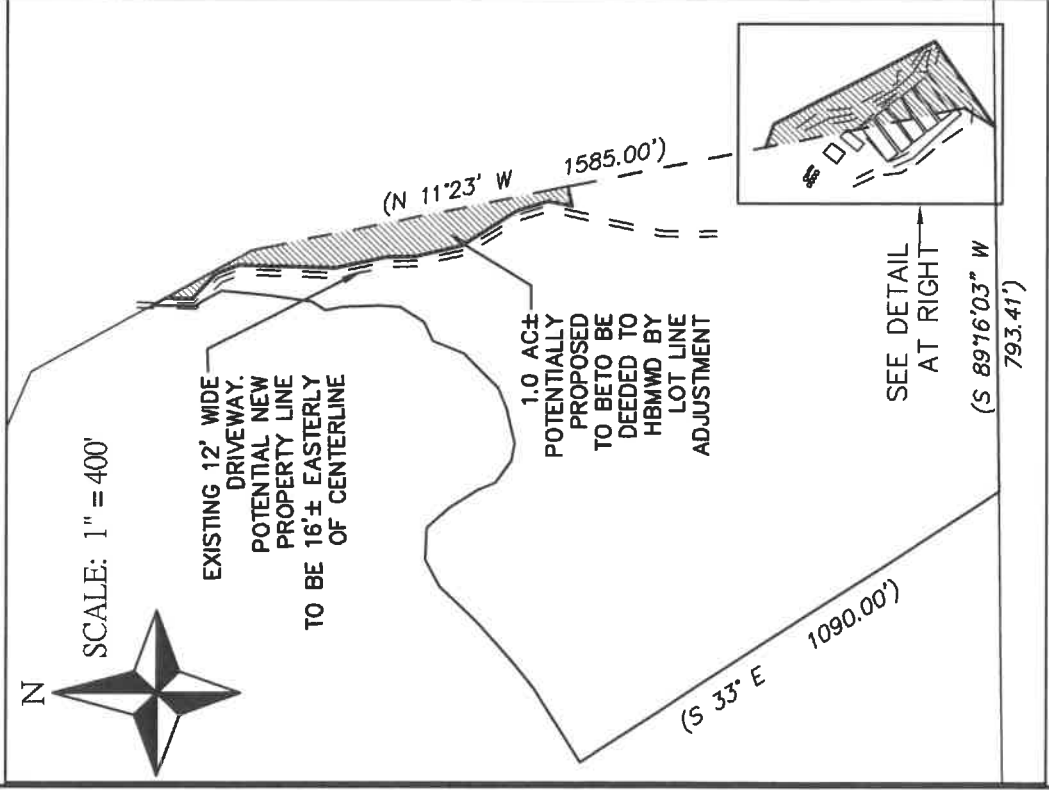
Landlord's Initials: _____

Tenant's Initials: _____

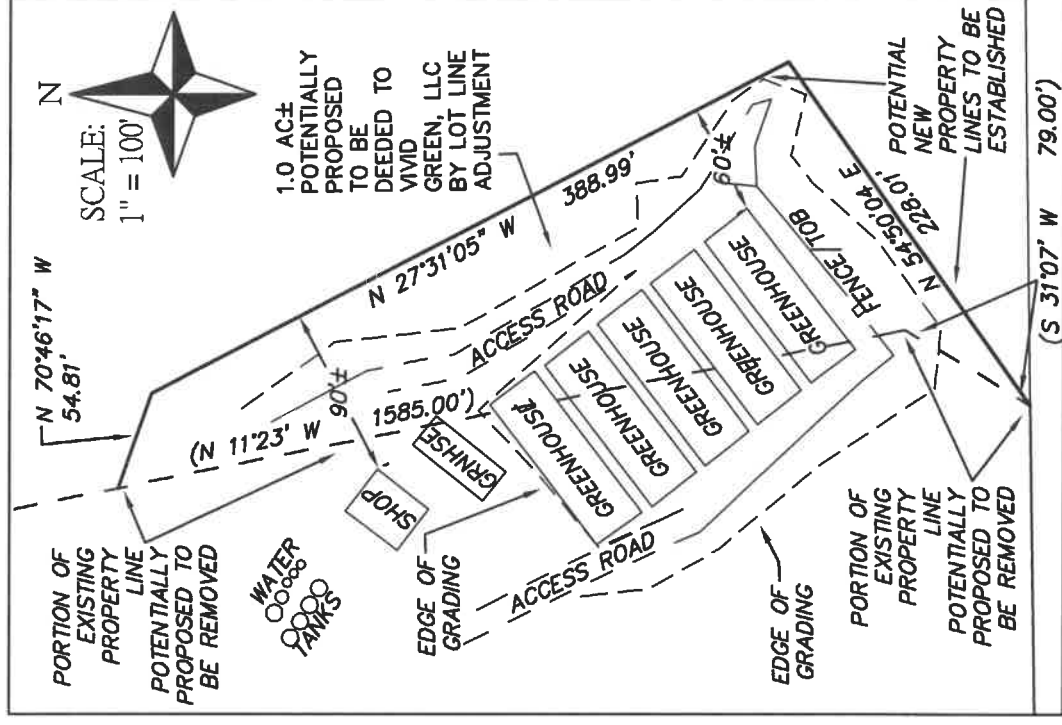
EXHIBIT A

LEGEND

- FOUND SURVEY MONUMENT
- PROPOSED NEW PROPERTY BOUNDARY LINES
- EXISTING PROPERTY BOUNDARY LINES
- ADJACENT PROPERTY BOUNDARIES
- (S 23° E 1090.00') RECORD DIMENSIONS PER DEED INST. NO. 2019-1712



DETAIL



NOTES:
THIS MAP PREPARED BY DYLAN KOLSTAD, LS 8152, OCTOBER 2, 2019, BASED ON FIELD SURVEY BY THIS OFFICE ON SEPTEMBER 26, 2019.

THE PURPOSE OF THIS MAP IS TO ILLUSTRATE THE RELATIONSHIP OF GREENHOUSES AND INFRASTRUCTURE NEAR THE SOUTHEAST CORNER OF THE LANDS OF VIVID GREEN, LLC, WITH EAST AND SOUTHEAST BOUNDARY LINES THEREOF.

RELATIONSHIPS OF AERIAL IMAGERY (GOOGLE EARTH - SEPTEMBER 2019), IF APPLICABLE, TO BOUNDARY LINES ARE APPROXIMATE. BOUNDARY DIMENSIONS ARE SHOWN FROM INSTRUMENT NO. 20191712, TRINITY COUNTY RECORDS.



BOUNDARY EXHIBIT
SHEET 1 OF 1
KOLSTAD LAND SURVEYORS
PO BOX 594
BAYSIDE, CA 95524
VOICE (707) 822-2718
FAX (707) 822-5636

New Business

**Resolution of the Humboldt Bay Municipal Water District
Recognizing and Honoring the Outstanding Service of
*Barbara Hecathorn***

WHEREAS, Barbara Hecathorn has served the Humboldt Bay Municipal Water District with distinction, as Director of Division Three, from August 2005 to December 31, 2019; and,

WHEREAS, at least twenty years prior to her service as Director, she had a strong interest in the activities of the District and accompanied her husband, Director Lloyd Hecathorn to numerous meetings and ACWA Conferences and attended many seminars on the complex water needs of California; and

WHEREAS, her service has included President from January 2015 to January 2017; Vice-President from January 2013 to January 2015 and Secretary/Treasurer from January 2009 to January 2013; and,

WHEREAS, she served the District in many ways beyond the normal duties of a Director, including serving on the Joint Agency Aquatic Invasive Species Committee, the Audit Committee, the Ad Hoc Committee for Negotiating Wholesale Contracts; and,

WHEREAS, she represented the District and the North Coast region in general during her service on the Association of California Water Agencies Region 1 Board; and,

WHEREAS, she represented District for a number of years as the Redwood Coast Energy Authority representative; and,

WHEREAS, to each meeting, she always brought her chic fashion sense; and,

WHEREAS, she has the unique ability to diffuse tension with her wit and humor; and,

WHEREAS, the Board wishes to acknowledge her departure from the Board and does hereby wish her all the best,

NOW, THEREFORE BE IT RESOLVED, that the Board and Staff of the Humboldt Bay Municipal Water District does hereby sincerely and gratefully acknowledge Barbara Hecathorn's contributions and years of dedicated service.

BE IT FURTHER RESOLVED, that the Board and Staff of the Humboldt Bay Municipal Water District thank Barbara Hecathorn, for the years of service she contributed to the District and the Humboldt Bay Community.

PASSED, APPROVED AND ADOPTED this 12th day of December 2019, by the following roll call vote:

AYES:
NAYES:
ABSENT:

ATTEST:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer

Neal Latt, Vice-President

Michelle Fuller, Director

John Friedenbach, General Manager

WHEREAS, Brian Newell has faithfully served the HUMBOLDT BAY MUNICIPAL WATER DISTRICT beginning May 17, 1982 as Maintenance Mechanic and;

WHEREAS, Brian became the Hydro Operator at Ruth in January 1995, and;

WHEREAS, Brian has been a dedicated and valuable representative for the District at Ruth, observant, thorough, detailed, and proactive, and;

WHEREAS, Brian has been a fixer of faults, a queller of quandaries, a tireless troubleshooter of tribulations, and a master mechanic of mystifying machines, and;

WHEREAS, Brian is a teller of tales, a deliberator of dilemmas, and a convivial conversationalist, and a carrier of conversations, and;

WHEREAS, Brian has performed his duties as hydroelectric plant operator with aplomb and precision, in snow and rain, in the heat of the day and the gloom of the night, ably completing his appointed rounds regardless of time of day or the conditions of road, weather, or equipment, and;

WHEREAS, Lisa Newell has faithfully served the HUMBOLDT BAY MUNICIPAL WATER DISTRICT since June 1994 and became the relief hydro operator in April 1999, and;

WHEREAS, Lisa was not only a relief operator but took on the additional duties of cleaner of cabins, cook for the crews, caterer of joint board meetings, compassionate friend to all, and;

WHEREAS, there was always demand for Lisa's divinely delicious, deviled eggs, and;

WHEREAS, the dynamic duo together helped foster and maintain good relationships with Ruth Lake CSD and the Leaseholders, and;

WHEREAS, they were known to go on month-long hunting trips together and had many stories, adventures and mishaps, and;

WHEREAS, Brian and Lisa will retire from the District on December 30, 2019, and;

WHEREAS their service was distinguished by quality work and high professional standards, and;

WHEREAS the Board of Directors wishes to formally recognize and commend such service, and;

THEREFORE, BE IT RESOLVED, that the HUMBOLDT BAY MUNICIPAL WATER DISTRICT Board of Directors hereby declares, to Brian and Lisa Newell, on behalf of the District, the staff and other close associates, its genuine appreciation for 37 1/2 years of dedicated service performed by Brian Newell and 25 1/2 years of dedicated service by Lisa Newell during their tenure with the District.

PASSED, APPROVED AND ADOPTED this 12th day of December 2019.

Attest:

Sheri Woo, President

Neal Latt, Vice-President

J. Bruce Rupp, Secretary/Treasurer

Barbara Hecathorn, Director

Michelle Fuller, Director

John Friedenbach, General Manager

Dale Davidsen, Superintendent

To: Board of Directors
From: John Friedenbach
Date: November 27, 2019
Subject: District's Safety Program

Achieving employee safety and public safety is a top priority for the District.

The Board has adopted five goals which support our District Mission. Goal Number 1 is Safety and Public Health. It reads:

- Employ safe work practices to ensure worker and public safety at all times. Strive for no on-the-job reportable injuries each year.
- Operate the regional water system in accordance with state and federal safe drinking water laws and regulations at all times to protect public health.

The District has a "safety philosophy" as well as a strong safety program. The Board has consistently supported our safety philosophy and program. The District instituted a safety incentive/reward program for full-time regular employees. Currently, the District pays a \$200 incentive to each current employee who has been employed for at least six months and meets the criteria listed below. The District also awards one grand prize of \$500, based on a drawing of all eligible employees.

Criteria to be eligible for incentive award:

1. Participate in at least seventy five percent (75%) of monthly safety meetings during the calendar year. For newly hired employees that meet the eligibility requirements, percentage applies to eligible monthly safety meetings.
2. Wear appropriate PPE when required on the job.
3. 3a. Provide one safety awareness or preventative suggestion to supervisor and have it documented at a safety meeting or with the Safety Committee.
3b. Report an incident or near miss incident or unsafe conditions.
3c. Receive a "satisfactory" rating on annual performance evaluation under the "Safe Practices" category.

One of 3 per calendar year

In acknowledgement of the variety and increased degree of potential severity of injury contained in the job duties of the operations personnel, staff would like the Board to consider expanding the safety incentive program to be:

The District pays \$200 incentive to each current employee who has been employed for at least six months and meets the criteria listed above. The District also awards one grand prize of \$500, based on a drawing of the eligible employees in operations/maintenance and one grand prize of \$300, based on a drawing of the eligible employees in the Eureka office staff.

To: Board of Directors

From: Samantha Ryan

Date: December 12, 2019

Subject: Retail Rate Study 2020

Background:

As the Board is aware, the District provides retail water service to approximately 200 customers in the Fairhaven and West End Road areas. As required by Proposition 218, retail water rates must not exceed the cost-of-service. To ensure this requirement is met, the industry standard is to conduct a retail rate study every five years. Once the study is completed, the retail rates are established by Board Resolution. The District's most recent retail rate study was conducted in 2015. Retail rates were approved by Resolution 2016-02, setting rates through June 30, 2021.

A retail rate study consists of three analyses:

- 1) Revenue Requirement – *Summation of the operation, maintenance, and capital costs that a utility must recover during the time period for which the rates will be in place.*
- 2) Cost-of-Service – *Determines the cost difference between serving various rate groups to equitably distribute revenue requirements among service area, service type, service size, etc.*
- 3) Rate-Design – *Determines how to recover the appropriate level of costs from each rate group.*

Next Steps:

- January 2020 – July 2020 - Staff to complete revenue requirement and cost-of-service analyses. Staff will also evaluate several rate structures as part of the rate-design analysis.
- August 2020 Board Meeting – Staff will present the revenue requirement & cost-of-service analyses to the Board. Staff will also present a draft rate-design analysis to obtain feedback regarding the potential rate structures. Impacted customers will receive notification of this meeting and encouraged to attend.
- August 2020 – October 2020 – Staff to complete rate-design analysis and determine recommended rate structure.
- November 2020 Board Meeting – Staff will present the final rate-design analysis and recommended rate structure. The Board will make a determination regarding the recommended rate structure and will set a Public Hearing date. (Impacted customers must receive notice of public hearing 45-days in advance.)
- February 2021 Board Meeting – Required public hearing (Proposition 218) for proposed resolution on rates for retail water service*.
- July 1, 2021 – New rates go into effect for Humboldt Bay retail customers.

*. Customers may prevent the adoption of a rate change by submitting protests in writing. If there is a majority protest (50% + 1), the resolution cannot be passed. If there is NO majority protest, the Board can adopt the resolution on rates for retail water service.

Engineering



November 8, 2019

Reference No. 11201327

Mr. John Friedenbach
Humboldt Bay Municipal Water District
828 Seventh Street
Eureka, CA 95501

Re: Submittal of Mad River Cross Sections for 2019

Dear John:

We have enclosed two hardcopies of the 2019 survey of the Mad River Cross Sections at Essex. We have also enclosed a CD with an electronic copy of the drawings in PDF and AutoCAD format.

This last year, and these cross sectional surveys, demonstrate how dynamic the river can be in this reach. During the past few years of this annual cross section monitoring process, the channel against the north or right bank at Sections 2 and 3 has been one area of concern with regard to District operations. The diminished effectiveness of the Pump Station 6 weir on the right bank has allowed the channel to move north and away from the Pump Station 6 intake. The winter of 2018/2019 also saw extensive erosion of the south or left bank at Pump Station 4, with large portions of the left bank eroded away during the winter necessitating emergency measure to stabilize the bank and re-cover the pipeline from Pump Station 4. This report details the movement of the river in this reach and provides recommendations with regards to future District activities in this reach.

The channel on the north bank at Section 3 (between Pump Station 1 and Pump Station 6) and at Section 2 (downstream of Pump Station 6) has generally deepened over the past few years. The deepening of the north bank channel suggested that the weir placed just downstream of Section 3 to divert flows back toward Pump Station 6 (PS-6) is losing its effectiveness. Failure of the weir, or movement of the main channel thalweg to the north, would prevent the effective operation of the surface water intake at PS-6. The situation did not necessarily worsen between 2018 and 2019, in fact the center channel filled in this year in Sections 2 and 3, and the right hand channel did not deepen significantly, but this is still an area of concern. As recommended last year, it is recommended that the southern channel be deepened by dredging to ensure the effective operation of PS-6. Additionally, the District and GHD have begun working toward initiating the design and permitting process for re-establishing the rock weir on the right bank of the river and extending it out toward the center of the channel. It is recommended that this design and permitting continue, and the weir is re-established to ensure that the main channel of the river continues to run past the intake for PS-6.

The buildup of the sandbar on the right side of the channel at Pump Station 4 is dramatically presented in Section 7. This survey of Section 7 was performed prior to the emergency river restoration work performed around PS4 this summer. The main channel at Section 7, immediately downstream of PS-4, had seen the channel move away from the right bank and towards the center of the channel over the last few years. The area of the sand bar built up around PS-4 had largely washed away between 2015 and 2016 and further eroded over the last couple years. (Note I have included the cross sectional survey from 2017 as an attachment to allow you to see the 2015 and 2016 survey data as well.) This is not unusual, and the area around PS4 typically needed to be built up again to construct a platform for the boom truck or a crane to perform maintenance on the pump station. The dramatic change at this section was the



buildup of the bar on the right bank just upstream and along PS4. This bar forced the river to the left bank, resulting in extensive erosion of the left bank during the winter of 2018/2019. The deepening of the channel on the left bank was apparent between 2016 and 2017, but was not as noticeable from 2017 to 2018. However, the erosion of the left bank at PS-4 after the 2018 survey is also dramatically presented in the survey of Section 7. The construction of the rock jetties upstream of PS4 and the filling and armoring of left bank area around PS4 should provide some relief, at least in the short term. However, the buildup of the bar on the right bank was not addressed in the emergency work performed in the winter and summer of 2019. This bar will tend to keep forcing the river back towards the left bank, and should be addressed in any additional work performed around PS4.

It is interesting to note that in Section 8, located just downstream of Pump Station 5, the channel had been moving from the left bank to the right bank over the last few years. In 2015, it was largely along the left bank. In 2016, it began to move to the center of the channel. In 2017, it shifted largely to the center of the channel and eroded a considerable amount of the bar that was along the right bank. In 2018, the channel shifted further north and deposited a considerable amount of sediment back to the right bank. In 2019, the main channel shifted almost entirely to the right bank, and it is likely that a lot of the sediment that was mobilized was redeposited on the bar at PS 4.

The other cross sections in the Essex reach look largely as they did in the 2017 and 2018 surveys, and do not indicate any areas of concern. The channel at Section 1, the farthest section downstream of Essex, shifted slightly towards the north, more toward the center of the channel. The right bank aggraded or filled in quite a bit this year as well. The channel on the north/right bank of Section 4 (between PS-1 and PS-2) generally has not change much since 2015. The Section 5 channel (just upstream of PS-2) has also changed very little in the past several years. There have been some minor changes at Section 6, just downstream of PS-3. It has deepened slightly in some areas and filled in slightly in others. The hump of sediment deposited in the middle of the Section 6 cross section in 2018, creating two distinct channels, was largely washed away this year, returning the channel largely to how it looked in 2017.

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

Sincerely,

GHD

Patrick Kaspari, PE

District Engineer

Encl.: 2019 Survey of the Mad River Cross Sections at Essex
2017 Survey of the Mad River Cross Sections at Essex

cc: Dale Davidsen, Superintendent, HBMWD

FOUNTAIN SURVEYING CO.
5201 Canyon Park Dr., Suite 3 - Arcata, CA 95521
707-840-9510 - Phone 707-840-9547 - Fax

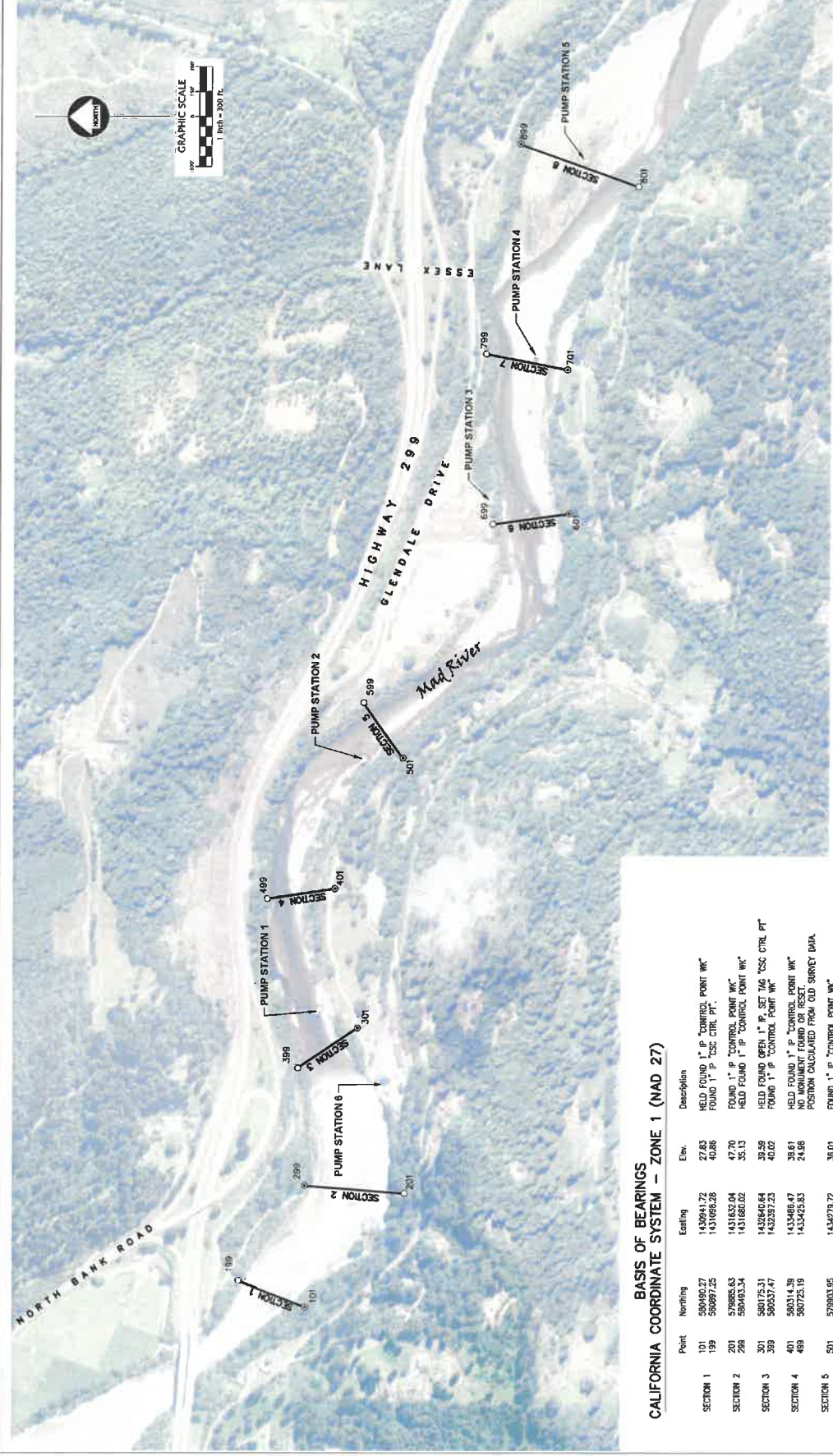
CROSS SECTION INDEX

MARK	DATE	DESCRIPTION

MAD RIVER ESSEX - 2019
SURVEY DATE: SEPTEMBER 11, 2019

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

PROJECT: 1501327
DRAWN: WJP
CND: DMC
SHEET 1 OF 3



LEGEND

- ⊙ FOUND RECORD SURVEY MONUMENT - HELD FOR POSITION
- FOUND RECORD MONUMENT AS NOTED



THIS DRAWING IS FOR GENERAL INFORMATION ONLY AND DOES NOT INDICATE WATER/GRAVEL CONDITIONS AT TIME OF SURVEY.

CALIFORNIA COORDINATE SYSTEM - ZONE 1 (NAD 27)

Point	Northing	Easting	Elev.	Description
SECTION 1	590460.27	143094.72	27.83	HELD FOUND 1" IP "CONTROL POINT WK"
199	590897.25	1431068.28	40.86	FOUND 1" IP "CSC CTRL. PT."
SECTION 2	579685.63	1431632.04	47.70	FOUND 1" IP "CONTROL POINT WK"
298	590463.34	1431660.02	35.13	HELD FOUND 1" IP "CONTROL POINT WK"
SECTION 3	580175.31	1432442.64	39.59	HELD FOUND OPEN 1" IP, SET TAG "CSC CTRL. PT"
399	580537.47	1432337.23	40.02	FOUND 1" IP "CONTROL POINT WK"
SECTION 4	580314.39	1433468.47	38.61	HELD FOUND 1" IP "CONTROL POINT WK"
489	580725.19	1433425.83	24.86	NO MONUMENT FOUND OR RESET, POSITION CALCULATED FROM OLD SURVEY DATA.
SECTION 5	579903.95	1434279.72	36.01	FOUND 1" IP "CONTROL POINT WK"
599	580140.54	1434614.86	64.48	HELD 1" IP "CONTROL POINT WK"
SECTION 6	578880.74	1435765.84	40.73	HELD FOUND 1" IP "CONTROL POINT WK"
699	579359.22	1435702.74	48.29	FOUND 1" IP "CONTROL POINT WK"
SECTION 7	578816.78	1436843.30	47.77	HELD 1" IP "CSC CONTROL"
799	578406.72	1436739.01	60.81	FOUND 1" IP "CONTROL POINT WK"
SECTION 8	578486.94	1437754.33	68.50	FOUND 1" IP "CONTROL POINT WK"
899	579199.47	1438012.41	67.22	HELD FOUND 1" IP "CONTROL POINT WK"

RECORD POSITIONS ARE SHOWN WHERE THEY AGREE WITHIN 1" HORIZONTALLY AND 0.1" VERTICALLY - MEAS. DISTANCES AND ELEVATIONS ARE SHOWN IN DESCRIPTION IF FOUND TO BE OUT OF THIS TOLERANCE. SECTIONS ON ATTACHED SHEETS FACE WESTERLY (DOWNSTREAM VIEW).

CROSS SECTIONS 1 - 4
MAD RIVER ESSEX - 2019
 SURVEY DATE: SEPTEMBER 15, 2019
 HUMBOLDT BAY MUNICIPAL WATER DISTRICT

NO.	DATE	DESCRIPTION	ISSUE

PROJECT: 11201327
 DRAWN BY: JPS/MLD
 CHECKED BY: DAC

SHEET 2 OF 3

DATE: 30 September 2019 - 11:37
 FILE: C:\Users\jps\Documents\2019\Essex\2019\Essex\11201327\4_1_SECTION1.dwg
 PLOTTED BY: BOB DEWES



DATE IS ONE INCH ON
 0 DIMENSIONS
 1 DIMENSION

LEGEND
 1992
 1994*
 2017
 2018
 2019

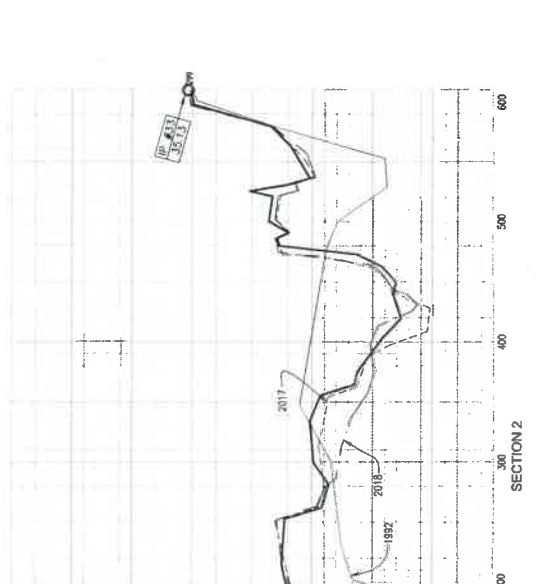
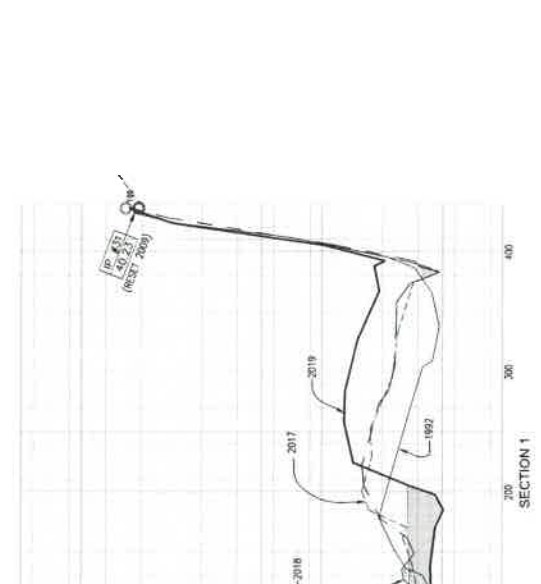
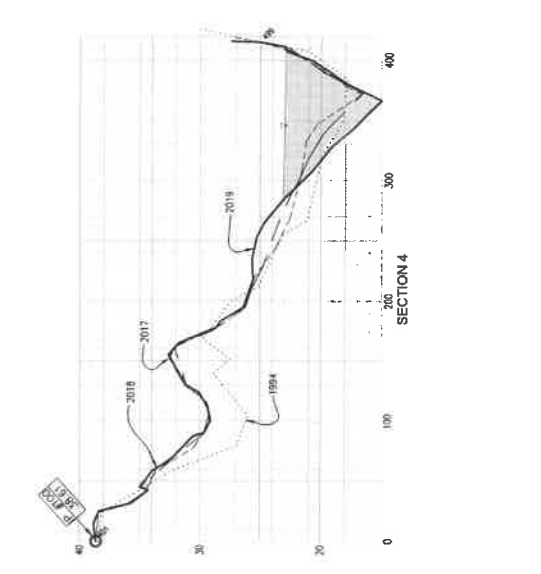
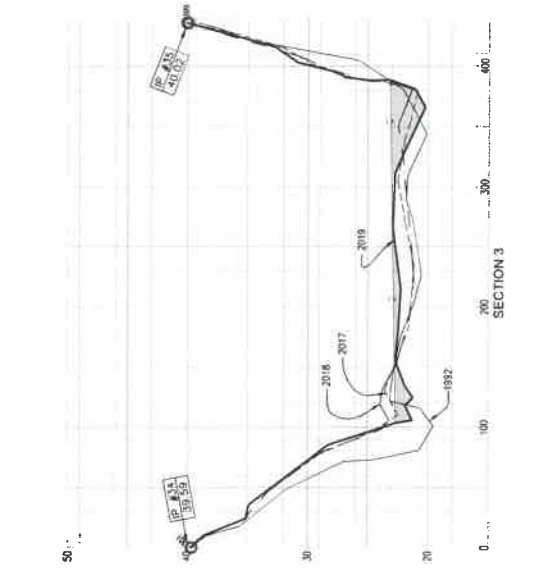
WATER SURFACE ON
 SEPTEMBER 11, 2019

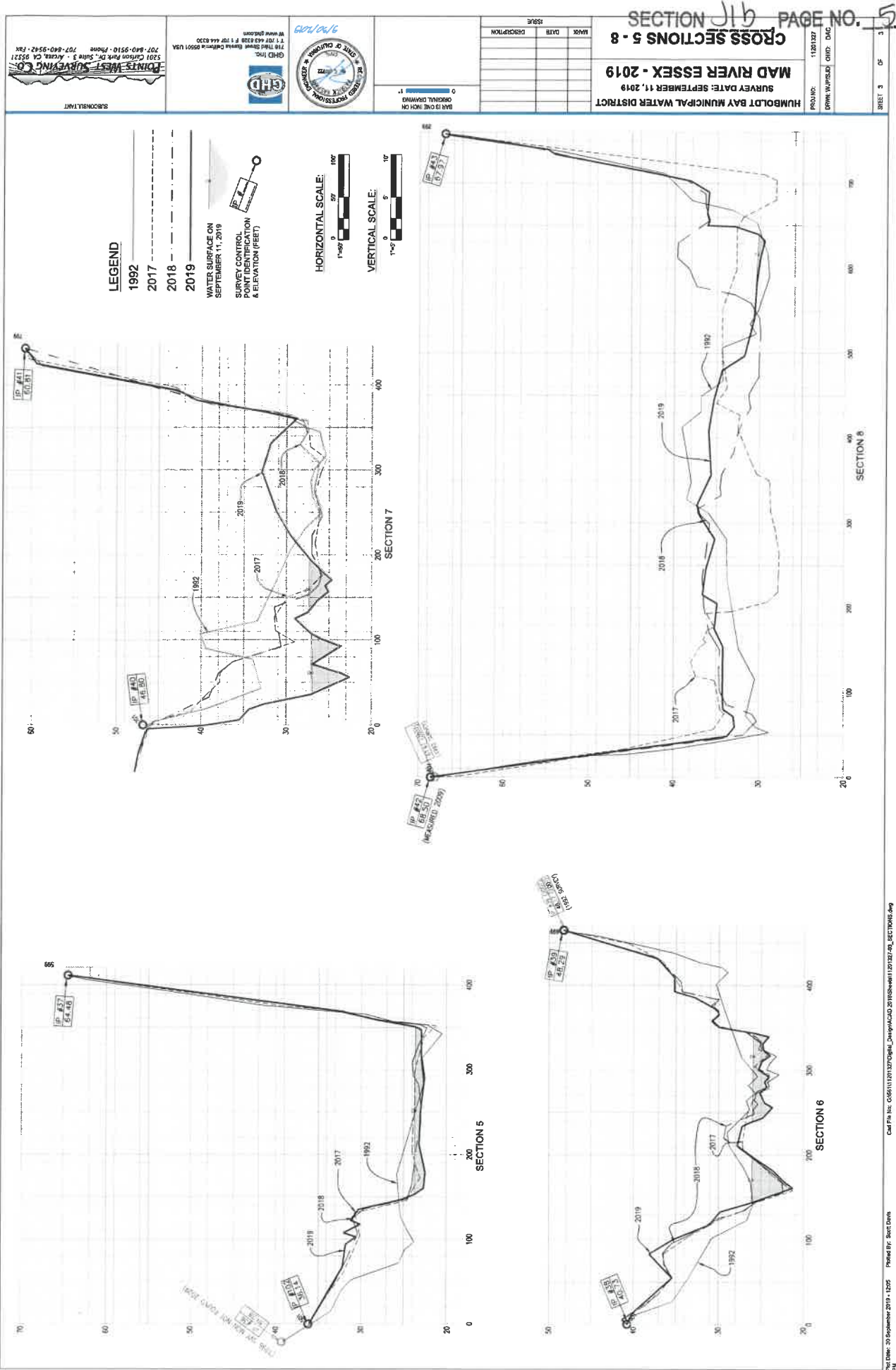
SURVEY CONTROL
 POINT IDENTIFICATION
 & ELEVATION (FEET)

* Section 4 only

HORIZONTAL SCALE:
 1"=60'

VERTICAL SCALE:
 1"=4'





CROSS SECTIONS 5 - 8

MAD RIVER ESSEX - 2019

SURVEY DATE: SEPTEMBER 11, 2019

SECTION 41b PAGE NO. 5

NO.	DATE	DESCRIPTION

POINT WEST SURVEYING CO.

5201 Canyon Park Dr., Suite 3 - Acacia, CA 95221

707-940-9516 - Phone 707-940-9542 - Fax

GHD INC.

1790 Shattuck Avenue, Suite 200, Berkeley, CA 94704

415-841-4200

www.ghd.com

POINTS WEST SURVEYING CO.
 1521 Canyon Park Dr., Suite 3, Arcata, CA 95521
 707-840-9510 Phone 707-840-9542 Fax

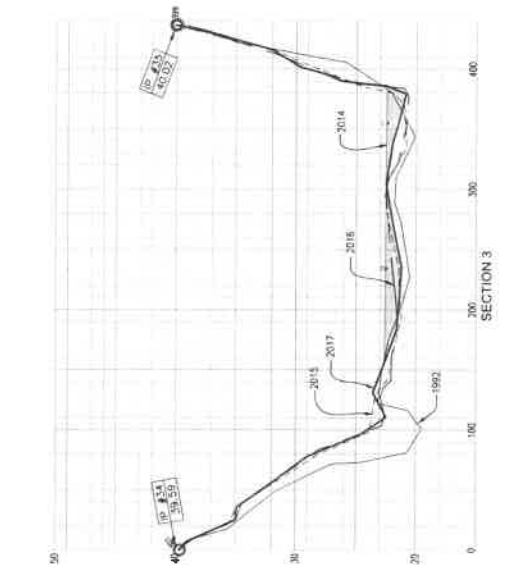


DATE THIS SECTION
 ORIGINAL DRAWING
 1"

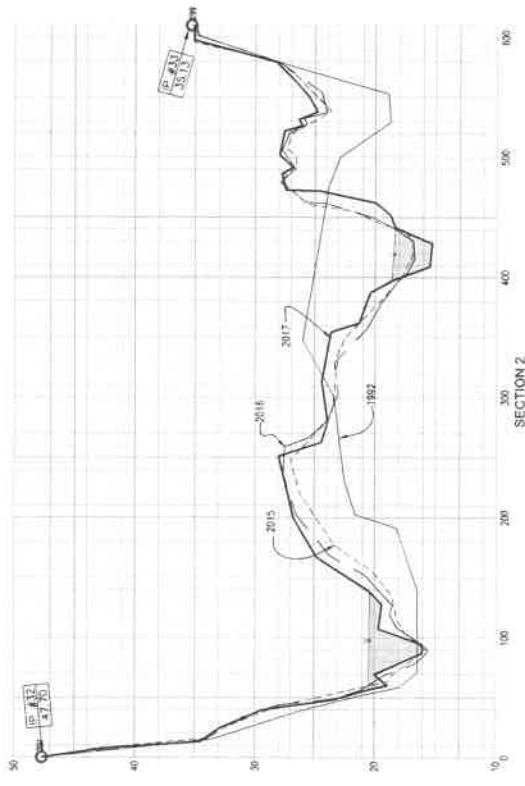
MARK	DATE	DESCRIPTION	ISSUE

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 SURVEY DATE: SEPTEMBER 12, 2017
CROSS SECTIONS 1 - 4
 SECTION 1b PAGE NO. 1e

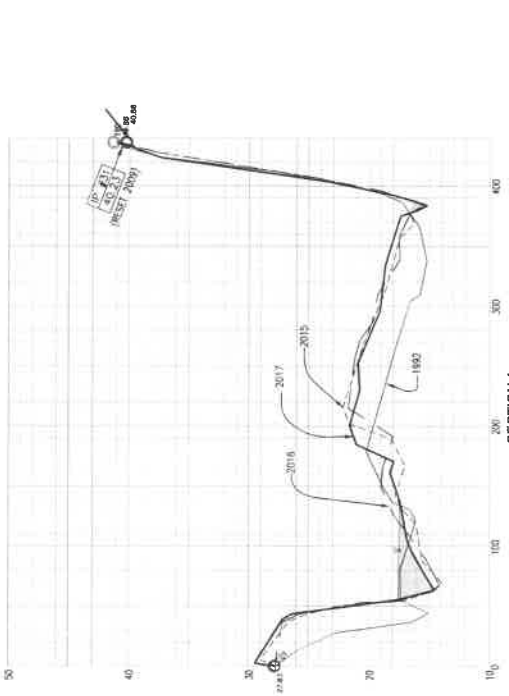
PROJECT: 1116480
 DRAWN BY: JWS/D
 SHEET 2 OF 11



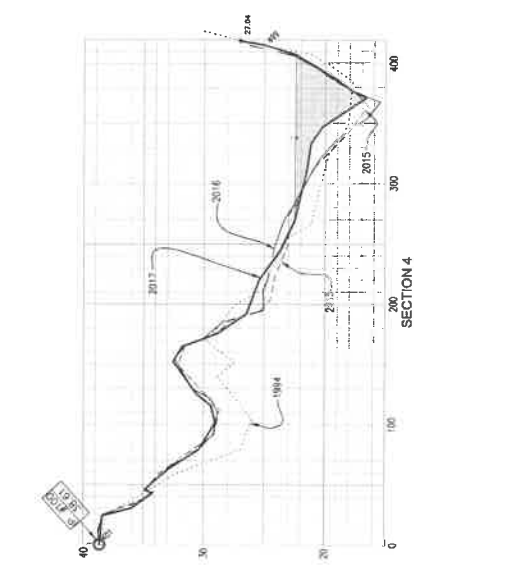
SECTION 1



SECTION 2



SECTION 3



SECTION 4

LEGEND

- 1992
- 1994*
- 2015
- 2016
- 2017

WATER SURFACE ON
 SEPTEMBER 12, 2017
 SURVEY CONTROL
 POINT IDENTIFICATION
 & ELEVATION (FEET)

* Section 4 only

HORIZONTAL SCALE:
 1"=50'

VERTICAL SCALE:
 1"=5'

CROSS SECTIONS 5 - 8
MAD RIVER ESSEX - 2017
 SURVEY DATE: SEPTEMBER 12, 2017

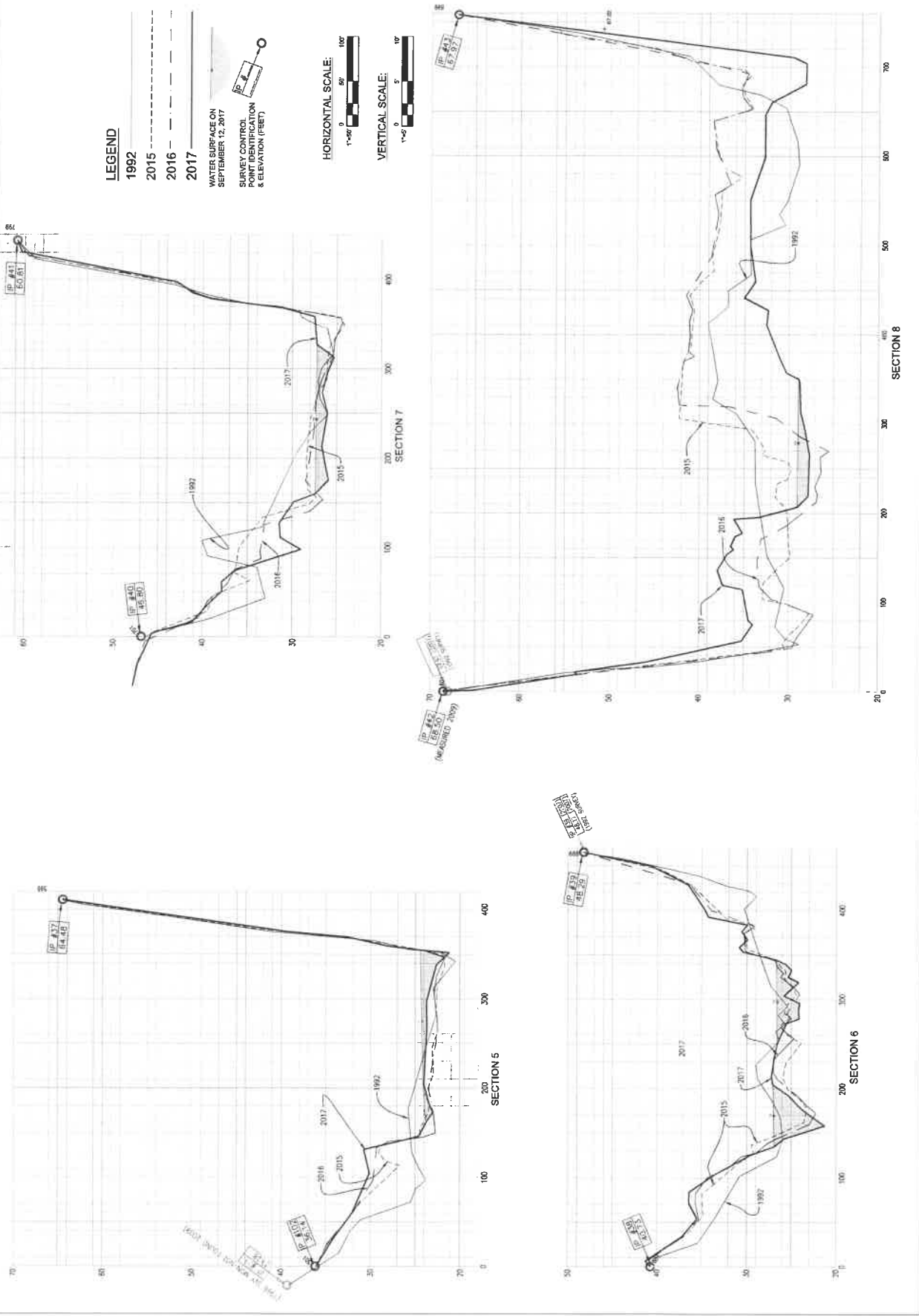
HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 PROJECT: 1116483
 DRAWN: MURPHY CHD: DAC

SHEET 3 OF 3

NO.	DATE	DESCRIPTION



CONSULTANT
POINTS WEST SURVEYING CO.
 5701 Carlton Park Dr., Suite 3 Arcata, CA 95521
 707-840-9510 - Phone 707-840-5542 - Fax



Recording Requested By:

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

After Recording Return To:

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

APNs: 507-331-066

**FIRST AMENDMENT TO GRANT OF RIGHT OF WAY
AND NOTICE OF LOCATION**

This "First Amendment to Grant of Right of Way" (hereafter "First Amendment") is entered into this ____ day of December, 2019, by and between PHILLIP M. LAZZAR and DEBORAH J. LAZZAR, as Trustees of the Community Trust Created under the Phillip M. Lazzar and Deborah J. Lazzar Trust Agreement, dated January 15, 2002 (successor-in-interest to Bruna Bertolini, Mary Bertolini and Elio Bertolini), hereinafter referred to as "Grantor", and HUMBOLDT BAY MUNICIPAL WATER DISTRICT, a California municipal water district, hereinafter referred to as "Grantee".

A. WHEREAS, Grantor is the owner of certain real property located in the City of Arcata, County of Humboldt, State of California, Alliance Road, Arcata (APN 507-331-066), which is more particularly described in *Exhibit A* hereto and incorporated herein by this reference (collectively, "Grantor's Property").

B. WHEREAS, Grantor's predecessor-in-interest executed that certain written Grant of Right of Way (the "Easement") on or about March 16, 1961, and thereby vested Grantee with certain easement rights over and across Grantor's Property, as described in said instrument. The Easement was recorded after execution, on or about June 16, 1961, in Volume 610, Page 499 of Official Records of Humboldt County.

C. WHEREAS, the Easement allows the Grantee to specify the location of the right of way and easement by recording a "Notice of Location" and delivering said Notice of Location to Grantor.

D. WHEREAS, Grantor and Grantee desire to amend the Easement, as to Grantor's Property, in order to (i) set forth the specific location of the easement across Grantor's Property; (ii) retain the easement width of thirty (30) feet, but add an additional buffer zone equal to twelve and one-half (12.5) feet on either side of the thirty (30) foot wide easement so that the total affected width is fifty five (55) feet; and (iii) provide for an obligation that Grantor will hold harmless and indemnify Grantee, as described below.

E. WHEREAS, this First Amendment constitutes the first amendment and modification to the Easement.

NOW, THEREFORE, for mutual consideration received, the adequacy of which is hereby acknowledged, Grantor and Grantee hereby amend, modify and supplement the Easement in the following limited respects:

First Amendment to Easement

1. Size of Easement

The right of way and easement over Grantor's Property shall be thirty (30) feet in width. In addition, there shall be a buffer zone, which shall extend twelve and one half (12.5) feet on either side of the Easement, parallel to the Easement and for the entire length of the Easement on Grantor's Property. Collectively, the easement and buffer zone are referred to as the "Affected Area". Within the Affected Area there shall be no fencing, structures, residential or other construction, planting of plants with invasive root systems, or the placement of other obstructions or improvements on or under the surface.

2. Location of Easement and Easement Description

The easement location set forth in the Easement is hereby amended in its entirety, as to Grantor's Property, and shall be replaced with the legal description of the easement area set forth in **Exhibit B** attached hereto ("Easement Area").

3. Continuation of Easement

Subject to the modifications recited in this First Amendment, the Easement shall continue in all respects, including the purposes and uses of the Easement. This Amendment shall apply only to Grantor's Property and shall in no way affect the Easement as to any other parcel of land burdened by the Easement. The Easement, as modified by this First Amendment, shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties hereto.

4. Indemnity

Grantor agrees to hold Grantee (and Grantee's directors, employees, or agents) harmless for any damage to Grantor's real property, improvements, or personal property that may occur in the future, but only to the extent that such damage is caused, in whole or in part, by or as a result of the Grantee's restricted abilities to access the Grantee's waterline on the Property as a result of improvements constructed by Developer. This includes, but is not limited to, erosion or subsidence of Grantor's property and flooding or water damage due to a failure of District's waterline on the property or by damage to Grantor's real or personal property caused by Grantee's efforts to access and repair, replace or maintain the waterline because the Grantee's ability to fully access its waterline is restricted by the presence of the improvements constructed by Grantor.

The Grantee and the Grantor agree that the hold harmless provision set forth above shall not operate to reduce or eliminate the Grantee's obligation to indemnify the Grantor for any liabilities for which indemnification is required under the express terms of the Easement, unless such liability relates, in whole or in part, to the Grantee's restricted ability to access the waterline as a result of Grantor's improvements.

In addition, Grantor agrees to defend and indemnify District, to the full amount permitted by law, from any claim or action brought by any third party against Grantee (or Grantee's directors, employees, or agents) relating to any personal injury, death, or property losses or damages related, in whole or in part, to Grantee's restricted abilities to fully access and use Grantor's property for repair, maintenance and replacement of Grantee's water line and related facilities on Grantor's Property.

GRANTOR:

Dated: _____

By: _____
Phillip M. Lazzar, as Trustee

Dated: _____

By: _____
Deborah J. Lazzar, as Trustee

GRANTEE:

**Humboldt Bay Municipal Water
District**

Dated: _____

By: _____

Its: _____

ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF HUMBOLDT)

On _____, 2019, before me, _____, Notary Public, personally appeared Phillip M. Lazzar, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Place Notary Seal Above

ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF HUMBOLDT)

On _____, 2019, before me, _____, Notary Public, personally appeared Deborah J. Lazzar, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Place Notary Seal Above

Exhibit A

Legal Description of Grantor's Real Property

For APN Parcel IDs: 507-331-066

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF ARCATA, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

That certain Parcel entitled "Remainder" on Parcel Map No. 3609, filed in the Office of the Humboldt County Recorder in Book 36 of Parcel Maps, Pages 41 and 42.

Exhibit B

Legal Description of Easement Area Including Buffer Zone

[TO BE PREPARED BY POINTS WEST]



H.B.M.W.D. DEC - 2 2019

November 22, 2019

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

Subject: Project Subapplication Waiting List
Hazard Mitigation Grant Program
FEMA-4407-DR-CA, November 2018 California Wildfires
Cal OES PJ0310, HBMWD Turbidity Reduction Facility Generator Project
Subapplicant: Humboldt Bay Municipal Water District, FIPS: 023-91000

Dear Mr. Friedenbach:

The California Governor's Office of Emergency Services (Cal OES) received and reviewed your subapplication requesting funds from the Hazard Mitigation Grant Program (HMGP). Cal OES has placed your subapplication on a waiting list to be submitted to the Federal Emergency Management Agency (FEMA) if funding becomes available.

Cal OES is authorized to discuss your subapplication only with the Authorized Agent, Primary Contact or Alternate Contact. If the subapplicant wants Cal OES to communicate with anyone other than the listed contacts, such as a consultant, we need written authorization on official letter head or by email.

We appreciate the time and effort you expended applying for this grant and we encourage you to continue to apply for future hazard mitigation projects.

If you have any questions, please contact Concepcion Chavez, Hazard Mitigation Grants Specialist, at Concepcion.Chavez@caloes.ca.gov or (916) 845-8854.



3650 SCHRIEVER AVENUE • MATHER, CA 95655
RECOVERY SECTION • HAZARD MITIGATION ASSISTANCE BRANCH
PHONE: (916) 845-8200 • FAX: (916) 845-8387
www.CalOES.ca.gov

Mr. John Friedenbach
November 22, 2019
Page 2

SECTION JLF, PAGE NO. 2

Sincerely,

A handwritten signature in black ink, appearing to read "Whitney Braziel". The signature is fluid and cursive, with a large loop at the end.

WHITNEY BRAZIEL
Hazard Mitigation Grant Program Manager

FINANCIAL

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
STATEMENT OF FUND BALANCES

SECTION 520, PAGE NO. 1

<u>ACCOUNT BALANCES AT MONTH-END</u>	November 30, 2019	November 30, 2018
US BANK ACCOUNTS		
US Bank General Fund Account	1,894,177.25	51,798.55
US Bank Money Markey Acct (DWR/SRF Account)	302,993.20	300,331.27
US Bank CD Account (DWR/SRF Reserve)	547,336.94	547,336.94
Trust Account (PARS/UAL CalPERS)	761,295.19	672,510.47
<i>Subtotal</i>	<i>3,505,802.58</i>	<i>1,571,977.23</i>
HUMBOLDT COUNTY INVESTMENT ACCOUNTS		
Investment Account	1,708,452.75	1,802,284.64
DWFP Reserve Account	238,086.51	234,232.42
MSRA Reserve Account	435,757.74	428,703.81
SRF Loan Payment Account	141,634.22	49,526.92
ReMat Account	503,004.39	296,567.71
1% Tax Account	-	-
<i>Subtotal</i>	<i>3,026,935.61</i>	<i>2,811,315.50</i>
OTHER ACCOUNTS		
L. A. I. F Account	1,687.78	1,637.56
ReMat Deposit - Mellon Bank	27,000.00	27,000.00
Principle Investment Account	29,423.40	-
Cash on Hand	650.00	650.00
<i>Subtotal</i>	<i>58,761.18</i>	<i>29,287.56</i>
TOTAL CASH	6,591,499.37	4,412,580.29
ENCUMBRANCES AND RESERVES		
Prior-Year Price Factor 2 Rebate	(38,045.81)	(28,416.64)
Prior-Year Restricted AP Encumbrances	(59,076.00)	(40,750.00)
1% Tax Credit to Muni's	-	-
Advanced Charges - Bunkhouse	-	(403,212.78)
Advanced Charges - 12Kv Relocation	(367,594.00)	-
Advanced Charges - Chlorine Scrubber	(350,000.00)	-
Advanced Charges - Collector 2 Rehabilitation	(385,000.00)	-
Advanced Charges - TRF Emergency Generator	(225,000.00)	-
Advanced Charges - Three Tank Seismic	(30,000.00)	(255,000.00)
Advanced Charges - 18,000lb Excavator	(54,343.00)	-
Advanced Charges - Redundant Pipeline	-	(260,245.00)
DWR Reserve for SRF Loan	(547,336.94)	(547,336.94)
DWR Reserve for SRF Payment	(302,993.20)	(300,331.27)
Pension Trust Reserves	(761,295.19)	(672,510.47)
<i>Subtotal</i>	<i>(3,120,684.14)</i>	<i>(2,507,803.10)</i>
BOARD RESTRICTED		
Paik-Nicely Development	(4,158.00)	(4,158.00)
DWFP Reserves	(238,086.51)	(234,232.42)
MSRA Reserves	(435,757.74)	(428,703.81)
ReMat Deposit	(27,000.00)	(27,000.00)
ReMat Reserves	(503,004.39)	(296,567.71)
UNRESTRICTED RESERVES		
Accumulation for SRF Payment	(141,634.22)	(49,526.92)
Accumulation for Ranney/Techite Payment	20,655.42	51,559.02
Principle Investment Reserves	(29,423.40)	-
General Fund Reserves	(2,112,406.39)	(916,147.35)
<i>Subtotal</i>	<i>(3,470,815.23)</i>	<i>(1,904,777.19)</i>
TOTAL NET POSITION	(6,591,499.37)	(4,412,580.29)

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 REVENUE REPORT
 November 30, 2019

42% Of Budget Year

A. REVENUE RETURNED TO CUSTOMERS VIA PF2

	MTD	YTD	BUDGET	% OF	PRIOR
	RECEIPTS	RECEIPTS		BUDGET	YEAR
Humboldt Bay Retail Water Revenue	45,745	207,992	318,394	65%	184,689
General Revenue					
Interest	0	466	30,000	2%	7,596
FCSD Contract (Maint. & Operations)	0	72,853	225,000	32%	135,076
Power Sales (Net ReMat)	4,035	29,391	220,000	13%	27,011
Tax Receipts (1% Taxes)	0	0	825,000	0%	50,917
Miscellaneous Revenue*	203	31,479	50,000	63%	144,847
<i>*Detail on following page</i>					
TOTAL PF2 REVENUE CREDITS	49,983	342,181	1,668,394	21%	550,137

B. DISTRICT REVENUE

	MTD	YTD	BUDGET	% OF	PRIOR
	RECEIPTS	RECEIPTS		BUDGET	YEAR
Industrial Water Revenue					
Harbor District	84	169	0	0	0
Subtotal Industrial Water Revenue	84	169	0	0	0
Municipal Water Revenue					
City of Arcata	116,087	569,260	1,321,044	43%	529,064
City of Blue Lake	32,581	80,022	182,807	44%	75,016
City of Eureka	273,299	1,345,090	3,119,229	43%	1,263,433
Fieldbrook CSD	14,871	72,784	174,392	42%	70,071
Humboldt CSD	87,251	434,294	1,072,333	40%	425,404
Manila CSD	6,437	31,269	70,168	45%	25,109
McKinleyville CSD	92,585	455,137	1,066,249	43%	427,223
Subtotal Municipal Water Revenue	623,111	2,987,858	7,006,222	43%	2,815,320
TOTAL INDUSTRIAL & WHOLESALE REVENUE	623,196	2,988,028	7,006,222	43%	2,815,320
Power Sales					
Power Sales (ReMat Revenue)	9,167	58,077	300,000	19%	49,805
Interest (ReMat Revenue)	0	0	0		
TOTAL REMAT REVENUE	9,167	58,077	300,000	19%	49,805
Other Revenue and Grant Reimbursement					
FEMA Grant Revenue	173,927	173,927			
Ouagga Grant (Pass-Through)	0	1,520			
Interest - Muni PF2 Retained	0	272			
Net Increase/Decrease PARS/Principle	8,448	37,157			
TOTAL OTHER/GRANT REVENUE	182,375	212,876			
GRAND TOTAL ALL REVENUE	864,720	3,601,161	8,974,616	40%	3,415,262

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MISCELLANEOUS REVENUE - DETAIL REPORT
 November 30, 2019

B. MISCELLANEOUS RECEIPTS (RETURNED TO CUSTOMERS VIA PF2)

	MTD RECEIPTS	YTD RECEIPTS
Miscellaneous Revenue		
ACWA/JPIA HR LaBounty Safety Award	-	-
ACWA/JPIA Insurance Claim	-	2,326
ACWA/JPIA Retrospective Premium Adj.	-	-
ACWA/JPIA Wellness Grant	-	960
Dividend - Principal Life	-	582
Fees - Park Use	-	50
Fees - Right of Way	-	-
FEMA - January 2017 Storm Damage	-	-
Insurance - Special Event Liability	-	-
Refund - GHD, TRF Generator Grant	-	6,549
Rebate - CALCard	-	-
Refund - Diesel Fuel Tax	-	-
Refunds - Hum. County Appeal (01/18)	-	2,263
Refunds - Miscellaneous	-	112
Reimb. - Copies & Postage	1	196
Reimb. - Gas	59	113
Reimb. - Telephone	-	-
Rent - Parking Lot	0	63
Retirees' Health Ins./COBRA Reimb.	53	17,385
Sale - Scrap Materials/Metals	-	-
Sale - Surplus Equipment	-	-
UB - Bad Debt Recovery	-	-
UB - Hydrant Rental Deposit	-	-
UB - Mainline Connection Charge	-	-
UB - Meter Installations	-	-
UB - Retail Connection Charge	-	-
UB - Water Processing Fees	90	300
Ruth Area		
Fees - Buffer Strip ROW License	-	-
Fees - Buffer Strip/PG&E ROW	-	-
Lease - Don Bridge	-	-
Permit - RLCSO-Water System	-	-
Permit - Ruth Area Water Use	-	100
Rent - Ruth Cabin	-	480
Sale - Merchantable Timber	-	-
Sale - Surplus Gravel	-	-
TOTAL MISCELLANEOUS REVENUE	203	31,479

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MONTHLY EXPENDITURE REPORT - PAGE 1 OF 3
 November 30, 2019

SECTION J2a PAGE NO. 4

42% Of Budget Year

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

	Month-to-Date	Year-to-Date	Prior Year	Budget	% of Budget
<i>Compensation</i>					
Wages - Regular	162,155.45	806,044.58	840,313.37		
Wages - Sick	6,730.85	22,267.71			
Wages - Vacation	7,638.99	69,090.29			
<i>Subtotal</i>	176,525.29	897,402.58	840,313.37	2,310,391	39%
Wages - Overtime	1,816.80	12,129.05	12,407.10		
Wages - Holiday (Worked)	1,068.07	3,363.92	1,791.20		
<i>Subtotal</i>	2,884.87	15,492.97	14,198.30	30,000	52%
Wages - Part-Time	1,743.08	15,223.81	20,238.67	74,329	20%
Wages - Shift Diff	788.80	4,071.99	4,065.56	11,000	37%
Wages - Standby	7,882.77	36,766.33	32,386.98	81,000	45%
Director Compensation	1,600.00	9,120.00	9,280.00	26,000	35%
Secretarial Fees	262.50	1,312.50	1,312.50	3,200	41%
Payroll Tax Expenses	14,791.57	75,142.34	69,242.84	189,744	40%
<i>Subtotal</i>	27,068.72	141,636.97	136,526.55	385,273	37%
<i>Employee Benefits</i>					
Health, Life, & LTD Insurance	54,436.27	273,933.80	278,540.29	734,849	37%
Air Medical Insurance	65.00	1,885.00	1,755.00	2,145	88%
Retiree Medical Insurance	11,405.30	57,026.50	57,686.87	95,849	59%
Employee Dental Insurance	2,672.76	13,626.84	16,058.57	39,399	35%
Employee Vision Insurance	575.36	2,969.60	3,582.08	7,350	40%
Employee EAP	72.85	376.00	7,051.72	1,116	34%
457b District Contribution	2,600.00	13,000.00	13,000.00	30,600	42%
CalPERS Expenses	25,717.14	310,584.76	292,913.04	371,137	84%
Workers Comp Insurance	-	43,217.02	1,755.00	83,101	52%
<i>Subtotal</i>	97,544.68	716,619.52	672,342.57	1,365,546	52%
TOTAL S.E.B	304,023.56	1,771,152.04	1,663,380.79	4,091,210	43%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
MONTHLY EXPENDITURE REPORT - PAGE 2 OF 3

SECTION J2a, PAGE NO. 5

November 30, 2019

42% Of Budget Year

SERVICE & SUPPLY EXPENDITURES (S & S)

	Month-to-Date	Year-to-Date	Prior Year	Budget	% of Budget
Operations & Maintenance					
Auto Maintenance	3,676.97	19,093.09	21,726.12	40,000	48%
Engineering	1,223.00	11,641.75	22,310.27	75,000	16%
Lab Expenses	984.68	3,034.68	6,585.54	13,000	23%
Maintenance & Repairs					
General	2,825.34	25,323.85	20,687.16	58,000	44%
TRF	696.01	5,733.13	16,458.61	15,000	38%
Subtotal	3,521.35	31,056.98	37,145.77	73,000	43%
Materials & Supplies					
General	1,913.70	16,246.80	17,078.00	30,000	54%
TRF	6,065.84	9,675.03	3,615.69	40,000	24%
Subtotal	7,979.54	25,921.83	20,693.69	70,000	37%
Radio Maintenance	524.28	2,601.60	12,584.49	10,500	25%
Ruth Lake License	-	1,500.00	1,500.00	1,500	100%
Safety Equip./Training					
General	1,921.14	8,276.13	2,660.98	22,000	38%
TRF	-	598.84	1,051.79	2,000	30%
Subtotal	1,921.14	8,874.97	3,712.77	24,000	37%
Tools & Equipment	171.26	2,272.49	2,734.88	3,000	76%
USGS Meter Station	-	-	-	8,200	0%
Operations Subtotal	20,002.22	105,997.39	128,993.53	318,200	33%
General & Administration					
Accounting Services	-	950.00	1,695.00	18,000	5%
Bad Debt Expense	-	-	-	-	0
Dues & Subscriptions	334.41	27,324.78	24,115.94	26,000	105%
General Manager Training	-	2,315.18	197.44	3,000	77%
IT & Software Maintenance	2,191.41	10,038.23	9,683.44	29,000	35%
Insurance	-	88,273.95	53,215.00	105,000	84%
Internet	802.25	3,240.56	-	11,000	29%
Legal Services	7,260.00	30,152.75	26,765.25	35,000	86%
Miscellaneous	1,213.35	9,231.99	6,840.38	11,500	80%
Office Building Maintenance	1,238.64	5,190.29	6,602.95	16,000	32%
Office Expense	3,507.15	26,805.10	14,624.93	40,500	66%
Professional Services	-	5,630.40	976.90	20,000	28%
Property Tax	-	-	945.00	1,100	0%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MONTHLY EXPENDITURE REPORT - PAGE 3 OF 3
 November 30, 2019

SECTION J2a, PAGE NO. 6

42% Of Budget Year

SERVICE & SUPPLY EXPENDITURES (con't)					
	Month-to-Date	Year-to-Date	Prior Year	Budget	% of Budget
Regulatory Agency Fees	52,109.89	57,369.59	48,505.04	139,000	41%
Ruth Lake Programs	-	-	\$0.00	5,000	0%
Safety Apparel	-	3,262.79	2,868.74	3,000	109%
Technical Training	822.00	5,316.56	3,546.19	14,500	37%
Telephone	3,421.13	20,529.32	26,330.97	50,000	41%
Travel & Conference	3,580.28	7,255.81	2,270.08	25,000	29%
<i>Gen. & Admin. Subtotal</i>	<i>76,480.51</i>	<i>302,887.30</i>	<i>229,183.25</i>	<i>552,600</i>	<i>55%</i>

Power					
Essex - PG & E	66,221.68	308,501.35	\$279,974.47		
2Mw Generator Fuel	4,168.51	18,829.33	\$0.00		
<i>Subtotal Essex Pumping</i>	<i>70,390.19</i>	<i>327,330.68</i>	<i>279,974.47</i>		
All other PG & E	5,777.75	24,073.07	\$28,220.91		
<i>Subtotal All Power</i>	<i>76,167.94</i>	<i>351,403.75</i>	<i>308,195.38</i>	<i>680,800</i>	<i>52%</i>

Total Service and Supplies incl. Power	172,650.67	760,288.44	666,372.16	1,551,600	49%
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PROJECTS, FIXED ASSETS & CONSULTING SERVICES

	Month-to-Date	Year-to-Date		Budget	% of Budget
	62,357.00	742,042.00		11,347,003	7%

GRAND TOTAL EXPENSES	539,031.23	3,273,482.48	2,329,752.95	16,989,813	19%
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Debt Service - SRF Loan	-	-	-	(547,337)	0%
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Debt Service - US Bank	-	81,094.05	81,094.05	(162,200)	-50%
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TOTAL EXPENSES WITH DEBT SERVICE

	539,873.05	3,363,180.73	2,410,847.00	16,280,276	
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OTHER EXPENSES

ReMat Consultant Expenses	841.82	8,604.20	4,315.64		
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HUMBOLDT BAY MUNICIPAL WATER DISTRICT
PROJECT PROGRESS REPORT

November 30, 2019

42% Of Budget Year

A. CAPITAL PROJECTS

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
12kV Grant (Grant Funded) 2018/19	25,971	132,405	1,825,250	7%
<i>(FEMA Grant and Advanced Charges)</i>				
Chlorine Scrubber Grant	0	0	1,340,000	0%
<i>(FEMA Grant and Advanced Charges)</i>				
TRF Emergency Generator Grant	0	0	1,925,000	0%
<i>(FEMA Grant, Adv. Charges, and Current Muni Charges)</i>	<<Wait-Listed 11/22/2019>>			
Collector 2 Rehabilitation Grant	0	0	1,225,000	0%
<i>(NCRP Prop1 Grant, Adv. Charges, and Current Muni Charges)</i>				
3x Tank Seismic Retro Grant	0	0	2,830,000	0%
<i>(FEMA Grant, Adv. Charges, and Current Muni Charges)</i>				
TRF Line Shed 5	0	0	28,250	0%
Ruth Residence Roof	27	22,809	30,000	76%
Collector 4 Emergency Repairs	5,165	62,367	0	0
TOTAL CAPITAL PROJECTS	31,163	217,581	9,203,500	2%

B. FIXED ASSET PROJECTS

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Essex - Admin Computers	0	3,107	4,750	65%
Customer Service Vehicle (Unit 3)	0	0	60,750	0%
SCBA Upgrade and Additional Equip	0	0	19,750	0%
Laptop SCADA Software Upgrade	0	0	4,500	0%
Replacement of UPS's (Phase 2)	0	49	28,000	0%
Fleet Maintenance Equipment	0	2,365	3,500	68%
Electrical Voltage Tools and Safety Equip	0	0	3,250	0%
Traffic Control Equipment	0	0	4,000	0%
Vegetation Management Equipment	0	0	4,250	0%
Portable Radio Replacements	4,862	4,862	4,750	102%
Meter Reader Handheld Unit	0	0	4,500	0%
Job Boxes	0	1,874	2,250	83%
Pipe Tapping Machine	0	3,494	3,750	93%
Grapple Attachment for JD 110	0	0	4,000	0%
18,000 Lb. Excavator	0	0	124,343	0%
Hydrant Meter and Backflow Preventer	0	0	2,250	0%

B. FIXED ASSET PROJECTS (con't)				
	MTD	YTD		% OF
	EXPENSES	TOTAL	BUDGET	BUDGET
N-Poly Pump Skid Replacement	0	0	12,250	0%
<i>(Treatment Facility Project)</i>				
TRF Radio System Cabinet	2,609	2,609	8,500	31%
<i>(Treatment Facility Project)</i>				
Air Actuated Chemical Transfer Pump	0	0	2,250	0%
<i>(Treatment Facility Project)</i>				
Eureka - Administrative Computers	0	0	6,250	0%
File Cabinet Replacement	0	0	2,000	0%
Eureka Office ADA Upgrades	0	8,301	20,000	42%
Ruth SCADA Software Upgrade	0	0	4,750	0%
TOTAL FIXED ASSET PROJECTS	7,471	26,662	334,593	8%

C. MAINTENANCE PROJECTS				
	MTD	YTD		% OF
	EXPENSES	TOTAL	BUDGET	BUDGET
Pipeline Maintenance	710	870	12,750	7%
12 kV Electric System Maintenance	0	0	4,000	0%
Main Line Meter Flow Calibration	0	0	10,000	0%
Technical Support and Software Updates	840	7,963	18,000	44%
Generator Services	0	0	3,500	0%
TRF Generator Service	0	0	500	0%
Hazard & Diseased Tree Removal	0	0	5,000	0%
Cathodic Protection	0	2,644	6,500	41%
Maintenance Emergency Repairs	9,604	10,271	50,000	21%
Fleet Paint Repairs	0	0	5,000	0%
Lab Instrument Calibration (Particle Counter)	0	936	1,250	75%
Chlorine Solution Line Replacement	0	0	10,500	0%
Paint Buildings at Winzler Control Center	0	131	2,250	6%
Chlorine Booster Pump Rebuild Kits	0	0	8,000	0%
Fleet Emergency Safety Beacons (Phase 2)	1,994	1,994	2,000	100%
Upgrade Essex Alarm Systems	0	0	4,750	0%
Cat 420 Backhoe Tires	0	0	2,250	0%
Gates at I/W Reservoir and SBPS	0	0	3,000	0%
TRF Limitorque Valve Retrofit Supplies	0	0	10,250	0%
<i>(Treatment Facility Project)</i>				
TRF Water Quality Instrumentation Inventory	2,466	2,466	15,000	16%
<i>(Treatment Facility Project)</i>				

C. MAINTENANCE PROJECTS (con't)

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
TRF Rapid Mix Pump Rebuild Kit <i>(Treatment Facility Project)</i>	0	0	2,250	0%
TRF Flow Meter Test/Calibration (Phase 1) <i>(Treatment Facility Project)</i>	0	0	6,250	0%
Ruth Hydro Brush Abatement	0	0	6,500	0%
Howell Bunger Valve Inspection	0	0	1,110	0%
Ruth LTO Insurance	0	0	5,000	0%
Ruth Log Boom Inspection	0	130	1,000	13%
Hydro Plant Synchronizer Tuning	0	0	5,250	0%
Hydro Crane Rail and Lighting	0	0	5,000	0%
Ruth HQ Dock Decking	0	8,653	13,750	63%
Ruth Dead/Dying Tree Removal	0	0	20,000	0%
Ruth Slide Gate Hydraulic Oil	0	5,335	8,000	67%
TOTAL MAINTENANCE PROJECTS	15,615	41,392	248,610	17%

D. PROFESSIONAL & CONSULTING SERVICES

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Crane Testing/Certification	0	40	10,000	0%
Chlorine System Maintenance	404	2,243	16,750	13%
Backflow Tester Training	0	0	3,000	0%
Hydro Plant Electrical and Maintenance Insp.	0	0	2,050	0%
Crane Operator Re-Certification	1,228	2,084	3,000	69%
EAP Tabletop Exercise	0	15,671	12,000	131%
Essex Mad River Cross-Sectional Survey	452	9,365	10,000	94%
Technical Training	0	80	23,250	0%
O & M Training	0	0	20,000	0%
Essex Server B/U (Monthly Service Fees)	0	0	4,250	0%
Public Education Funds	0	1,000	5,000	20%
Electrical Technical Training	0	2,821	13,250	21%
SCADA Programming License	0	5,625	12,750	44%
Col. 2 Underground 12Kv Power/Fiber Optic	0	0	24,000	0%
Essex Control Building Expansion Plans & Specs	0	0	46,000	0%
299 Anode Bed Refurbishment	0	0	25,000	0%
Streambed Flow Enhancement Grant	3,348	55,614	612,700	9%
Annual PARS Contribution (FY20)	0	50,000	50,000	100%
Grant Applications Assistance	0	7,181	20,000	36%

D. PROFESSIONAL & CONSULTING SERVICES (CONT)

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Gravel Bar Work and Survey (PS 6)	0	0	76,100	0%
Water Resource Planning Assistance	0	0	5,000	0%
Climate Ready Grant	0	2,000	2,000	100%
Comp DW Pipeline Fitness	0	0	194,700	0%
FERC Dam Safety Surveillance (DSSMR)	0	100	5,000	2%
FERC Chief Dam Safety Engineer	286	3,665	10,000	37%
Dam Spillway Wall Monument Survey	0	9,671	14,000	69%
Matthews Dam Monument Survey	339	7,300	9,000	81%
Left Abutment Slide Area Survey	0	79	11,000	1%
Spillway/Dam Inspection/Reporting Assist.	0	4,475	10,000	45%
GHD - Log Boom Inspection	226	3,786	4,000	95%
TOTAL PROF/CONSULTING SERVICES	6,283	182,799	1,253,800	14.6%

E. INDUSTRIAL SYSTEM PROJECTS

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Rebuild River Weir	0	238	75,000	0.3%
Refurbish PS-6 (Phase 1)	0	0	0	0
Water to PS6 During Low-Flow Months	0	0	13,250	0%
I/W System Evaluation Memo	0	0	26,000	0%
Industrial and Domestic System Intertie	0	0	11,000	0%
Surge Tower Replacement 2018/19	0	82,407	0	0
<i>(FEMA Grant, Adv. Charges, and ReMat Funds)</i>				
Industrial - Nordic	226	339	0	0
TOTAL INDUSTRIAL SYSTEM PROJECTS	226	82,983	125,250	66.3%

F. CARRY-OVER PROJECTS FROM PRIOR YEAR

Collector 5 Security & Anti-Vandalism Measures	0	0	7,500	0%
Mainline Valve Replacement FY17/18	0	0	50,000	0%
Ruth HQ Installation of Power Pole 2018/19	0	80	3,750	2%
Ruth Hydro Relay Replacement-Phase 2	0	0	120,000	0%
Storm Damage 2019	1,543	25,514	0	0
Ruth Cabin/Bunkhouse Replacement	0	24,045	0	0
CARRYOVER PROJECTS TOTAL	1,543	49,638	181,250	27%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 PROJECT PROGRESS REPORT - PAGE 5 OF 6
 November 30, 2019

42% Of Budget Year

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
PROJECTS GRAND TOTAL	62,300	601,056	11,347,003	5%

Less Projects Funded from Other Sources (Grants/Loans/Advanced Charges/Reserves)	29,318	188,019	9,234,293	2%
Project Charges to Customers (excluding Debt Service)	32,982	413,036	2,112,710	20%

PROJECTS W/OUT GRANT FUNDING	32,982	413,036	1,589,053	26%
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USE OF ENCUMBERED FUNDS	57	140,986	200,062	70%
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Total Project Budget:	11,347,003
Amount Charged to Customers:	2,112,710
Annual Debt Service Charges*:	162,200
Actual Customer Charges:	2,274,910

**Ranney Collector 3 and Techite Pipeline Replacement Projects were partially funded with a 10-year loan. Only the annual debt service for these projects is charged to customers.*

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
ENCUMBERED FUNDS RECONCILIATION REPORT
November 30, 2019

	MTD EXPENSES	YTD TOTAL	AMOUNT ENCUMBERED	REMAINING
A. CAPITAL PROJECTS				
Essex Control Building Flooring Replacement	0	0	500	500
Collector Pump Oilers	0	330	300	(30)
B. FIXED ASSET PROJECTS				
Collector 1 Electrical Upgrade	0	57,693	88,705	31,012
Ruth HQ Washroom Remodel	0	0	1,000	1,000
Ruth Hydro Oil & Paint Storage Lockers	0	2,710	2,750	40
Fleet Servicing Equipment	0	0	700	700
C. MAINTENANCE PROJECTS				
Hazard & Diseased Tree Removal	0	7,750	6,500	(1,250)
Lead Free Brass Inventory	0	0	700	700
Replace 299 Cathodic Anode Well	57	10,781	16,000	5,219
Collector 2 Arc Flash Survey and Relay Test	0	2,200	3,600	1,400
D. PROFESSIONAL & CONSULTING SERVICES				
Eureka - ADA Compliance Consultation	0	20,000	20,000	0
Hydro ReMat Electrical/Maintenance Insp.	0	0	2,000	2,000
Technical Training	0	0	1,600	1,600
E. INDUSTRIAL SYSTEM PROJECTS				
Clarifier Feasibility Study	0	20,265	15,500	(4,765)
F. CARRY-OVER PROJECTS FROM PRIOR YEAR				
Mainline Valve Replacement	0	19,257	38,666	19,409
SPECIAL PROJECT ENCUMBERED FUNDS TOTAL				
	57	140,986	198,521	57,535
MAINTENANCE & REPAIRS			86	86
SAFETY EQUIP & TRAINING			1,030	1,030
TRF SAFETY EQUIP & TRAINING			145	145
OFFICE SUPPLIES			280	280
ALL ENCUMBERED FUNDS TOTAL				
	57	140,986	200,062	59,076

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 11/1/2019-11/30/2019Page: 1
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Vendor Name	Date Paid	Description	Amount Paid
101 Netlink			
101 Netlink	11/06/2019	<i>Ruth Data Link/Internet</i>	160.00
Total 101 Netlink:			160.00
ACWA/JPIA			
ACWA/JPIA	11/20/2019	<i>RETIREE MEDICAL</i>	11,353.02
ACWA/JPIA	11/20/2019	<i>COBRA Dental</i>	33.72
ACWA/JPIA	11/20/2019	<i>COBRA Vision</i>	18.56
Total ACWA/JPIA:			11,405.30
Advanced Security Systems			
Advanced Security Systems	11/06/2019	<i>Ruth Hydro Quarterly Alarm System Monitoring</i>	76.50
Total Advanced Security Systems:			76.50
AirGas NCN			
AirGas NCN	11/07/2019	<i>Ruth Hydro Eyewash station - Safety Equipment</i>	43.13
AirGas NCN	11/27/2019	<i>Fall Protection Equipment</i>	296.35
Total AirGas NCN:			339.48
Arcata Used Tire and Wheel			
Arcata Used Tire and Wheel	11/27/2019	<i>dispose of tires dumped illegally at Ruth</i>	45.00
Total Arcata Used Tire and Wheel:			45.00
AT & T			
AT & T	11/18/2019	<i>Eureka/Essex Land Line</i>	35.05
AT & T	11/18/2019	<i>Arcata/Essex Land Line</i>	35.05
AT & T	11/18/2019	<i>Samoa/Essex Land Line</i>	235.02
AT & T	11/18/2019	<i>Eureka Office/Modem</i>	225.73
AT & T	11/18/2019	<i>Eureka Office Alarm Line</i>	121.37
AT & T	11/18/2019	<i>Samoa Booster Pump Station</i>	123.89
AT & T	11/18/2019	<i>Valve Building Samoa</i>	225.72
AT & T	11/18/2019	<i>Eureka Office</i>	499.26
AT & T	11/18/2019	<i>TRF</i>	220.05
AT & T	11/18/2019	<i>Ruth Hydro/Dataline</i>	218.33
AT & T	11/18/2019	<i>Essex office</i>	218.32
Total AT & T:			2,157.79
AT&T Advertising Solutions			
AT&T Advertising Solutions	11/27/2019	<i>white page listing</i>	21.00
Total AT&T Advertising Solutions:			21.00
AT&T Long Distance			
AT&T Long Distance	11/07/2019	<i>Eureka Office Long Distance</i>	109.83
AT&T Long Distance	11/07/2019	<i>Eureka Office Long Distance -Conf Call PSPS</i>	47.34
AT&T Long Distance	11/15/2019	<i>Ruth HQ Long Distance</i>	9.75
AT&T Long Distance	11/15/2019	<i>Valve Building-Samoa Long Distance</i>	115.14
AT&T Long Distance	11/15/2019	<i>Essex Control Long Distance</i>	13.98
AT&T Long Distance	11/15/2019	<i>Eureka Office Long Distance</i>	7.00
AT&T Long Distance	11/15/2019	<i>TRF Long Distance</i>	7.21
AT&T Long Distance	11/15/2019	<i>Ruth Hydro/Dataline Long Distance</i>	172.53

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 11/1/2019-11/30/2019Page: 2
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Vendor Name	Date Paid	Description	Amount Paid
Total AT&T Long Distance:			482.78
Citi Cards			
Citi Cards	11/27/2019	Eureka office supplies	140.06
Total Citi Cards:			140.06
City of Eureka			
City of Eureka	11/06/2019	Eureka office water/sewer	92.90
Total City of Eureka:			92.90
Coastal Business Systems Inc.			
Coastal Business Systems Inc.	11/15/2019	Eureka office copy and fax machine	940.53
Total Coastal Business Systems Inc.:			940.53
Dale H. Davidsen			
Dale H. Davidsen	11/13/2019	Wellness Grant 2019	36.00
Total Dale H. Davidsen:			36.00
Dave Perkins			
Dave Perkins	11/06/2019	auto mileage reimbursement	156.31
Total Dave Perkins:			156.31
David J. Corral			
David J. Corral	11/06/2019	Travel Advance - Water Diversion/Monitoring & Reporting	76.00
Total David J. Corral:			76.00
Downey Brand Attorneys LLP			
Downey Brand Attorneys LLP	11/27/2019	Streambed Flow Enhancement Grant	546.00
Total Downey Brand Attorneys LLP:			546.00
Eureka Oxygen			
Eureka Oxygen	11/13/2019	cylinder rental	116.60
Total Eureka Oxygen:			116.60
Eureka Times-Standard			
Eureka Times-Standard	11/27/2019	Eureka Office Annual Subscription	334.41
Total Eureka Times-Standard:			334.41
Fastenal Company			
Fastenal Company	11/27/2019	safety supplies	39.16
Fastenal Company	11/27/2019	safety supplies	13.05
Total Fastenal Company:			52.21
FEDEX			
FEDEX	11/27/2019	Ship lab samples - BoiVir	124.68
FEDEX	11/27/2019	Ship SCBA for annual testing	26.94

Humboldt Bay Municipal Water District --Monthly Expenses by Vendor Detail Report-- Page: 3
Report dates: 11/1/2019-11/30/2019 Dec 04, 2019 01:20PM

Vendor Name	Date Paid	Description	Amount Paid
Total FEDEX:			151.62
FleetPride			
FleetPride	11/27/2019	vehicle maintenance	76.87
FleetPride	11/27/2019	Unit 10 maintenance	34.12
FleetPride	11/27/2019	Unit 10 maintenance	2.06
Total FleetPride:			108.93
Frontier Communications			
Frontier Communications	11/27/2019	Ruth HQ Phone	55.10
Frontier Communications	11/27/2019	Ruth Hydro/Ruth Dataline	180.41
Total Frontier Communications:			235.51
GEI Consultants, Inc			
GEI Consultants, Inc	11/27/2019	FERC Dam Safety Engineer	286.00
Total GEI Consultants, Inc:			286.00
GHD			
GHD	11/27/2019	Streambed Enhancement Grant	2,801.50
GHD	11/27/2019	12 KV Upgrade	19,970.75
GHD	11/27/2019	Cathodic Protection System Survey/Evaluation	56.50
GHD	11/27/2019	General Engineering - Essex	771.00
GHD	11/27/2019	General Engineering - Eureka	452.00
GHD	11/27/2019	General Engineering - Nordic	226.00
GHD	11/27/2019	Collector 4 Storm Damage	1,543.25
GHD	11/27/2019	Ruth Hydro FERC Annual Surveys	339.00
GHD	11/27/2019	Mad River Cross Sections	452.00
GHD	11/27/2019	Ruth Log Boom Inspection	226.00
Total GHD:			26,838.00
GR Sundberg, Inc			
GR Sundberg, Inc	11/13/2019	Emergency Pipeline Leak Repair West End & Warren Creek Roa	8,990.22
Total GR Sundberg, Inc:			8,990.22
Health Equity Inc			
Health Equity Inc	11/20/2019	District HSA Contributions- 2 employees	666.68
Health Equity Inc	11/06/2019	HSA Admin Fee - 2 employees	5.90
Health Equity Inc	11/06/2019	HSA Admin Fee 8 employees	23.60
Total Health Equity Inc:			696.18
Hensel Hardware			
Hensel Hardware	11/27/2019	Collector 4 air compressor upgrade	22.22
Hensel Hardware	11/27/2019	Generator housing maintenance	18.26
Total Hensel Hardware:			40.48
Henwood Associates, Inc			
Henwood Associates, Inc	11/06/2019	Consultant Services Agreement - September 2019	420.91

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 11/1/2019-11/30/2019Page: 4
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Vendor Name	Date Paid	Description	Amount Paid
Total Henwood Associates, Inc:			420.91
Humboldt County Treasurer			
Humboldt County Treasurer	11/06/2019	Fund No 2712 Account 800870	8,750.85
Humboldt County Treasurer	11/27/2019	Fund No 3876 Account 800870	45,611.43
Total Humboldt County Treasurer:			54,362.28
Humboldt Redwood Company, LLC			
Humboldt Redwood Company, LLC	11/15/2019	Mt Pierce Lease site	274.28
Humboldt Redwood Company, LLC	11/27/2019	Power for radios located at Mt Pierce	30.89
Total Humboldt Redwood Company, LLC:			305.17
Jasson Klingonsmith			
Jasson Klingonsmith	11/13/2019	Wellness Grant 2019	32.53
Total Jasson Klingonsmith:			32.53
JTN Energy, LLC			
JTN Energy, LLC	11/06/2019	Consultant Services Agreement - September 2019	420.91
Total JTN Energy, LLC:			420.91
Keenan Supply			
Keenan Supply	11/27/2019	Pipeline maintenance	490.81
Total Keenan Supply:			490.81
Keith Daggs			
Keith Daggs	11/18/2019	Wellness Grant 2019	36.00
Total Keith Daggs:			36.00
Ken Davis			
Ken Davis	11/06/2019	Wellness Grant 2019	30.76
Total Ken Davis:			30.76
Kernen Construction			
Kernen Construction	11/13/2019	Emergency pipeline leak repair	210.46
Kernen Construction	11/20/2019	Fieldbrook-Glendale CSD new meter installation	30.00
Total Kernen Construction:			240.46
Larry Raschein			
Larry Raschein	11/06/2019	auto mileage reimbursement	46.64
Larry Raschein	11/06/2019	Travel Advance - Water Diversion/Monitoring & Reporting	76.00
Total Larry Raschein:			122.64
Mario Palmero			
Mario Palmero	11/06/2019	Wellness Grant 2019	36.00
Mario Palmero	11/27/2019	Maintenance at Ruth	8.99
Mario Palmero	11/27/2019	Ruth HQ Roof Replacement	27.47
Mario Palmero	11/27/2019	Ruth HQ water system repair	16.43

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 11/1/2019-11/30/2019Page: 5
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Vendor Name	Date Paid	Description	Amount Paid
Mario Palmero	11/27/2019	Collector 4 Emergency Repair	14.99
Mario Palmero	11/27/2019	Water Quality Supplies	19.10
Mario Palmero	11/27/2019	Maintenance supplies	19.72
Mario Palmero	11/27/2019	vehicle maintenance	9.00
Mario Palmero	11/27/2019	maintenance tool	3.24
Mario Palmero	11/27/2019	safety meeting	13.98
Total Mario Palmero:			168.92
Matthew Davis			
Matthew Davis	11/06/2019	Expense Reimbursement for Safety Shoes	271.24
Total Matthew Davis:			271.24
McMaster-Carr Supply			
McMaster-Carr Supply	11/27/2019	Safety equipment	71.20
Total McMaster-Carr Supply:			71.20
Mercer-Fraser Company			
Mercer-Fraser Company	11/20/2019	Leak repair West End and Warren Creek Roads	253.90
Total Mercer-Fraser Company:			253.90
Miller Farms Nursery			
Miller Farms Nursery	11/27/2019	equipment maintenance	46.93
Miller Farms Nursery	11/27/2019	safety supplies	86.15
Miller Farms Nursery	11/27/2019	Tools	24.82
Total Miller Farms Nursery:			157.90
Mission Linen			
Mission Linen	11/06/2019	Uniform Rental	87.42
Mission Linen	11/06/2019	Uniform Rental	139.81
Mission Linen	11/06/2019	maintenance supplies	11.50
Mission Linen	11/06/2019	Uniform Rental	116.91
Mission Linen	11/06/2019	maintenance supplies	58.56
Mission Linen	11/06/2019	maintenance supplies	50.60
Mission Linen	11/06/2019	Uniform Rental	120.14
Mission Linen	11/06/2019	Uniform Rental	97.26
Total Mission Linen:			682.20
Mitchell, Brisso, Delaney & Vrieze			
Mitchell, Brisso, Delaney & Vrieze	11/06/2019	Legal Services- October 2019	697.50
Total Mitchell, Brisso, Delaney & Vrieze:			697.50
Napa Auto Parts			
Napa Auto Parts	11/27/2019	equipment maintenance	18.75
Napa Auto Parts	11/27/2019	equipment maintenance	3.31
Napa Auto Parts	11/27/2019	auto maintenance	4.93
Napa Auto Parts	11/27/2019	maintenance supplies	61.34
Napa Auto Parts	11/27/2019	auto maintenance	84.83
Napa Auto Parts	11/27/2019	auto maintenance	24.10
Napa Auto Parts	11/27/2019	Generator repair	28.91

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 11/1/2019-11/30/2019Page: 6
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Vendor Name	Date Paid	Description	Amount Paid
Total Napa Auto Parts:			226.17
Network Management Services			
Network Management Services	11/27/2019	Eureka office computer assistance	779.54
Network Management Services	11/27/2019	E-waste disposal	104.42
Network Management Services	11/27/2019	Essential Care Computer Service for Eureka office	1,086.19
Network Management Services	11/21/2019	Upgrade Eureka office workstations	840.33
Total Network Management Services:			2,810.48
North Coast Laboratories			
North Coast Laboratories	11/06/2019	lab tests	75.00
North Coast Laboratories	11/06/2019	lab tests	75.00
North Coast Laboratories	11/06/2019	lab tests	75.00
North Coast Laboratories	11/06/2019	lab tests	75.00
North Coast Laboratories	11/06/2019	lab tests	155.00
North Coast Laboratories	11/06/2019	lab tests	75.00
North Coast Laboratories	11/06/2019	lab tests	180.00
North Coast Laboratories	11/06/2019	lab tests	75.00
North Coast Laboratories	11/06/2019	lab tests	75.00
Total North Coast Laboratories:			860.00
Northern California Safety Consortium			
Northern California Safety Consortium	11/20/2019	monthly membership fee	75.00
Total Northern California Safety Consortium:			75.00
Occu-Med, Ltd			
Occu-Med, Ltd	11/13/2019	Pre-Employment Physical Exam	309.00
Total Occu-Med, Ltd:			309.00
Pacific Gas & Electric Co.			
Pacific Gas & Electric Co.	11/21/2019	Engineering Advance for 12KV Upgrade Project - Grant	6,000.00
Pacific Gas & Electric Co.	11/18/2019	Ruth Bunkhouse	84.04
Pacific Gas & Electric Co.	11/18/2019	Eureka Office	116.22
Pacific Gas & Electric Co.	11/18/2019	Jackson Ranch Rectifier	234.86
Pacific Gas & Electric Co.	11/18/2019	299 Rectifier	141.44
Pacific Gas & Electric Co.	11/18/2019	West End Road Rectifier	131.76
Pacific Gas & Electric Co.	11/18/2019	TRF	5,801.48
Pacific Gas & Electric Co.	11/18/2019	Ruth Hydro Valve Control	225.82
Pacific Gas & Electric Co.	11/18/2019	Ruth Hydro	223.30
Pacific Gas & Electric Co.	11/18/2019	Samoa Booster Pump Station	917.11
Pacific Gas & Electric Co.	11/18/2019	Samoa Dial Station	214.81
Pacific Gas & Electric Co.	11/18/2019	Essex Pumping 10/1 - 10/31/2019	66,221.68
Total Pacific Gas & Electric Co.:			77,968.54
Pacific Paper Co.			
Pacific Paper Co.	11/27/2019	Replace adding machine damaged by power outage	114.03
Pacific Paper Co.	11/27/2019	Repair ergonomic desks following power outage	516.12
Pacific Paper Co.	11/27/2019	Eureka office supplies	452.97
Pacific Paper Co.	11/27/2019	Eureka office supplies	19.28

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 11/1/2019-11/30/2019Page: 7
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Vendor Name	Date Paid	Description	Amount Paid
Total Pacific Paper Co.:			1,102.40
Pitney Bowes			
Pitney Bowes	11/18/2019	refill postage	500.00
Total Pitney Bowes:			500.00
PitStop Cleaning			
PitStop Cleaning	11/06/2019	Eureka office cleaning	80.00
PitStop Cleaning	11/27/2019	Eureka office cleaning	160.00
Total PitStop Cleaning:			240.00
Platt Electric Supply			
Platt Electric Supply	11/27/2019	repair Eureka office Heater/Air Conditioner	101.58
Platt Electric Supply	11/27/2019	repair Eureka office electrical	141.36
Platt Electric Supply	11/27/2019	repair Eureka office electrical	41.78
Platt Electric Supply	11/27/2019	Chlorine Safety Shutoff system	85.19
Platt Electric Supply	11/27/2019	Chlorine Safety Shutoff system	65.10
Total Platt Electric Supply:			435.01
Recology Arcata			
Recology Arcata	11/13/2019	Essex Garbage Service	616.03
Total Recology Arcata:			616.03
Recology Humboldt County			
Recology Humboldt County	11/13/2019	Eureka office garbage/recycling service	90.72
Total Recology Humboldt County:			90.72
Renner Petroleum			
Renner Petroleum	11/27/2019	Ruth HQ heater fuel	725.61
Renner Petroleum	11/27/2019	spill protection supplies	141.05
Renner Petroleum	11/07/2019	cardlock fuel - pumping & control	585.72
Renner Petroleum	11/07/2019	cardlock fuel - water quality	585.72
Renner Petroleum	11/07/2019	cardlock fuel - maintenance	585.72
Renner Petroleum	11/07/2019	cardlock fuel - customer service (Humboldt Bay Retail)	152.27
Renner Petroleum	11/07/2019	cardlock fuel - customer service (Fieldbrook-Glendale CSD)	433.42
Renner Petroleum	11/07/2019	cardlock fuel - TRF Generator (PG&E PSPS Event)	1,418.72
Total Renner Petroleum:			4,628.23
Rogers Machinery Company, Inc			
Rogers Machinery Company, Inc	11/07/2019	equipment maintenance	113.66
Rogers Machinery Company, Inc	11/27/2019	shipping charges for air compressor maintenance	76.31
Total Rogers Machinery Company, Inc:			189.97
Rosemount Analytical, Inc			
Rosemount Analytical, Inc	11/27/2019	TRF instrumentation	2,465.56
Total Rosemount Analytical, Inc:			2,465.56

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 11/1/2019-11/30/2019Page: 8
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Vendor Name	Date Paid	Description	Amount Paid
Ryan Chairez			
Ryan Chairez	11/06/2019	Travel Advance - Water Diversion/Monitoring & Reporting train	76.00
Total Ryan Chairez:			76.00
Ryan V Murphy			
Ryan V Murphy	11/06/2019	Wellness Grant 2019	36.00
Total Ryan V Murphy:			36.00
Samantha Ryan			
Samantha Ryan	11/06/2019	Travel Advance - Water Diversion/Monitoring & Reporting Trai	76.00
Total Samantha Ryan:			76.00
SCBA Safety Check, Inc			
SCBA Safety Check, Inc	11/27/2019	Annual test of SCBA unit	88.46
Total SCBA Safety Check, Inc:			88.46
Sequoia Gas			
Sequoia Gas	11/13/2019	Refill Ruth Bunkhouse propane	98.17
Sequoia Gas	11/13/2019	Refill Ruth Bunkhouse propane	194.25
Total Sequoia Gas:			292.42
Sitestar Nationwide Internet			
Sitestar Nationwide Internet	11/06/2019	Essex Internet	52.90
Total Sitestar Nationwide Internet:			52.90
Six Rivers Communications			
Six Rivers Communications	11/27/2019	Purchase new portable radios	4,861.89
Six Rivers Communications	11/27/2019	replace TRF radio cabinet and update wiring	2,608.73
Total Six Rivers Communications:			7,470.62
State Water Resources Control Board			
State Water Resources Control Board	11/27/2019	Annual Water Permit Fee #11714	9,137.57
State Water Resources Control Board	11/27/2019	Annual Water Permit Fee #18347	36,018.62
State Water Resources Control Board	11/27/2019	Annual Water Permit Fee #11715	4,381.70
Total State Water Resources Control Board:			49,537.89
Steven A. Marshall			
Steven A. Marshall	11/20/2019	Wellness Grant 2019	36.00
Total Steven A. Marshall:			36.00
Stillwater Sciences			
Stillwater Sciences	11/27/2019	professional assistance - biologist consultation - Collector 4 Em	5,150.00
Total Stillwater Sciences:			5,150.00
Sudden Link			
Sudden Link	11/06/2019	TRF Internet	23.65
Sudden Link	11/06/2019	TRF Internet - Blue Lake SCADA Monitoring	47.30

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
Sudden Link	11/06/2019	TRF Internet - Fieldbrook-Glendale CSD	47.28
Sudden Link	11/06/2019	Fieldbrook-Glendale CSD Internet	293.52
Sudden Link	11/06/2019	Essex internet	267.70
Sudden Link	11/13/2019	Eureka Internet	207.45
Total Sudden Link:			886.90
Sunnybrae Ace Hardware			
Sunnybrae Ace Hardware	11/27/2019	Collector oilers repair	15.55
Sunnybrae Ace Hardware	11/27/2019	Aluminum tape for CT & DW sample pump lines	7.80
Total Sunnybrae Ace Hardware:			23.35
SWRCB			
SWRCB	11/15/2019	NPDES Drinking Water Purveyors Annual Permit Fee	2,572.00
Total SWRCB:			2,572.00
SWRCB-DWOCP			
SWRCB-DWOCP	11/13/2019	D4 Water Distribution Operator Certification Application - Ian	105.00
Total SWRCB-DWOCP:			105.00
T.P. Tire Service, Inc			
T.P. Tire Service, Inc	11/27/2019	flat repair Unit 3	20.00
Total T.P. Tire Service, Inc:			20.00
Telstar Instruments, Inc			
Telstar Instruments, Inc	11/13/2019	Chlorine system maintenance	404.03
Total Telstar Instruments, Inc:			404.03
Thatcher Company, Inc			
Thatcher Company, Inc	11/20/2019	replenish TRF chemicals	6,065.84
Total Thatcher Company, Inc:			6,065.84
Thomas Law Group			
Thomas Law Group	11/27/2019	Legal Fees - October	243.75
Thomas Law Group	11/27/2019	Legal Fees - October	6,318.75
Total Thomas Law Group:			6,562.50
Thrifty Supply			
Thrifty Supply	11/13/2019	Fieldbrook-Glendale CSD new meter installation	624.54
Thrifty Supply	11/27/2019	TRF hypochlorite system repair	561.05
Thrifty Supply	11/27/2019	Pipe Maintenance	219.50
Thrifty Supply	11/27/2019	Ruth HQ water system repair	122.24
Thrifty Supply	11/27/2019	Ruth HQ water system repair	3.17
Total Thrifty Supply:			1,530.50
Trinity County General Services			
Trinity County General Services	11/27/2019	Pickett Peak site lease	250.00

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 11/1/2019-11/30/2019Page: 10
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Vendor Name	Date Paid	Description	Amount Paid
Total Trinity County General Services:			250.00
Trinity County Solid Waste			
Trinity County Solid Waste	11/15/2019	Ruth HQ dump fees	48.94
Trinity County Solid Waste	11/15/2019	Ruth Hydro dump fees	48.95
Total Trinity County Solid Waste:			97.89
U.S. Bank Corporate Payment System			
U.S. Bank Corporate Payment System	11/15/2019	Air Travel for Crane Certification Training- 1 employee	378.20
U.S. Bank Corporate Payment System	11/15/2019	AWWA Conference Registration - D. Davidsen	550.00
U.S. Bank Corporate Payment System	11/15/2019	Conference Call w/ attorney	19.05
U.S. Bank Corporate Payment System	11/15/2019	AirTravel to AWWA Conf - D. Davidsen	762.60
U.S. Bank Corporate Payment System	11/15/2019	Position Advertisement - Craigs List - Electrician	60.00
U.S. Bank Corporate Payment System	11/15/2019	General Manager - CellPhone Screen Protector	31.44
U.S. Bank Corporate Payment System	11/15/2019	Position Advertisement - Gov Jobs - Electrician	125.00
U.S. Bank Corporate Payment System	11/15/2019	Crane Operator Certification Training- 1 employee	850.00
U.S. Bank Corporate Payment System	11/15/2019	Electrician Tools	143.20
U.S. Bank Corporate Payment System	11/15/2019	TRF Valve maintenance	84.61
U.S. Bank Corporate Payment System	11/15/2019	Security System PS6	92.27
U.S. Bank Corporate Payment System	11/15/2019	Essex office supplies	211.88
U.S. Bank Corporate Payment System	11/15/2019	Ditch Witch maintenance	123.30
U.S. Bank Corporate Payment System	11/15/2019	Purchase Order Software	91.09
U.S. Bank Corporate Payment System	11/15/2019	AirMedCare Network	65.00
U.S. Bank Corporate Payment System	11/15/2019	Eureka office supplies	150.24
U.S. Bank Corporate Payment System	11/15/2019	AWWA Utility Risk/Resilience Certificate Program - S. Ryan	322.00
U.S. Bank Corporate Payment System	11/15/2019	Caselle Conference - Training	131.00
U.S. Bank Corporate Payment System	11/15/2019	Caselle Conference - Training	115.44
U.S. Bank Corporate Payment System	11/15/2019	Caselle Conference - Training	1,601.64
U.S. Bank Corporate Payment System	11/15/2019	Caselle Conference - Training	33.00
U.S. Bank Corporate Payment System	11/15/2019	Equipment maintenance	77.88
U.S. Bank Corporate Payment System	11/15/2019	Collector 4 air compressor upgrade	629.29
U.S. Bank Corporate Payment System	11/15/2019	Fleet Emergency Safety Beacons Project	1,994.25
U.S. Bank Corporate Payment System	11/15/2019	Collector 2 Heater replacement	608.59
U.S. Bank Corporate Payment System	11/15/2019	Essex Front Gate KeyPad maintenance	407.87
U.S. Bank Corporate Payment System	11/15/2019	Emergency leak repair	149.65
U.S. Bank Corporate Payment System	11/15/2019	AWWA Conference - D. Davidsen	82.60
Total U.S. Bank Corporate Payment System:			9,891.09
U.S. Bank Corporate Trust Services			
U.S. Bank Corporate Trust Services	11/27/2019	SRF Quarterly Account Maint Fee (July - September 2019)	175.00
Total U.S. Bank Corporate Trust Services:			175.00
United Rentals, Inc			
United Rentals, Inc	11/13/2019	Confined Space/Excavation Safety	500.00
Total United Rentals, Inc:			500.00
USA Blue Book			
USA Blue Book	11/27/2019	TRF n-poly system maintenance	50.35
Total USA Blue Book:			50.35

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 11/1/2019-11/30/2019Page: 11
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Vendor Name	Date Paid	Description	Amount Paid
VALIC			
VALIC	11/20/2019	District Deferred Comp Contribution	50.00
Total VALIC:			50.00
Valley Pacific Petroleum Servi, Inc			
Valley Pacific Petroleum Servi, Inc	11/27/2019	2 MW Generator Fuel	4,168.51
Valley Pacific Petroleum Servi, Inc	11/27/2019	refill Ruth bulk fuel	439.69
Valley Pacific Petroleum Servi, Inc	11/27/2019	refill Ruth bulk fuel	439.69
Total Valley Pacific Petroleum Servi, Inc:			5,047.89
Verizon Wireless			
Verizon Wireless	11/13/2019	General Manager	38.07
Verizon Wireless	11/13/2019	Customer Service - Humboldt Bay	15.23
Verizon Wireless	11/13/2019	Customer Service - Fieldbrook-Glendale CSD	43.38
Verizon Wireless	11/13/2019	Operations 1	.31
Verizon Wireless	11/13/2019	Customer Service Ipad-Humboldt Bay	9.88
Verizon Wireless	11/13/2019	Customer Service Ipad - Fieldbrook-Glendale CSD	28.13
Verizon Wireless	11/13/2019	Unit 6 - Ruth Area	80.29
Verizon Wireless	11/13/2019	Unit 6 - Ruth Hydro	80.30
Total Verizon Wireless:			295.59
Wienhoff & Associates Inc			
Wienhoff & Associates Inc	11/27/2019	Annual Consortium membership	300.00
Total Wienhoff & Associates Inc:			300.00
William Wardrip			
William Wardrip	11/27/2019	Wellness Grant 2019	36.00
Total William Wardrip:			36.00
Grand Totals:			303,488.47

Humboldt Bay Municipal Water District

--Monthly Overtime Report--
Pay period dates: 11/1/2019 - 11/30/2019Page: 1
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Position Title	2-01 Overtime Emp Hrs	2-01 Overtime Emp Amt	2-02 Doubletime Emp Hrs	2-02 Doubletime Emp Amt
Operations Spec	4.00	\$255	.00	\$0
Elec & Ins Tech	4.00	\$215	.50	\$36
Maintenance Mec	2.50	\$119	.00	\$0
Maint Worker	6.00	\$158	.00	\$0
Maintenance Mec	6.75	\$299	.00	\$0
Oper & Mnt Tech	1.00	\$52	.00	\$0
Total ESSEX:	24.25	\$1,098	.50	\$36
Hydro Oper Ruth	1.00	\$64	.00	\$0
Hydro Oper Ruth	6.00	\$285	2.00	\$127
Total RUTH:	7.00	\$349	2.00	\$127
Grand Totals:	31.25	\$1,447	2.50	\$163

H.B.M.W.D. NOV - 4 2019
via email

SECTION J2b PAGE NO. 1



COUNTY OF HUMBOLDT

JOHN BARTHOLOMEW
TREASURER-TAX COLLECTOR

825 FIFTH STREET ROOM 125
EUREKA, CALIFORNIA 95501

PHONE: 707-476-2450
FAX: 707-445-7608
TOLL FREE: 877-448-6829
EMAIL: taxinfo@co.humboldt.ca.us

Subject: Interest Apportionment Rate and Other Considerations

November 1, 2019

Honorable Board Members,

Your fund balances in the County Treasury from April through June 2019 (Fiscal 18/19 4th Quarter) earned an annualized interest rate of 1.85%. For comparison purposes, the LAIF (Local Agency Investment Fund) rate was 2.57%.

Because this report is so late from the end of the fiscal year due to Auditor requirements beyond this office's control, our reporting below will be broken into two parts. THEN – referring to the 4th quarter, and NOW referring to the present.

THEN: Fed Chair Powell confirmed that the Fed will “act as appropriate to sustain the expansion.” Treasury yields fell across the quarter and the 3-month and 10-year Treasury yields inverted once again in May. The 2-year Treasury ended the quarter at 1.75%. Yields were pressured down by trade tensions and the shift in Fed rate hike versus cut expectations.

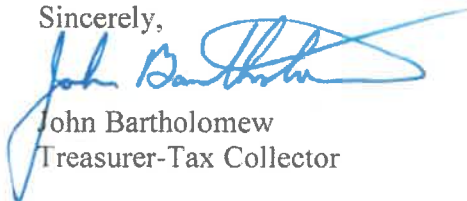
We managed our liquidity across the quarter to prepare for increased expenses throughout the summer months, which included a CalPERS annual payment of 23 MM for pension obligations.

NOW: U.S. Payrolls increased by 128,000 after an upwardly revised 180,000 advance the prior month, according to a Labor Department report today that exceeded the median 85,000 estimate in Bloomberg's survey. Hiring has proven to be resilient with those gains validating the FED pause. That includes a General Motors Co. strike-driven 41,600 decline in automaker payrolls and 20,000 temporary census workers leaving their jobs.

The key takeaway from the report is that it is not emblematic of an economy that is on the brink of a recession. On the contrary, it is emblematic of an economy that is expanding and looks poised to sustain the longest economic expansion on record thanks to a solid labor market and rising wages that are fuel for consumer spending.

As always, our goals are Safety, Liquidity and Yield. Let us know how we may be of service.

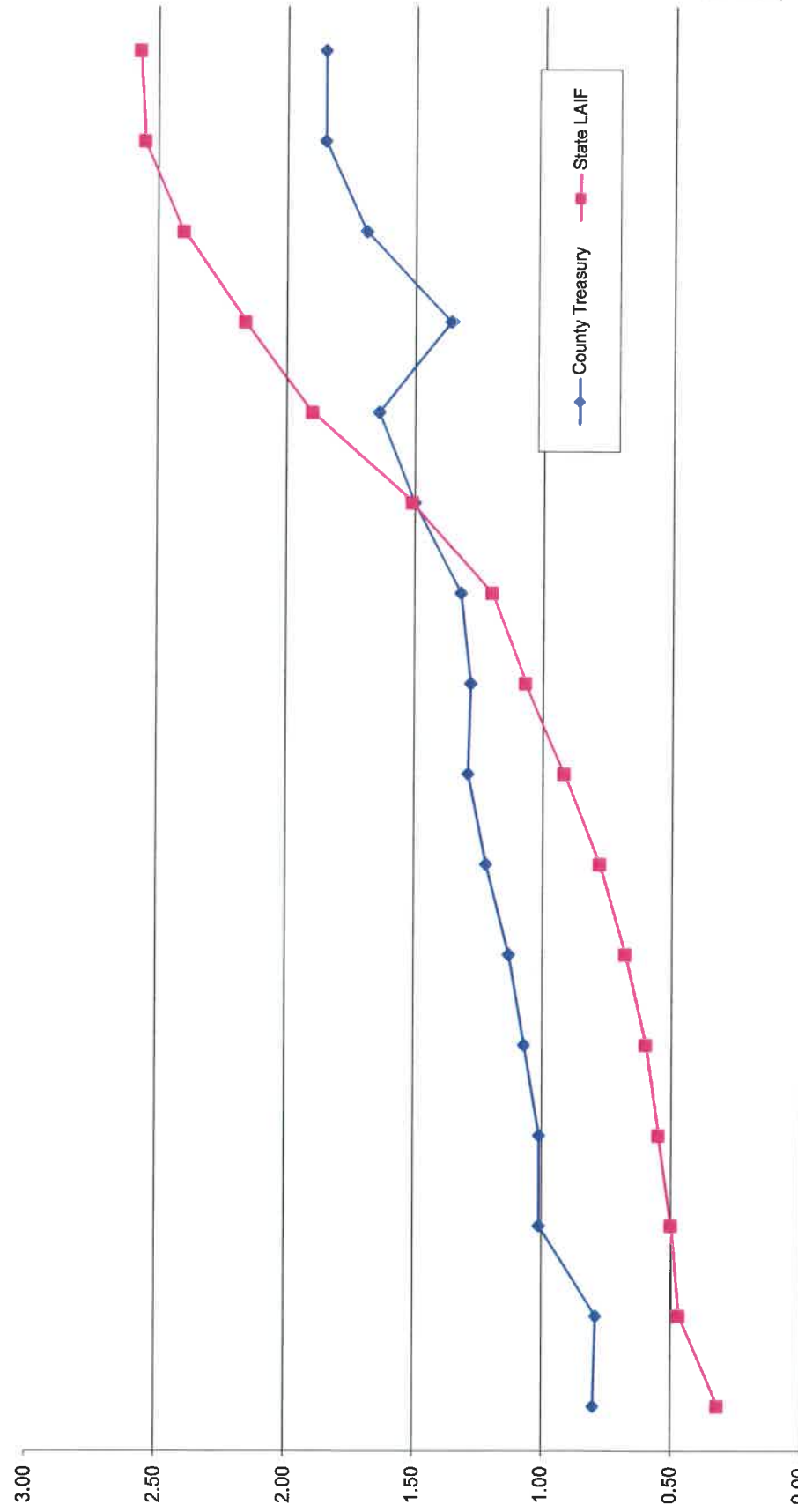
Sincerely,


John Bartholomew
Treasurer-Tax Collector

Humboldt County Treasury Team:

Whitney Morgan – Treasury Assistant
Amy Christensen – Treasury Assistant

Comparison of County Treasury and State LAIF Investment Earning Rates
July 2015 - June 2019



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	July - Sept 2015	Oct - Dec 2015	Jan - Mar 2016	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Jan - Mar 2017	Apr - Jun 2017	Jul - Sept 2017	Oct - Dec 2017	Jan - Mar 2018	Apr - Jun 2018	Jul - Sep 2018	Oct - Dec 2018	Jan - Mar 2019	Apr - Jun 2019
County Treasury	0.80	0.79	1.01	1.01	1.07	1.13	1.22	1.29	1.28	1.32	1.5	1.64	1.36	1.69	1.85	1.85
State LAIF	0.32	0.47	0.5	0.55	0.6	0.68	0.78	0.92	1.07	1.2	1.51	1.9	2.16	2.4	2.55	2.57

FUND BALANCES
Allocation Account Activity
July 1, 2019 - July 1, 2019

Interest April - June 2019

Account	Fund	Security ID	Current Transaction ID	Date	Receipt	Trans. Type	Contributions / Transfer In	Disbursements / Transfer Out / Fees	Allocated Earnings	Balance
2710	2710	SYS								31,906.24
	<i>1% Taxes</i>		1.849	07/01/2019		Alloc/Fee			2,690.46	34,596.70
	Subtotal and Ending Balance		1.849				0.00	0.00	2,690.46	34,596.70
2711	2711	2711								435,757.74
	<i>MSRA</i>		1.849	07/01/2019		Alloc/Fee			2,009.25	437,766.99
	Subtotal and Ending Balance		1.849				0.00	0.00	2,009.25	437,766.99
2712	2712	2712								476,367.68
	<i>ReMat</i>		1.849	07/01/2019		Alloc/Fee			1,930.07	480,297.75
	Subtotal and Ending Balance		1.849				0.00	0.00	1,930.07	480,297.75
3873	3873	3873								1,398,705.78
	<i>Investment Account</i>		1.849	07/01/2019		Alloc/Fee			6,449.34	1,405,155.12
	Subtotal and Ending Balance		1.849				0.00	0.00	6,449.34	1,405,155.12
3874	3874	3874								238,086.51
	<i>DwFP</i>		1.849	07/01/2019		Alloc/Fee			1,097.80	239,184.31
	Subtotal and Ending Balance		1.849				0.00	0.00	1,097.80	239,184.31
3876	3876	3876								4,889.93
	<i>SRF Payment</i>		1.849	07/01/2019		Alloc/Fee			299.88	5,189.81
	Subtotal and Ending Balance		1.849				0.00	0.00	299.88	5,189.81

To: Board of Directors
From: Chris Harris
Date: December 12, 2019
Re: CalTRUST Investment Account, Continued

Background & Review

At the November 2019 Board Meeting, staff was requested to provide additional information regarding moving District Reserve Funds currently held in Humboldt County Investment Trust Accounts to other investment options. To be considered, alternative investment options must meet all government code requirements, meet the District's investment goals, provide better transparency regarding account balance information and ease of access to invested funds. Staff has compiled:

- a. Brief review of current investment accounts
- b. Potential investment scenarios and comparisons
- c. Revised Investment Policy
- d. Information regarding a regular CalTRUST membership and a JPA membership
- e. CalTRUST Membership Application for review

Review of information provided in the November 2019 Staff Report:

1. Investment Account: Established in October 1987 for the purpose of receiving interest on both Restricted and Unrestricted funds not currently needed in the General Account.
2. DWFP Account (Drinking Water Filtration Plant Reserve Account): Established in June 2004 for the purpose of covering payments for the construction of the TRF while the District waited for reimbursement from loan funds.
3. MSRA Account (Municipal Supplemental Reserve Account): Established in July 2009 in lieu of a FY08 Price-Factor 2 rebate to the Muni's for the purpose of rate stabilization.
4. SRF (State Revolving Fund) Loan Payment Account: Established in March 2011, this account receives monthly deposits for the SRF Loan. Loan payments are made twice a year (until 2024).¹
5. ReMat Account: Established in July 2017, this account receives monthly deposits of the District's portion of ReMat Revenue.
6. 1% Tax Account: This account receives deposits of 1% Property Tax Revenue due to the District from the County. Funds are moved into the General Fund once the District is aware they are available.¹

¹ For the convenience of the District, this account is suggested to remain with Humboldt County.

As outlined in the November 2019 Staff Report, staff has found that both LAIF and CalTRUST meet investment priorities established by the District. Both agencies adhere to all California Government Code sections that govern investment options for California Public Agencies.

- The District has maintained an account with LAIF since 1987. Investment Fund transactions are limited to a minimum of \$5,000 in \$1,000 increments and a maximum number of fifteen monthly transactions.
- CalTRUST investment funds can be reallocated between different CalTRUST accounts as requirements of the agency change, with no minimum or maximum amount, or limitation on number of transactions. CalTRUST has five different investing options:
 1. Liquidity Fund: Target duration of 60 days, same-day liquidity
 2. Short-Term Fund: Target duration of 0-2 years, same day liquidity
 3. Medium-Term Fund: Target duration of 1-3 years, 3-day liquidity
 4. Liquid Environmentally Aware Fund (LEAF Fund): Unlimited duration, same-day liquidity (ESG Money Market: Institutional Prime Fund)
 5. FedFund (BLF Fund): Unlimited duration, same-day liquidity (Institutional government fund)²

Discussion

The account/funds listed below are being recommended by staff to be moved into different investment options. Additionally, staff is suggesting the District move funds in excess of \$1,600,000 out of the General Checking Account and into an investment account.³

Current Accounts & Funds Available for Investment			
Location of Account	Restricted or Unrestricted	Estimated Funds Available	Fund Access Needed
County – General Investment	Both	\$1,510,000 Restricted \$198,500 Unrestricted	Regularly
County - DWFP Reserve	Unrestricted	\$238,000	Seldom
County - MSRA Reserve	Unrestricted	\$435,800	Seldom
County - ReMat Funds	Unrestricted	\$503,000	Regularly
US Bank – General Account ³	Unrestricted	\$295,000	Regularly

On the following page, staff has provided a chart comparing the location of funds in comparison to three potential investment scenarios.

² 99.5% of total assets invested in cash, US Treasury Bills, notes and other obligations issued or guaranteed as to principle and interest by the US Government, its agencies or instrumentalities.

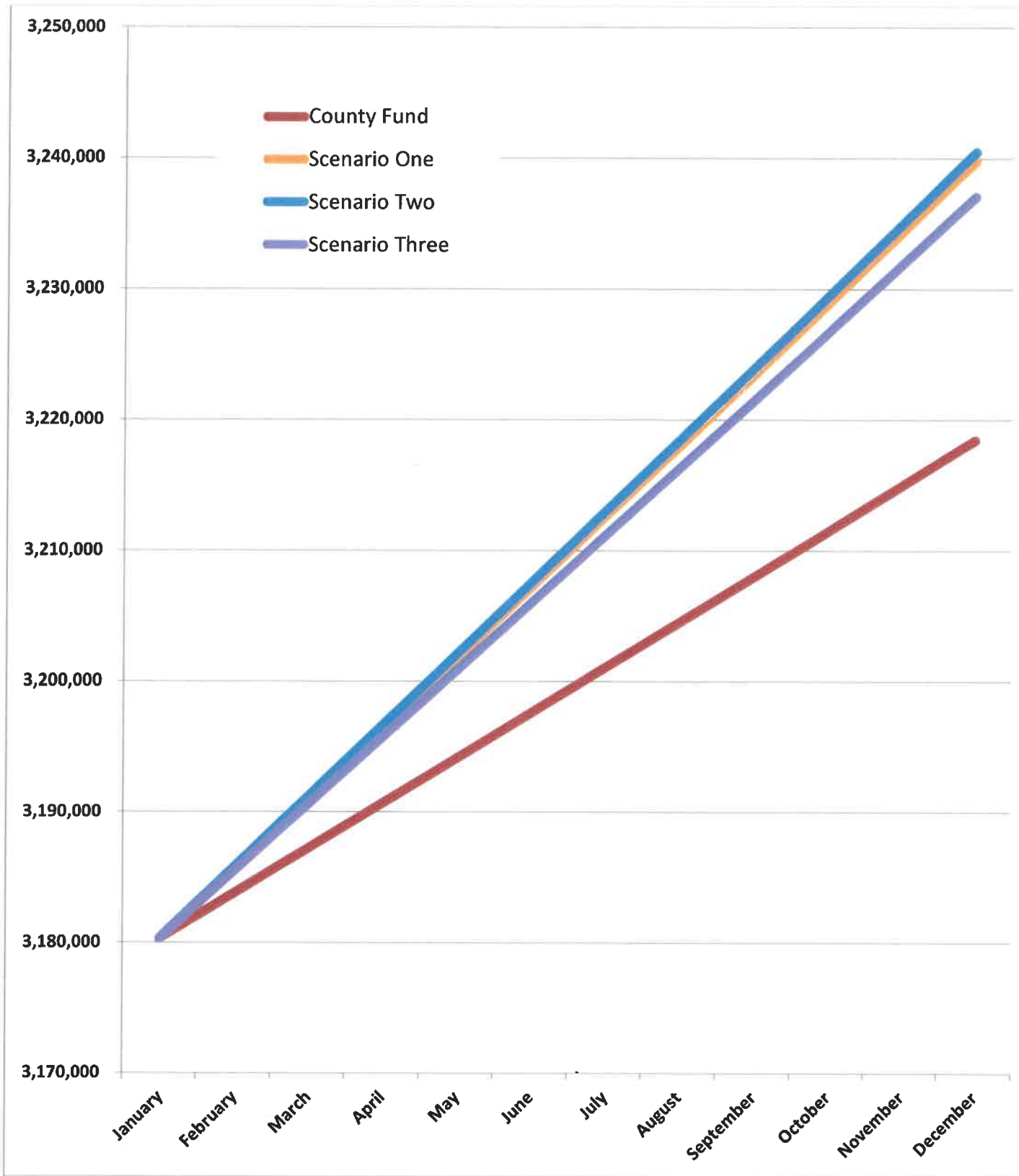
³ General Account reconciled balance as of 11/30/2019 \$1,893,000, funds in excess of \$1.6M would be moved to an interest bearing account.

Investment Scenarios

Current Account and Location	Est. Funds Available to Transfer	Investment Scenario One LAIF - \$1,510,000 CalTRUST - \$1,670,300	Investment Scenario Two LAIF - \$435,800 CalTRUST - \$2,744,500	Investment Scenario Three LAIF - \$238,000 CalTRUST - \$2,942,300
Investment Account Restricted Funds (County)	\$1,510,000	LAIF 2.070%	CalTRUST Medium-Term 2.150%	CalTRUST FedFund 1.770%
Investment Account Unrestricted Funds (County)	\$198,500	CalTRUST Medium-Term 2.150%	CalTRUST Medium-Term 2.150%	CalTRUST Medium-Term 2.150%
DWFP Reserve Funds (County)	\$238,000	CalTRUST FedFund 1.770%	CalTRUST FedFund 1.261%	LAIF 2.070%
MSRA Reserve Funds (County)	\$435,800	CalTRUST LEAF Fund 1.950%	LAIF 2.070%	CalTRUST Medium-Term 2.150%
ReMat Funds (County)	\$503,000	CalTRUST Medium-Term 2.150%	CalTRUST LEAF Fund 1.950%	CalTRUST Medium-Term 2.150%
General Checking (US Bank)	\$295,000	CalTRUST Short-Term 1.800%	CalTRUST Short-Term 1.800%	CalTRUST Short-Term 1.800%
Est. 12-mo. Return \$38,134	Est. Funds Available \$3,180,300	Est. 12-mo. Return - \$59,498	Est. 12-mo. Return - \$60,174	Est. 12-mo. Return - \$56,757

Performance Comparison

The graph below compares funds currently held at Humboldt County to the three separate investment scenarios listed on the previous page.



Recommendation

In order to both diversify the District's Investment Funds and to have accurate, timely information for the District Financial Statements, staff recommends the District move forward with CalTRUST Investments by the Board taking the following actions:

- a. Staff recommends the Board approve the included revised Investment Policy
- b. Staff recommends the Board approve staff to complete and submit the "*Program Registration & Participation Agreement*" for CalTRUST
- c. Staff requests the Board determine whether the District should join CalTRUST as a Regular Member or a JPA Member
- d. Staff requests the Board select one of the investment scenarios provided or an alternate investment scenario of the Board's creation.

Attachments

Exhibit A: Revised Investment Policy

Exhibit B: CalTRUST Information

Email from Laura Labanieh, Chief Executive Officer – CalTRUST
Individual Investment Fund Information
Joint Powers Authority – Information Statement
Joint Exercise of Powers Agreement
Program Registration Form and Participation Agreement

Exhibit C: LAIF Information

PMIA Performance Report

EXHIBIT A

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
Statement of Investment Policy

The Secretary/Treasurer of the Humboldt Bay Municipal Water District hereby submits the following statements of the investment policy of the District.

I) Introduction

The authority governing investments for municipal governments is set forth in California Government Code, Sections 53601 through 53686, as amended through January 1, 2016.

The purpose of this policy is to establish investment guidelines for the District consistent with the Government Code and with prudent investment practices.

II) Investment Objectives

District funds, not required for immediate use, shall be prudently invested. In order of priority, the District's investment objectives are as follows:

- a) Safety of Principal – The preservation of principal is the primary objective. Investment transactions shall seek to ensure that capital losses are minimized.
- b) Liquidity – As a second objective, the investment funds should remain sufficiently flexible and available to enable the District to meet all operating requirements.
- c) Rate of Return – The third objective is to achieve a reasonable rate of return consistent with current economic cycles, risk limitations and the investment objectives above.

III) Investment Funds

The Humboldt Bay Municipal Water District has elected to utilize investment opportunities provided by California Government Code Sections 16429.1 and 53684, and Internal Revenue Code Section 115.

The District shall first invest all excess funds not required for immediate use with the Treasurer of the County of Humboldt or the State of California Local Agency Investment Fund.

The District reserves the option to designate and invest funds into an irrevocable, tax-exempt IRC Section 115 Trust. These funds shall be for the purpose of funding any CalPERS Unfunded Pension Liability, and shall be managed by Public Agencies Retirement Services (PARS).

As permitted under California Government Code Section 53601, the District additionally reserves the option to invest excess funds not required for immediate use with CalTRUST, a JPA pooled investment program managed by BlackRock Investments.

The terms and conditions of such investment options are set forth in District Resolution Numbers: 434, 435, and 2018-02 and hereby incorporated herein (attached hereto as reference).

Approved by Board of Directors: December 12, 2019

Sheri Woo, President
Humboldt Bay Municipal Water District

EXHIBIT B

Chris Harris

From: Laura Labanieh <laura@caltrust.org>
Sent: Wednesday, December 04, 2019 3:57 PM
To: Chris Harris
Cc: Chase Broffman; Connor Dolan
Subject: Re: Additional Information
Attachments: Participation Agreement Form 2019.pdf; JPA Agreement - as Amended 4.18.18.pdf; Information Statement Updated April 2019.pdf

H Chris,

Great to hear from you! Yes, I can confirm that CalTRUST follows California government code. It is dictated in both our JPA and information statement and our investment policy is a mirror of 53601. I know I had sent you information previously but I have reattached here some of the key resource documents for CalTRUST. Here are more additional details that may assist you in putting together your presentation to the Board:

CalTRUST is a local government investment pool that is available to all public agencies in California. In fact, CalTRUST is a public agency itself, having been formed as a JPA that was formed by city, county, and special district treasurers and investment officers who were seeking an alternative to LAIF, and is governed by a Joint Exercise of Powers.

CalTRUST is governed by a Board of Trustees that is fully comprised of public agency treasurers and investment officers. Other key features of CalTRUST worth noting include:

- No minimum or maximum investment amount – you can have as much or as little invested with us as you'd like;
- No minimum or maximum transaction allowances – you can do as many transactions as often as you'd like;
- No limit to the amount of subaccounts you can have;
- Access to BlackRock investment expertise;
- Ability to easily move assets between our different accounts as you'd like to meet your cash flow needs;
- Online shareholder portal allows you to utilize online trading features and set levels of access for individuals (ie: you could have staff authorized to perform trades or just to view statements and other information);
- Agencies do not have to join the JPA to participate in CalTRUST;
- CalTRUST is only open to California public agencies so our investment policy mirrors California investment code; and
- Currently, over 140 California public agencies invest with CalTRUST.

CalTRUST is also endorsed by the main local government organizations including the California Special Districts Association, California State Association of Counties, and League of California Cities.

The basic characteristics of the five CalTRUST fund options include:

Liquidity Fund

Liquidity: Same-Day
Cut-Off Time: 12:00pm PST
Maximum Duration: 60 Days
S&P Rating: AAAM
Stable NAV

Short-Term Fund

Liquidity: Same-Day
Cut-Off Time: 9:30am PST

Target Duration: 0-2 Years
S&P Rating: AAF
Floating NAV

SECTION JAC PAGE NO. 11

Medium-Term Fund

Liquidity: Two-Days
Cut-Off Time: 9:30am PST
Target Duration: 1 - 3 Years
S&P Rating: AA-f
Floating NAV

BlackRock FedFund

Liquidity: Same-Day
Cut-Off Time: 1:00pm PST
Weighted Average Maturity (September 2019): 27 Days
S&P Rating: AAAM

BlackRock Liquid Environmentally Aware Fund

U.S. dollar-denominated 2a-7¹ prime money market fund
Investment process considers environmental criteria
Liquidity: Same-Day
Cut-Off Time: 11:00am PST
Weighted Average Maturity: 48 Days (September 2019)
S&P Rating: AAAM

Please let me know if I can be of any further assistance. I have also copied Connor Dolan with BlackRock on this email. As you will be going to the Board this month, I want to let you know that I will actually be out of the office on vacation December 7-20th. In case you need any additional follow-up during that time Chase and Connor will be available to assist you.

Thanks!
~Laura

Laura Labanieh, CAE
Chief Executive Officer
CalTRUST

Office: (916) 650-8186
Cell: (916) 990-1975
laura@caltrust.org

From: Chris Harris <harris@hbmwd.com>
Date: Wednesday, December 4, 2019 at 2:12 PM
To: Laura Labanieh <laura@caltrust.org>
Cc: Chase Broffman <chase@caltrust.org>
Subject: RE: Additional Information

Hi again Laura—

After reviewing the possibility of investing with CalTRUST last month with the BoD, I have been requested to put together suggested investment options for them to consider at this month's Board Meeting. One thing that I wanted to

confirm is that CalTRUST follows the California Government Code regarding investments? Section 53601 through 53686 are called out specifically in the District's Investment Policy.

Thanks again for your help with this!

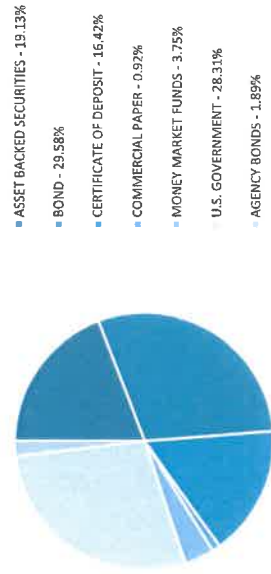
--Chris

Chris Harris
Business Manager
Humboldt Bay Municipal Water District
(707) 443-5018
Fax (707) 443-5731



Net Assets	\$1,086,498,737.00	CalTRUST Short Term	CalTRUST Short Term	CalTRUST Short Term	CalTRUST Short Term	CalTRUST Short Term
NAV per Share	\$10.05	LAIF	CalTRUST Short Term Yield	CalTRUST Short Term Yield	CalTRUST Short Term Yield	LAIF Yield
30 day SEC Yield	1.96%	N/A	0.18%	0.18%	0.19%	0.19%
Period Net Total Return	0.28%	N/A	0.74%	0.56%	0.57%	0.57%
Effective Duration	0.51 Yrs	2.16%	1.40%	1.23%	1.19%	1.19%
Average Maturity	0.96 Yrs	0.19%	2.89%	2.51%	2.38%	2.38%
Weighted Average Life	0.81 Yrs	N/A	2.30%	2.17%	2.03%	2.03%
		0.55 Yrs	1.86%	1.80%	1.66%	1.66%
		0.51 Yrs	1.34%	1.31%	1.16%	1.16%
			0.93%	0.89%	0.76%	0.76%
			1.80%	1.75%	1.67%	1.67%

Portfolio Sector Breakdown



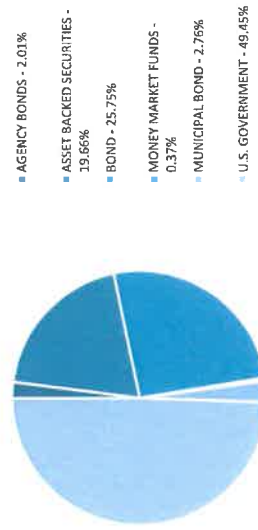
Rated AAF by S&P Global Ratings

*Annualized



	CalTrust Medium Term	BofAML 1-3 Corp & Gov't, A Rated and Above	CalTrust Medium Term Net Total Return	CalTrust Medium Term Yield	BofAML 1-3 Corp & Gov't, A Rated and Above Yield
Net Assets	\$573,711,328.00	N/A	0.38%	0.18%	0.35%
NAV per Share	\$10.11	N/A	1.12%	0.53%	1.10%
30 Day SEC Yield	1.71%	N/A	2.21%	1.12%	2.31%
Period Net Total Return	0.38%	0.35%	4.74%	2.27%	4.90%
Effective Duration	1.92 Yrs	N/A	2.57%	2.08%	2.63%
Average Maturity	2.18 Yrs	N/A	1.89%	1.82%	1.97%
Weighted Average Life	1.76 Yrs	N/A	1.53%	1.45%	1.62%
			1.34%	1.24%	1.56%
			2.15%	2.04%	2.50%

Portfolio Sector Breakdown



Rated AA-f by S&P Global Ratings



OCT 2019
Fact Sheet

Liquid Environmentally Aware Fund (Direct Shares)

Institutional | Prime | Floating Net Asset Value

www.blackrock.com/cash

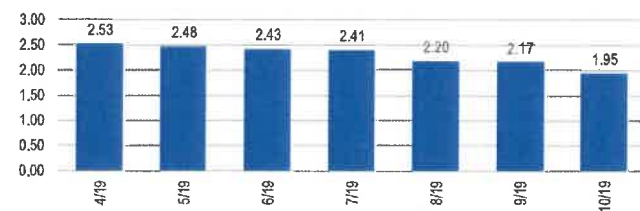
Investment Objective

The BlackRock Liquid Environmentally Aware Fund (LEAF™) seeks as high a level of current income as is consistent with liquidity and preservation of capital while giving consideration to select environmental criteria.

Investment Policy

LEAF seeks to achieve its investment objective by investing in a broad range of U.S. dollar-denominated money market instruments, including government, U.S. and foreign bank, and commercial obligations and repurchase agreements. Under normal conditions, this Fund will invest at least 80% of the value of its net assets, plus the amount of any borrowings for investment purposes, in securities whose issuer or guarantor, in the opinion of BlackRock, the Fund's investment manager, at the time of purchase, meets the Fund's environmental criteria.

Performance (30-Day Yield %)*.1



7-day SEC yield as of 10/31/19 was 1.91%.²

* Sources: BlackRock, Inc. and JP Morgan.

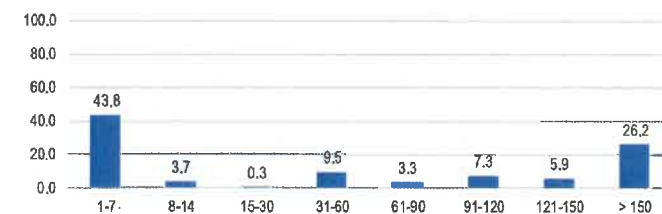
The investment advisor and/or other service providers for the BlackRock Liquid Environmentally Aware Fund (Institutional Shares) sometimes waive a portion of their fees or reimburse expenses to the Fund. When they do, operating expenses are reduced and total returns to shareholders in the Fund increase. These waivers and reimbursements can be discontinued at any time. Without such waivers and reimbursements, which were in effect for all or a portion of the period shown, the 7-day SEC yield would be 1.81%.

% Net Total Return³ (Period Ending 9/30/19)

1 Month	3 Month
0.18	0.57

Performance data represents past performance and does not guarantee future results. Yields will vary. Current performance may be lower or higher than the performance data quoted. Please call 800-441-7450 or log on to www.blackrock.com/cash to obtain performance data current to the most recent month-end.

% Maturity Distribution



Fund Details

Symbol	LEDXX
Size	\$749.8 million
Inception	April 9, 2019
Minimum Investment	\$1 million
Trading Deadline	3pm (ET)
Weighted Average Maturity (WAM) ⁴	39 days
Weighted Average Life (WAL) ⁵	89 days
Standard and Poor's	AAAm
Moody's	Aaa-mf
Gross Expense Ratio [†]	0.20%
Net Expense Ratio [†]	0.14%
CUSIP #	09258N174
Portfolio #	202

[†] Expenses are as of the most current prospectus. BlackRock has contractually agreed to waive and/or reimburse fees or expenses in order to limit Miscellaneous Other Expenses (excluding Dividend Expense, Interest Expense, Acquired Fund Fees and Expenses and certain other Fund expenses) as a percentage of average daily net assets to 0.00% for Institutional Shares through November 30, 2029. This agreement may be terminated upon 90 days' notice by a majority of the non-interested trustees of the Trust or by a vote of a majority of the outstanding voting securities of the Fund. Please see the prospectus for additional information.

Asset Allocation%[‡]



[‡] Does not reflect other receivables and payables.

Not FDIC Insured • No Bank Guarantee • May Lose Value

Important Notes

You should consider the investment objectives, risks and expenses of the Funds carefully before investing. The Funds' prospectuses and, if available summary prospectuses, contain this and other information about the Funds and are available by calling our Client Service Center at 800-441-7450 or by visiting www.blackrock.com/cash. Please read the prospectus carefully before investing.

You could lose money by investing in LEAF. Because the share price of LEAF will fluctuate, when you sell your shares, they may be worth more or less than what you originally paid for them. LEAF may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if LEAF's liquidity falls below required minimums because of market conditions or other factors. An investment in LEAF is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. LEAF's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to LEAF at any time.

This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment fund strategy. The opinions expressed may change as subsequent conditions vary.

¹ Average annualized 30-day yields are based on net investment income and distributed gains or losses for the period shown. Past performance is no guarantee of future results. Yields will fluctuate as market conditions change. ² The 7-Day yield is computed in accordance with methods prescribed by the SEC. The 7-Day SEC yield excludes distributed capital gains/losses. ³ The fund's current yield more closely reflects the current earnings of the fund than the total net return quotations. ⁴ Weighted Average Maturity: Calculated by the final maturity for a security and the interest rate reset date held in the portfolio. This is a way to measure a fund's sensitivity to potential interest rate changes. ⁵ Weighted Average Life: Measurement of a fund's sensitivity to a deteriorating credit environment; potential credit spread changes or tightening liquidity conditions. The WAL calculation is based on a security's stated final maturity date or, when relevant, the date of the demand feature when the fund may receive payment of principal and interest.

All portfolio information provided is as of October 31, 2019 unless otherwise noted, and is subject to change. Ratings by S&P and Moody's apply to the credit quality of a portfolio and are not a recommendation to buy, sell or hold securities of a Fund, are subject to change, and do not remove market risks associated with investments in the Fund. For complete information on the methodology used by each rating agency, please visit the following websites.

S&P - http://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352;

Moody's - https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

Prepared by BlackRock Investments, LLC, member FINRA

FOR MORE INFORMATION: Visit www.blackrock.com/cash or email cashmgmt@blackrock.com

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BLACKROCK®



OCT 2019
Fact Sheet

FedFund (Institutional Shares)

Institutional | Government | Constant Net Asset Value

www.blackrock.com/cash

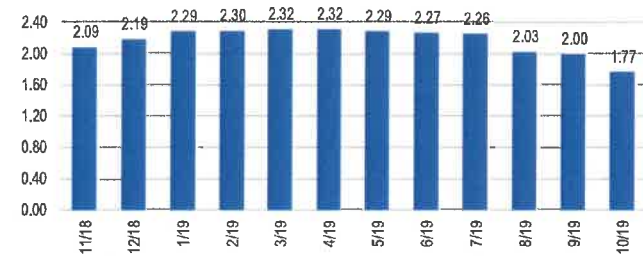
Investment Objective

FedFund seeks current income as is consistent with liquidity and stability of principal.

Investment Policy

FedFund invests at least 99.5% of its total assets in cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash.

Performance (30-Day Yield %)¹



7-day SEC yield as of 10/31/19 was 1.72%²
* Sources: BlackRock, Inc. and BNY Mellon.

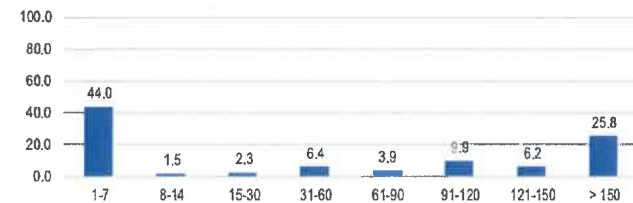
The investment advisor and/or other service providers for the BlackRock FedFund (Institutional Shares) sometimes waive a portion of their fees or reimburse expenses to the Fund. When they do, operating expenses are reduced and total returns to shareholders in the Fund increase. These waivers and reimbursements can be discontinued at any time. Without such waivers and reimbursements, which were in effect for all or a portion of the period shown, the 7-day SEC yield would be 1.71%.

% Net Total Return³ (Period Ending 9/30/19)

1 Year	3 Years	5 Years	10 Years
2.22	1.43	0.90	0.46

Performance data represents past performance and does not guarantee future results. Yields will vary. Current performance may be lower or higher than the performance data quoted. Please call 800-441-7450 or log on to www.blackrock.com/cash to obtain performance data current to the most recent month-end.

% Maturity Distribution



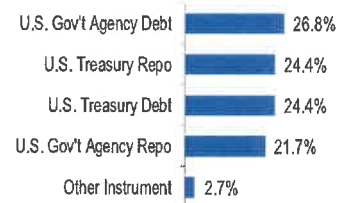
Fund Details

Symbol	TFDXX
Size	\$111,849.1 million
Inception	October 1, 1975
Minimum Investment	\$3 million
Trading Deadline	5pm (ET)
Weighted Average Maturity (WAM) ⁴	39 days
Weighted Average Life (WAL) ⁵	104 days
Standard and Poor's	AAAm
Moody's	AAA-mf
Gross Expense Ratio [†]	0.19%
Net Expense Ratio [†]	0.17%
CUSIP #	09248U700
Portfolio #	30

Effective July 1, 2018, Money Market Funds investing in Government Sponsored Entities (GSE's) not backed by the full faith and credit of the U.S. Government will no longer be eligible for the U.S. Direct Obligations/Full Faith and Credit Exempt List.

[†] Expenses are as of the most current prospectus. Investment dividend expense, interest expense, acquired fund fees and expenses and certain other fund expenses are included in the Net. BlackRock may contractually agree to waive or reimburse certain fees and expenses until a specified date. Contractual waivers are terminable upon 90 days' notice by a majority of the funds non-interested trustees or by a vote of the majority of the outstanding voting securities of the fund. The investment advisor and/or other service providers may also voluntarily agree to waive certain fees and expenses which can be discontinued at any time without notice. When waivers or reimbursements are in place, the operating expenses are reduced and total returns to the shareholder in the fund increase. Please see the prospectus for additional information.

Asset Allocation⁶‡



‡ Does not reflect other receivables and payables.

Not FDIC Insured • No Bank Guarantee • May Lose Value

Important Notes

You should consider the investment objectives, risks and expenses of the Funds carefully before investing. The Funds' prospectuses and, if available summary prospectuses, contain this and other information about the Funds and are available by calling our Client Service Center at 800-441-7450 or by visiting www.blackrock.com/cash. Please read the prospectus carefully before investing.

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment fund strategy. The opinions expressed may change as subsequent conditions vary.

This material must be preceded or accompanied by a prospectus.

¹Average annualized 30-day yields are based on net investment income and distributed gains or losses for the period shown. Past performance is no guarantee of future results. Yields will fluctuate as market conditions change. ²The 7-Day yield is computed in accordance with methods prescribed by the SEC. The 7-Day SEC yield excludes distributed capital gains/losses. ³The fund's current yield more closely reflects the current earnings of the fund than the total net return quotations. ⁴Weighted Average Maturity: Calculated by the final maturity for a security and the interest rate reset date held in the portfolio. This is a way to measure a fund's sensitivity to potential interest rate changes. ⁵Weighted Average Life: Measurement of a fund's sensitivity to a deteriorating credit environment; potential credit spread changes or tightening liquidity conditions. The WAL calculation is based on a security's stated final maturity date or, when relevant, the date of the demand feature when the fund may receive payment of principal and interest.

All portfolio information provided is as of October 31, 2019, unless otherwise noted, and is subject to change. Ratings by S&P and Moody's apply to the credit quality of a portfolio and are not a recommendation to buy, sell or hold securities of a Fund, are subject to change, and do not remove market risks associated with investments in the Fund. For complete information on the methodology used by each rating agency, please visit the following websites.

S&P - http://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352;

Moody's - https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

Prepared by BlackRock Investments, LLC, member FINRA

FOR MORE INFORMATION: Visit www.blackrock.com/cash or email cashmgmt@blackrock.com

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BLACKROCK®

INVESTMENT TRUST OF CALIFORNIA,

doing business as



A JOINT POWERS AUTHORITY

INFORMATION STATEMENT

FOR THE SHARES PROGRAM

**FEBRUARY 24, 2005
(REVISED APRIL 17, 2019)**

1100 K STREET, SUITE 101
SACRAMENTO, CALIFORNIA 95814
TELEPHONE: 833-CALTRUST (225-8787)

SUMMARY OF THIS INFORMATION STATEMENT

The following is only a summary of the information that appears elsewhere in this Information Statement (the "Information Statement") for the Shares Program (as hereinafter defined) and in the Joint Exercise of Powers Agreement (the "Agreement," which is provided separately) of the Investment Trust of California, doing business as CalTRUST ("CalTRUST"). All capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to such terms in the Agreement. Prospective Members of or Participants in CalTRUST should consult their own advisers as to the consequences of participation in CalTRUST and investment through the Shares Program. This Information Statement provides detailed information about CalTRUST. Please read it carefully and retain it for future reference.

CalTRUST Investment Trust of California, doing business as CalTRUST, is a California joint powers authority that has been established by its members ("Members") pursuant to the Agreement. CalTRUST's principal executive office is 1100 K Street, Suite 101, Sacramento, California 95814 and its telephone number is 833-CALTRUST (225-8787). CalTRUST is subject to the California Joint Exercise of Powers Act.

Members Each Member must be a California "Public Agency" as that term is defined in Section 6500 of Title 1, Division 7, Chapter 5, Article 1 of the California Government Code (the "Joint Exercise of Powers Act"), which, as of the date of this Information Statement, is defined as "the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, or regional transportation commission of the State of California or another state, or any joint powers authority formed pursuant to Article 1 of the Joint Exercise of Powers Act by any of these agencies," and includes "a nonprofit corporation whose membership is confined to public agencies or public officials."

Each Member is also either a political subdivision of a state, or an agency, authority, or instrumentality of the United States, a state or any political subdivision of a state, as those terms are used in the Investment Company Act of 1940, as amended (the "1940 Act").

Participants Each participant ("Participant") must be a California Public Agency, as that term is defined in Section 6500 of the Joint Exercise of Powers Act, which, as of the date of this Information Statement, is defined as "the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, or regional

transportation commission of the State of California or another state, or any joint powers authority formed pursuant to Article 1 of the Joint Exercise of Powers Act by any of these agencies," and includes "a nonprofit corporation whose membership is confined to public agencies or public officials."

Purpose

The purpose of CalTRUST is to consolidate investment activities of its Participants and thereby reduce duplication, achieve economies of scale and carry out coherent and consolidated investment strategies through the issuance of shares of beneficial interest in investments purchased by CalTRUST (the "Shares Program"). The California Government Code provides that Public Agencies may purchase shares of beneficial interest issued by a joint powers authority, such as CalTRUST, organized pursuant to Section 6500 of the Act.

All money not required for the immediate needs of a Public Agency may be invested in certain investments described in this Information Statement. However, the California Government Code limits the amount of surplus money of a Public Agency that may be invested in such investments. Funds consisting of tax-exempt bond proceeds may be subject to investment restrictions, arbitrage management and rebate requirements under federal tax laws. Public Agencies seeking to invest tax-exempt bond proceeds should consult professional advisers familiar with those requirements to determine whether investing through the Shares Series is appropriate. CalTRUST reserves the right to prohibit the investment of bond proceeds or limit the investment of bond proceeds by a Public Agency to less than 10% of the net asset value of a Series of Shares.

Series

CalTRUST currently offers five active accounts or series of Shares to provide Public Agencies with a convenient method of pooling funds, (i) the "CalTRUST Liquidity Fund" Series, (ii) the "CalTRUST Short-Term Fund" Series, (iii) the "CalTRUST Medium-Term Fund" Series, (iv) the Liquid Environmentally Aware Fund (LEAF), a series of BlackRock Liquidity Funds, Institutional Share Class, offered to California Public Agencies through CalTRUST as the "Money Market Fund", and (v) the FedFund, a series of Blackrock Liquidity Funds, Institutional Share Class, offered to California Public Agencies through CalTRUST as the "Government Fund", (each, a "Series" and collectively, the "Series").

Investment Objectives

The CalTRUST Short-Term Fund and the CalTRUST Medium-Term Fund seek to attain as high a level of current income as is consistent with the preservation of principal. The CalTRUST Liquidity Fund, Money Market Fund and the Government Fund seek as high a level of current income as is consistent with liquidity and stability of principal.

The funds in each Series will be invested in only fixed-income oriented investments permitted in accordance with Sections 53601 and 53635 of the California Government Code. The CalTRUST Short-Term Fund will have a target portfolio duration of 0 to 2 years. The CalTRUST Medium-Term Fund will have a target portfolio duration of 1-1/2 to 3-1/2 years.

The CalTRUST Liquidity Fund will have a maximum portfolio duration weighted average maturity of 60 days and a maximum weighted average life of 120 days.

The Money Market Fund and the Government Money Market Fund each have a maximum dollar-weighted average maturity of 60 days, and a maximum dollar-weighted average life of 120 days, in accordance with Rule 2a-7 of the Investment Company Act of 1940 (1940 Act).

Risks

The principal risks of investing through the Shares Program, which could adversely affect the market value, yield and total return of a Series of Shares, include market risk, interest rate risk, credit risk, issuer risk, liquidity risk, mortgage risk and management risk. These risks are discussed in more detail later.

The values of the Shares of the CalTRUST Short-Term Fund Series, the CalTRUST Medium-Term Fund Series, and the Money Market Fund change in response to movements in interest rates. If rates rise, the values of debt securities generally fall. The longer the average duration of the CalTRUST Short-Term Fund and CalTRUST Medium-Term Fund Series' investment portfolio, the greater the potential change in value. The CalTRUST Liquidity Fund and the Government Fund seek to maintain a \$1.00 net asset value per share. The values of the Shares of a Series may also decline in response to events affecting the issuer of any securities held in the applicable Series or its credit rating. The value of some mortgage-backed and asset-backed securities in which funds attributable to the CalTRUST Short-Term Fund Series, the CalTRUST Medium-Term Fund Series, and the Money Market Fund Series of Shares may be invested also may fall because of unanticipated levels of

principal prepayments that can occur when interest rates decline.

The Shares in the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund and CalTRUST Medium-Term Fund are not registered under any federal or state securities law. Neither CalTRUST, the CalTRUST Liquidity Fund, the CalTRUST Short-Term Fund, nor the CalTRUST Medium-Term Fund is registered under the 1940 Act. For that reason, CalTRUST, the CalTRUST Liquidity Fund, the CalTRUST Short-Term Fund, and the CalTRUST Medium-Term Fund are not subject to the various protections of the 1940 Act, which apply to certain pooled vehicles such as money market funds and other mutual funds.

The shares in the Money Market Fund and Government Fund are registered with the Securities and Exchange Commission (SEC) under the provisions of Rule 2a-7 of the Investment Company Act of 1940, as amended. Additional information regarding the Money Market Fund and the Government Fund can be found in the BlackRock Liquidity Funds, Institutional Shares fund prospectus, available online at:

<https://www.blackrock.com/cash/en-us/stream-document?stream=reg&product=L-FFUND&shareClass=Class+Inst&documentId=235732~235783~236155&iFrameUrlOverride=%2Fcash%2Fliterature%2Fprospectus%2Fpro-brliquidity-institutionalshares-feb.pdf>

Net Asset Value

The net asset value of the CalTRUST Short-Term Fund is calculated daily. The net asset values of the CalTRUST Medium-Term Fund is calculated daily, although shares in these Series are redeemed once per month on the last Business Day of the month. The net asset value in the Liquidity Fund is calculated daily. The net asset value of the Money Market Fund is calculated multiple times daily. The net asset value of the Government Fund is calculated daily. Income from each Series is reinvested in the applicable Series.

How to Participate

To participate in CalTRUST, authorized officials of the Participant should first read this entire Information Statement and the Agreement, as well as the Investment Policy. The Participant must then complete and submit to the Administrator, a Program Registration Form and Participation Agreement.

How to Purchase Shares	Once appropriate accounts have been established, Shares may be purchased by wiring funds, per the current transaction wire instructions, from the Participant's bank, along with written instructions as described in more detail in this Information Statement.
How to Sell Shares	Shares may be sold by requesting a wire transfer, as described in Section IV in this Information Statement.
Series Expenses	The costs and fees for each Series are set forth in Section X hereto.
Board of Trustees	CalTRUST is governed by a Board of Trustees, at least seventy-five percent (75%) of whom are members of the governing body, officers, or personnel of the Members. The Board is responsible for setting overall policies and procedures for CalTRUST and the Shares Program, and for retaining the Administrator, Custodian, Investment Manager and other agents of CalTRUST.
Administrator	The " <u>Administrator</u> " is CalTRUST or any entity engaged by CalTRUST to serve as a subadministrator to CalTRUST and of the Shares Program pursuant to the terms of any Administration Agreements. CSAC Finance Corporation, with an office at 1100 K Street, Suite 101, Sacramento, California 95814, is a current subadministrator for the Shares Program.
Custodian	The " <u>Custodian</u> " is the entity engaged by CalTRUST to serve as the custodian for the Shares Program pursuant to the terms of the Custodial Agreement. U.S. Bank, N.A. a custodial bank with an office at 1420 Kettner Blvd, Suite 200, San Diego, CA 92101 is the Custodian for each Series.
Investment Manager	The " <u>Investment Manager</u> " is the entity engaged by CalTRUST to serve as the investment manager to the Shares Program pursuant to the terms of the Investment Management Agreement. BlackRock Financial Management, Inc., with its principal office at 40 East 52 nd Street, New York, NY 10022, is the Investment Manager to CalTRUST and the Shares Program. BlackRock Advisors, LLC, with its principal office at 100 Bellevue Parkway, Wilmington, DE 19809, is the investment manager for the Money Market Fund and the Government Fund.
Auditors	The financial statements of CalTRUST will be audited annually by an independent auditor to be selected by CalTRUST. The fiscal year for CalTRUST ends each June 30.

**Account
Manager/
Recordkeeper**

The "Account Manager & Recordkeeper" is the entity engaged by CalTRUST to serve as the Account Manager/Recordkeeper to the Shares Program pursuant to the Fund Accounting Agreement. Ultimus Fund Services with its principal office at 17606 Wright Street, Omaha, NE 68130, is the Account Manager/Recordkeeper to CalTRUST and the Shares Program.

SECTION I

**INSTRUCTIONS ON HOW TO PARTICIPATE
IN THE SHARES PROGRAM**

STEP ONE: READ THIS ENTIRE INFORMATION STATEMENT BEFORE INVESTING

A prospective Participant in CalTRUST should carefully read this entire Information Statement and the complete Agreement and the documents referred to herein and therein (copies of which will be provided separately) before investing funds through the investment program offered by CalTRUST whereby Participants purchase shares of beneficial interest in a Series (the "Shares Program"). **However, the contents of this Information Statement should not be considered to be legal, tax or investment advice, and prospective Participants should consult with their own counsel and advisers as to all matters concerning investment through the Shares Program.** Participants should keep a copy of this Information Statement for their records.

STEP TWO: OPENING AN ACCOUNT

Prospective Participants must complete a Program Registration Form and Participation Agreement (attached to this Information Statement as Attachment A), and forward it to:

CalTRUST
1100 K Street, Suite 101
Sacramento, California 95814

There is no limit on the number of subaccounts that can be opened by a Participant. Additional forms of Program Registration Form and Participation Agreement are provided for this purpose. The Administrator will notify the prospective Participant of its approval of the application(s) and the account number(s) assigned. **The Administrator reserves the right to reject any application in its discretion.**

Instructions on the Program Registration Form and Participation Agreement will remain in effect until the Administrator receives written

notification to change them. Any changes to addresses, account registrations, names or signatures of authorized officials, or other critical information will require appropriate documentation. Instructions or forms may be obtained by calling the Administrator at 833-CALTRUST (225-8787).

SECTION II

INVESTMENT STRATEGIES AND OBJECTIVES

A. PURPOSE: WHO MAY INVEST

CalTRUST is a separate joint powers authority and public agency established by its members ("Members") under the provisions of Section 6509.7 of Title 1, Division 7, Chapter 5, Article 1 of the California Government Code (the "Joint Exercise of Powers Act") to provide Public Agencies with consolidated investment activities and thereby reduce duplication, achieve economies of scale and carry out coherent and consolidated investment strategies. Members and Participants must each be a California "Public Agency" as that term is defined in Section 6509.7 of the Joint Exercise of Powers Act, which, as of the date of this Information Statement, is defined as "the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, or regional transportation commission of the State of California or another state, or any joint powers authority formed pursuant to Article 1 of the Joint Exercise of Powers Act by any of these agencies," and includes "a nonprofit corporation whose membership is confined to public agencies or public officials."

All money not required for the immediate needs of Public Agencies may be invested in certain investments described in this Information Statement. However, the California Government Code limits the amount of surplus money of a Public Agency that may be invested in such investments.

Funds consisting of tax-exempt bond proceeds may be subject to investment restrictions, arbitrage management and rebate requirements under federal tax laws. Although CalTRUST does not initially intend to permit Participants to invest tax-exempt bond proceeds to the extent that the bond proceeds of a Participant would constitute greater than 10% of the assets in any Series, if the 10% threshold is later or inadvertently reached with respect to a Series, such Series will no longer qualify as an "external" commingled fund with the consequence that Participants will be deemed to have received, for purposes of arbitrage rebate and yield calculations, phantom income equal to the reasonable administrative costs related to overhead and other indirect costs that would otherwise have been deductible for such calculations. *Public Agencies that invest tax-exempt bond proceeds should consult professional advisers familiar with*

those requirements to determine whether investing through the Shares Program is appropriate.

B. SERIES BENCHMARKS

CalTRUST currently offers five active accounts or series of Shares to provide Public Agencies with a convenient method of pooling funds, (i) the "CalTRUST Liquidity Fund" Series, (ii) the "CalTRUST Short-Term Fund" Series, (iii) the "CalTRUST Medium-Term Fund" Series, (iv) the Money Market Fund, and (v) the Government Fund (each, a "Series" and collectively, the "Series"). All Shares issued hereunder, including without limitation, Shares issued in connection with a dividend in Shares or a division of Shares, shall be fully paid and non-assessable. The CalTRUST Liquidity Fund, CalTRUST Short-Term Fund and CalTRUST Medium-Term Fund will be benchmarked against a fund or index believed by the Investment Manager to be comparable in investment strategy and duration. The current benchmarks are described below. If a benchmark fund or index were to modify its strategy or duration in the future, the Investment Manager could select alternate benchmarks with which to compare a Series' performance.

CalTRUST Liquidity Fund Benchmark:

The performance benchmark for the Liquidity Fund is the index specified below:

ICE BofAML 3-Month US Treasury Bill Index (G001)

ICE BofAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.

Inception date: December 31, 1977

CalTRUST Short-Term Fund Benchmark:

The performance benchmarks for the Short-Term Fund are the investment funds specified below:

Local Agency Investment Fund ("LAIF")

LAIF is an investment alternative for California's local governments and special districts, which was enabled under Section 16429.1 et seq. of the California Government Code. LAIF invests in certain securities authorized by Sections 16430 and 16480.4 of the California Government Code. In 2006, LAIF had \$16.7 billion

under management. LAIF conducts a market valuation of its investments each month.

Barclays Short-Term Government/Corporate Index

The Barclays Short-Term Government/Corporate Index is an unmanaged index consisting of the cumulative daily total returns of US Treasuries, federal agency securities and investment-grade corporate bonds with maturities between one and twelve months.

The index is re-balanced on the last calendar day of the month. Issues that meet the qualifying criteria are included in the index for the following month. Issues that no longer meet the criteria during the course of the month remain in the index until the next month-end rebalancing at which point they are dropped from the index.

An index is not available for direct investment and does not reflect the deduction of fees and expenses.

CalTRUST Medium-Term Fund Benchmark:

The performance benchmark for the Medium-term Fund is the unmanaged index specified below:

Medium-Term Fund: Bank of America Merrill Lynch 1-3 Year AAA-A US Corporate & Government Index

The BofA Merrill Lynch 1-3 Year AAA-A US Corporate & Government Index is a subset of The BofA Merrill Lynch US Corporate & Government Index including all securities with a remaining term to final maturity less than 3 years and rated AAA through A3, inclusive.

The BofA Merrill Lynch US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities.

For the 'A or better' or AAA-A indices, qualifying securities must have a AAA through A3 rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. Bills, inflation-linked debt and strips are excluded from the Index; however, original issue zero coupon bonds are included in the Index and the amounts outstanding of qualifying coupon securities are not reduced by any portions that have been stripped. 144a securities, both with and without registration rights, and corporate pay-in-kind securities, including toggle notes, qualify for inclusion. Callable perpetual securities qualify provided

they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Eurodollar bonds (USD bonds not issued in the US domestic market), tax-exempt US municipal, warrant-bearing, dividends-received-deduction-eligible (DRD-eligible) and defaulted securities are excluded from the Index.

An index is not available for direct investment and does not reflect the deduction of fees and expenses.

There can be no assurance that any Series will perform as well as or better than its designated benchmark fund or index.

C. INVESTMENT BENEFITS

The Investment Manager seeks to provide the following benefits to purchasers of Shares in any Series:

- **Preservation of Principal.** Preserve principal to the extent reasonably possible in accordance with the applicable investment strategy by investing only in fixed-income oriented Authorized Investments, and in accordance with an investment strategy designed to preserve capital.
- **Liquidity.** Provide liquidity so that Participants have ready access to their Shares to the extent described in this Information Statement or the Money Market Fund and Government Fund Prospectus.
- **Income.** Provide as high a level of current income in each Series as is consistent with preserving principal and maintaining liquidity.
- **Professional Management.** Investments are managed by investment professionals that follow both general economic and current market conditions affecting interest rates and the value of fixed-income oriented investments.
- **Diversification.** Each Participant in a Series will own Shares in a diversified portfolio of high quality securities.
- **Accounting, Safekeeping and Separate Series.** The Participants' investments are accounted for in compliance with governmental accounting and auditing requirements, and Participants will be provided with all necessary information to do the bookkeeping and safekeeping associated with the ownership of the Shares. Participants will have secure online access to their accounts, as well as being provided with monthly statements. This

service is provided by the CalTRUST Account Manager/Recordkeeper.

There can be no assurance that the investment objectives of any particular Series will be achieved.

D. AUTHORIZED INVESTMENTS

The securities purchased by CalTRUST through the Investment Manager in the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, and CalTRUST Medium-Term Fund will be comprised exclusively of the investments described below (the "Authorized Investments"). These investments are authorized investments under the California Government Code, as may be amended from time to time, for money not required for the immediate needs of Public Agencies. The California Government Code limits the amount of surplus money of a Public Agency which may be invested in certain of the investments described below. Each Participant shall be responsible for monitoring the aggregate amount of its investments in any of these kinds of investments to assure its own compliance with the California Government Code. Neither CalTRUST, the Investment Manager, the Administrator or any other agents of CalTRUST shall be responsible for such monitoring. *The Board may revise this Investment Policy from time to time subject to Section 4.2(a) of the Agreement.* Pursuant to the Agreement, the Board shall cause the amended Investment Policy to be delivered to each Participant.

Although certain of the Authorized Investments set forth below include NRSRO (as defined below) rating requirements, if an NRSRO does not explicitly rate a security or issuer, then for purposes of meeting the requirements set forth herein (i) if the NRSRO rates a related asset or program, the NRSRO's rating of the related asset or program may be attributed to the security or issuer and (ii) if the security is a new issue, an expected rating may be attributed to the security based on the applicable prospectus or ratings of similar issuances.

1. Unites States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
2. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
3. Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

4. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
5. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
6. Bankers acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers acceptances may not exceed 180 days' maturity or 40 percent of the assets in a Series. However, no more than 30 percent of the assets in a Series may be bankers acceptances of any one commercial bank.
7. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization ("NRSRO"). The entity that issues the commercial paper shall meet all of the following criteria in either clause (a) or (b): (a)(i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars (\$500,000,000) and (iii) has debt other than commercial paper, if any, that is rated "A" or higher, without gradation, by an NRSRO; or (b)(i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond and (iii) has commercial paper that is rated "A-1" or higher, without gradation, or the equivalent, by an NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days or less. No more than 25 percent of the assets in a Series may be eligible commercial paper. No more than 10 percent of the assets in a Series may be outstanding commercial paper of any single issuer. No more than 10 percent of the outstanding commercial paper of any single issuer may be purchased for a Series.
8. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the California Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the assets in a Series. Purchases shall not exceed the shareholder's equity of any depository bank. Shareholder's equity shall be determined in accordance with Section 118 of the California Financial Code, but shall be deemed to include capital notes and debentures. Purchases shall not exceed the total of the net worth of any savings association or federal association, except that deposits not

exceeding a total of five hundred thousand dollars (\$500,000) may be made to a savings association or federal association without regard to the net worth of that depository, if such deposits are insured or secured as required by law. Purchases of negotiable certificates of deposit from any regularly chartered credit union shall not exceed the total of the unimpaired capital and surplus of the credit union, as defined by rule of the California Commissioner of Financial Institutions, except that the deposit to any credit union share account in an amount not exceeding five hundred thousand dollars (\$500,000) may be made if the share accounts of that credit union are insured or guaranteed pursuant to Section 14858 of the California Financial Code or are secured as required by law. Purchases of negotiable certificates of deposit issued by a state or federal credit union are prohibited if a member of the CalTRUST Board of Trustees, or any person with investment decision making authority for CalTRUST, also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

9. Investments in repurchase agreements of Authorized Investments as long as the agreements are subject to the requirements of California Government Code Section 53601(j), including the delivery requirements specified in California Government Code Section 53601(j). "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery. Investments in repurchase agreements may be made, on any Authorized Investments, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.
10. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subsection shall be rated "A" or better, without gradation, by a nationally recognized rating service. Purchases of medium-term notes (not including other

Authorized Investments) may not exceed 30 percent of the assets in a Series.

11. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. Such companies shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subsection shall not include any commission that the companies may charge and shall not exceed 20 percent of the assets in a Series.
12. Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted
13. Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subsection shall have an "AA" or higher rating, without gradation, for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better, without gradation, by a nationally recognized rating service and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subsection may not exceed 20 percent of the assets in a Series.
14. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA", without gradation, or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

Funds invested through the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund and CalTRUST Medium-Term Fund will be invested by the Investment Manager in accordance with the prudent investor standard of the California Government Code. Any investments consisting of notes, bonds, bills, certificates of indebtedness, warrants, or registered warrants shall be legal investments for savings banks in the State of California. Funds invested through the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, and CalTRUST Medium-Term Fund will not be invested in any inverse floaters, range notes or mortgage-derived, interest-only strips, or in any security that could result in zero interest accrual if held to maturity.

The authorizing statute, charter, or bylaws of a Participant or the trust indenture or ordinance or resolution under which the debt obligations of a Participant are issued or its funds are invested may contain investment restrictions which prohibit or otherwise limit investment in one or more of the above-described investments. Accordingly, *Participants should consult with their legal counsel and/or financial adviser regarding the legality of investing funds through the Shares Program.*

CalTRUST is not registered as an investment company under the 1940 Act and, accordingly, is not subject to the provisions of that Act and the rules thereunder, including the protective rules relating to registered money market funds and other types of mutual funds.

E. DURATION OF SERIES AND MATURITY OF INVESTMENTS

Each Series seeks to attain as high a level of current income as is consistent with the preservation of principal. Each Series will invest in only fixed-income oriented Authorized Investments. The CalTRUST Liquidity Fund seeks a will have maximum portfolio duration of 60 days and a maximum weighted average life of 120 days. The CalTRUST Short-Term Fund seeks a target portfolio duration of 0 to 2 years. The CalTRUST Medium-Term Fund seeks a target portfolio duration of 1 to 3 years. The Money Market Fund and the Government Fund each have a maximum dollar-weighted average maturity of 60 days and a maximum dollar-weighted average life of 120 days, in accordance with Rule 2a-7 under the 1940 Act.

Each Series invests in a diversified portfolio of fixed-income oriented investments of varying maturities with a different portfolio "duration." Duration is a measure of the expected life of a fixed-income oriented investment that was developed as a more precise alternative to the concept of "term to maturity." Duration incorporates a bond's yield, coupon interest payments, final maturity, call and put features and prepayment exposure into one measure. Traditionally, a fixed-income oriented investment's "term to maturity" has been used to determine the sensitivity of the

investment's price to changes in interest rates (which is the "interest rate risk" or "volatility" of the investment). However, "term to maturity" measures only the time until a fixed-income oriented investment provides its final payment, taking no account of the pattern of the investment's payments prior to maturity. Duration is used in the management of a Series as a tool to measure interest rate risk. For example, a Series with a portfolio duration of two years would be expected to change in value 2% for every 1% move in interest rates.

F. RISKS

1. General. Because the values of the Shares of a Series will change with market conditions (generally other than the Government Fund), so will the value of a Participant's investment through the Shares program. *A Participant could lose money on an investment through the Shares Program or an investment through the Shares Program could underperform other investments.* The Medium-Term Fund has the potential for greater return and loss than the Short-Term Fund. The Series are subject primarily to interest rate and credit risk. Interest rate risk is the potential for a decline in bond prices due to rising interest rates. In general, bond prices vary inversely with interest rates. The change in bond price depends on several factors, including the bond's maturity date. In general, bonds with longer maturities are more sensitive to changes in interest rates than bonds with shorter maturities. Credit risk is the possibility that a bond issuer will fail to make timely payments of interest or principal to a Series.
2. Obligations of Agencies or Instrumentalities of the United States Government. Certain short-term obligations of agencies or instrumentalities of the United States Government purchased with funds invested through the Series may only be backed by the issuing agency or instrumentality and may not be backed by the full faith and credit of the United States Government. For example, securities issued by the Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation are supported only by the credit of the agency or instrumentality that issued them, and not by the United States Government, and securities issued by the Federal Farm Credit System and the Federal National Mortgage Association are supported by the agency's or instrumentality's right to borrow money from the U.S. Treasury under certain circumstances

G. INVESTMENT RESTRICTIONS

The Board has adopted the following investment restrictions for the Shares Program. For the avoidance of doubt, the following investment restrictions do not apply to the portfolios of the Money Market Fund and the Government Fund. Funds invested through a Series in the Shares Program will not be used to:

1. Purchase any securities other than those described under "Authorized Investments," unless California law at some future date redefines the types of securities which are legal investments for all classes of Participants, in which case the permitted investments for the Series may be changed by the Board to conform to California law.
2. Invest in securities of any issuer in which a Trustee, officer, employee, agent or adviser of CalTRUST is an officer, director or 5% shareholder unless such investment is periodically authorized by resolution adopted by the Board, excluding officers, directors or 5% shareholders of such issuer.
3. Make loans, except that repurchase agreements may be entered into as specified under "Authorized Investments."
4. Borrow money or pledge, hypothecate or mortgage the assets in a Series or otherwise engage in any transaction that has the effect of creating leverage with respect to a Series; *provided, however*, that short-term credits necessary for the settlement of securities trades may be used, and forward purchases and sales of securities that are expected to settle beyond a normal "T+3" basis may be entered into.
5. Purchase the securities of any issuer (other than obligations issued and guaranteed as to principal and interest by the government of the United States, its agencies or instrumentalities) if, as a result, more than 10% of the total assets in a series would be invested in the securities of any one issuer.

H. APPLICATION OF PERCENTAGES LIMITATIONS AND RATING REQUIREMENTS

Any percentage limitation or rating requirement described under "Investment Strategies and Objectives" will be applied at the time of purchase.

I. NOTICE TO PARTICIPANTS OF MATERIAL CHANGE TO INVESTMENT STRATEGIES AND OBJECTIVES OR INVESTMENT POLICY

The Board may revise the Investment Policy from time to time subject to Section 4.2(a) of the Agreement; and may revise the investment strategies and objectives of any Series from time to time. Any material change in the investment strategies and objectives for any Series adopted by the Board shall be communicated, in writing, to each Participant prior to the effective date of such change.

SECTION III**INCOME AND VALUE OF THE SERIES****A. INCOME AND DIVIDENDS OF THE SERIES****CalTRUST Liquidity Fund**

As of 1:00 p.m. Pacific time each day that the Custodian is open for business (a "Business Day"), the net income of the Liquidity Fund is determined and declared as a dividend to Participants of record as of the close of business on that day. Shares purchased as of 12:00 p.m. on any Business Day will begin earning dividends on such date of purchase. Shares will continue to earn dividends until the Business Day such Shares are redeemed and the funds are wired to the Participant. Earnings for Saturdays, Sundays and holidays are declared on the next Business Day. Dividends declared are paid monthly on the last Business Day of each month and are automatically re-invested in each Series by purchase of additional Shares of such Series.

CalTRUST Short-Term Fund

As of 1:00 p.m. Pacific time each day that the Custodian is open for business (a "Business Day"), the net income of the Short-Term Fund is determined and declared as a dividend to Participants of record as of the close of business on that day. Shares purchased as of 1:00 p.m. on any Business Day will begin earning dividends on such date of purchase. Shares will continue to earn dividends until the Business Day such Shares are redeemed and the funds are wired to the Participant. Earnings for Saturdays, Sundays and holidays are declared on the next Business Day. Dividends declared are paid monthly on the last Business Day of each month and are automatically re-invested in each Series by purchase of additional Shares of such Series.

CalTRUST Medium-Term Fund

As of 1:00 p.m. Pacific time on the last Business Day of each month, the net income of the Medium-Term Fund is determined and declared as a dividend to Participants of record as of the close of business on that day. Shares purchased as of the last Business Day of a month will begin earning dividends for the following month. Shares will continue to earn dividends until the Business Day such Shares are redeemed and the funds are wired to the Participant. Dividends declared are paid monthly on the last Business Day of each month and are automatically re-invested in each Series by purchase of additional Shares of such Series.

If Shares are redeemed from any Series in any month prior to the payment of dividends on the last Business Day of such month (including in the case of an emergency as approved by the Board of Trustees or otherwise), the Participant shall

be entitled to receive a pro rata portion of the dividends such Participant would otherwise be entitled to receive, up to the date of redemption, which shall be paid on the last Business Day of such month.

For the purpose of calculating dividends, net income of each Series consists of interest earned plus or minus any discounts or premiums ratably amortized to the date of maturity and all realized gains and losses on the sale of securities prior to maturity, less all accrued expenses of such Series, including the fees described under "Expenses of the Trust."

Each Series may attempt to maximize yields through trading to take advantage of short-term market variations. These policies may result in high portfolio turnover. However, because the cost of transactions of the type in which the Series engage is small, a high turnover rate is not expected to affect materially income or net asset value.

Money Market Fund and Government Fund

As of 12:00 p.m. Pacific time each day that the Custodian and the Money Market Fund or Government Fund is open for business (a "Business Day"), the net incomes of the Money Market Fund and the Government Fund are determined and declared as a dividend to Participants of record as of the close of business on that day. Shares purchased on any Business Day will begin earning dividends on such date of purchase. Shares will continue to earn dividends until the Business Day such Shares are redeemed and the funds are wired to the Participant. Earnings for Saturdays, Sundays and holidays are declared on the prior Business Day. Dividends declared from each month are paid monthly on the first Business Day of the next month and are automatically re-invested in each Series by purchase of additional Shares of such Series.

B. VALUATION OF SERIES

The net asset value of the Shares of the Liquidity Fund, Short-Term Fund, an Medium-Term Fund are normally determined by the Account Manager/Recordkeeper as of 1:00 p.m. Pacific time on each Business Day. The net asset value of the shares of the Money Market Fund is normally determined each Business Day as of 5:00 a.m. Pacific time, 9:00 a.m. Pacific time, and 12:00 p.m. Pacific time. The net asset value of the shares of the Government Fund is normally determined as of 3:00 p.m. Pacific time each Business Day.

The net asset value per Share of each Series is computed by dividing the total value of the securities and other assets of such Series, less any liabilities, by the total outstanding Shares of such Series. Liabilities include all accrued expenses and fees of such Series, including the fees described under "Expenses of the Trust."

The net asset value per share of the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund and CalTRUST Medium-Term Fund normally is determined on the specified day if banks are open for business and the New York Stock Exchange is open for trading. With the exception of the value of securities in the Money Market Fund and the Government Fund, the value of a Series' portfolio securities is determined on the basis of the market value of such securities or, if market quotations are not readily available, at fair value under guidelines established by the Trustees. Investments with short remaining maturities may be valued at amortized cost which the Board has determined to equal fair value.

Securities in the Government Fund are valued using the amortized cost method, in accordance with Rule 2a-7 under the 1940 Act. The value of securities in the Money Market Fund are typically determined on the basis of the market value of such securities, or if market quotations are not readily available, at fair value under guidelines established by the Board of Directors of the Money Market Fund.

Additional detail regarding the determination of the net asset value of the shares of the Money Market Fund and Government Fund can be found in the BlackRock Liquidity Funds Institutional Shares Fund prospectus, available online at:

<https://www.blackrock.com/cash/en-us/stream-document?stream=reg&product=L-FFUND&shareClass=Class+Inst&documentId=235732~235783~236155&iFrameUrlOverride=%2Fcash%2Fliterature%2Fprospectus%2Fpro-brliquidity-institutionalshares-feb.pdf>

The market value basis for net asset value per Share of each Series (generally other than the Government Fund) may be affected by general changes in interest rates resulting in increases or decreases in the value of securities held by such Series. The market value of such securities will tend to vary inversely to changes in prevailing interest rates. Thus, if interest rates rise after a security is purchased, such a security, if sold, might be sold at a price less than its cost. Similarly, if interest rates decline, such a security, if sold, might be sold at a price greater than its cost. If a security is held to maturity, no loss or gain is normally realized as a result of these price fluctuations. Redemptions by Participants could require the sale of portfolio securities prior to maturity.

The Account Manager/Recordkeeper normally will announce the net asset value of the Shares of the Short-Term Fund by 9:00 a.m. Pacific time on the Business Day after it is determined and will announce the net asset values of the Shares of the Medium-Term Fund within three Business Days after they are determined.

C. YIELD INFORMATION

CalTRUST Short-Term Fund & CalTRUST Medium-Term Fund

The aggregate and average annual total return, current annualized yield and effective annual yield of the Liquidity Fund, Short-Term Fund, and Medium-Term Fund may, from time to time, be quoted in reports, literature and advertisements published by CalTRUST.

Current annualized yield of the Liquidity Fund is computed by averaging the daily dividend declared by such Series during the prior seven calendar day period, dividing by the average daily net asset value per Share of such Series over the same period, and multiplying the result by 365.

Current annualized yield of the Short-Term Fund is computed by averaging the daily dividend declared by such Series during the prior seven calendar day period, dividing by the average daily net asset value per Share of such Series over the same period, and multiplying the result by 365.

Current annualized yield of the Medium-Term Fund is computed by averaging the monthly dividend declared by the applicable Series during the prior months of such calendar year, dividing by the average monthly net asset value per Share of the applicable Series over the same period, and multiplying the result by 12.

The “effective annual yield” of each Series, which reflects the value of compounding and represents the annualization of the current yield with all dividends reinvested, may also be quoted. Effective annual yield of each Series is computed by dividing the monthly dividend rate of such Series by 12, adding 1 and raising the sum to the power of 12, and subtracting 1 from the result.

Money Market Fund and Government Fund

Pursuant to Securities and Exchange Commission (SEC) rules governing registered money market funds, the Money Market Fund and the Government Fund each may quote a “7-Day Yield”. The 7-Day Yield is the accumulated distribution factor for the prior seven days multiplied by 365/7. The 7-day yield may include capital gains and non-investment income, while the 7-day SEC yield would exclude capital gains and non-investment income.

Additional information regarding the determination and reporting of the “7-Day Gross Yield” can be found on the SEC website at:

<http://www.sec.gov/rules/final/2010/ic-29132.pdf>

The yields of each Series quoted should not be considered a representation of the yield of such Series in the future, since the yield is not fixed. Actual yields of each Series will depend on the type, quality, yield and maturities of securities held by such Series, changes in interest rates, market conditions and other factors.

SECTION IV

INVESTMENTS AND WITHDRAWALS

A. ACCOUNTS

Before funds are invested under the Shares Program, Participants will need to establish appropriate accounts pursuant to the procedure described under "Instructions on How to Participate." Each Participant will have master account(s) representing the total funds invested through the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, CalTRUST Medium-Term Fund, Money Market Fund, and/or Government Fund as applicable, by such Participant.

The Account Manager/Recordkeeper will process investments, withdrawals and transfers only on Business Days.

B. INVESTMENTS

Investments in a Series can be made by wire transfer of immediately available funds from the Participant's bank, per the current transaction wire instructions. However, *the Administrator reserves the right to reject any investment and to limit the size of a Participant's account.*

Investment in a Series may be through the CalTRUST Online Portal, by following the steps outlined in the "CalTRUST Online Trading User Guide", which is available to all participants at www.caltrust.org, or by following both of the following steps:

Step 1: Provide the Account Manager/Recordkeeper with a completed Transaction Form, either in writing by fax or email (fax: (402) 963-9094, email: caltrustsupport@ultimusfundsolutions.com) or via the online portal.

Step 2: Instruct the Participant's bank to wire funds as follows (Federal Reserve wire if possible). Please contact the CalTRUST Customer Service Center at 833-CALTRUST (225-8787) for wiring instructions.

CalTRUST does not charge a fee for receipt of these wires. However, a Participant's bank may charge a fee for wiring funds.

CalTRUST Liquidity Fund

Investments will not begin earning income unless and until the Account Manager/Recordkeeper receives the requisite advance notice and the Custodian receives a Federal Reserve wire or bank wire convertible to Federal Funds on a same-day basis. When the Account Manager/Recordkeeper receives the requisite advance notice and the funds are received by the Custodian, investments will be made and begin earning income on the Business Day on which funds are received.

Notice will be considered given on a particular Business Day if received by the Account Manager/Recordkeeper before 12:00 p.m. Pacific time; otherwise it will be considered given on the next Business Day. Funds will be considered delivered on a particular Business Day if the wire is received before 12:00 p.m. Pacific time, otherwise funds will be considered delivered on the next Business Day.

CalTRUST Short-Term Fund

Investments will not begin earning income unless and until the Account Manager/Recordkeeper receives the requisite advance notice and the Custodian receives a Federal Reserve wire or bank wire convertible to Federal Funds on a same-day basis. When the Account Manager/Recordkeeper receives the requisite advance notice and the funds are received by the Custodian, investments will be made and begin earning income on the Business Day on which funds are received.

Notice will be considered given on a particular Business Day if received by the Account Manager/Recordkeeper before 9:30 a.m. Pacific time; otherwise it will be considered given on the next Business Day. Funds will be considered delivered on a particular Business Day if the wire is received before 9:30 a.m. Pacific time, otherwise funds will be considered delivered on the next Business Day.

CalTRUST Medium-Term Fund

Funds may be invested in the Medium-Term Fund on a t+1 basis; *provided, however*, that the Account Manager/Recordkeeper receives prior notice of the investment and the wire is received by 9:30 a.m. Pacific Time .

Investments will not begin earning income unless and until the Account Manager/Recordkeeper receives the requisite advance notice and the funds are received within the requisite time. When the Account Manager/Recordkeeper receives the requisite advance notice and the funds are within the requisite time, investments will be made and begin earning income on the first business day following notice.

At any particular time, if a Participant gives late notice or transmits late funds (i.e., the Account Manager/Recordkeeper receives notice of the investment after 9:30 a.m. on the or the funds after the specified investment date), then such funds

shall be automatically invested in the Short-Term Fund until the Medium-Term Fund transaction date. In any particular month, if the Account Manager/Recordkeeper receives requisite notice (*i.e.*, on or before 9:30 a.m. three days prior) and the funds are received before the investment date, then from the Business Day on which funds are received until the investment date, such funds shall be automatically and temporarily invested in the Short-Term Fund. Such funds shall be automatically transferred from the Short-Term Fund and invested in the Medium-Term Fund as specified in the notice, unless such notice is properly withdrawn by providing the Account Manager/Recordkeeper with at least five Business Days' prior notice.

Notice will be considered given on a particular Business Day if received by the Account Manager/Recordkeeper before 9:30 a.m. Pacific time, otherwise it will be considered given on the next Business Day. Funds will be considered delivered on a particular Business Day if the wire is received before 9:30 a.m. Pacific time, otherwise funds will be considered delivered on the next Business Day.

Money Market Fund and Government Fund

Investments will not begin earning income unless and until the Account Manager/Recordkeeper receives the requisite advance notice and receives a Federal Reserve wire or bank wire convertible to Federal Funds on a same-day basis. When the Account Manager/Recordkeeper receives the requisite advance notice and the funds are received by the Custodian, investments will be made and begin earning income on the Business Day on which funds are received.

For the Money Market Fund, notice will be considered given on a particular Business Day if received by the Administrator before 12:00 p.m. Pacific time; otherwise it will be considered given on the next Business Day. Funds will be considered delivered on a particular Business Day if the wire is received before 12:00 p.m. Pacific time, otherwise funds will be considered delivered on the next Business Day.

For the Government Fund, notice will be considered given on a particular Business Day if received by the Administrator before 1:00 p.m. Pacific time; otherwise it will be considered given on the next Business Day. Funds will be considered delivered on a particular Business Day if the wire is received before 1:00 p.m. Pacific time, otherwise funds will be considered delivered on the next Business Day.

C. REDEMPTIONS

Withdrawals from an account shall be made by requesting a wire transfer of immediately available funds from the Funds to the Participant's bank.

Withdrawals from a Series may be made through the CalTRUST Online Portal, by following the steps outlined in the "CalTRUST Online Trading User Guide", which is available to all participants at www.caltrust.org, or by providing the Account Manager/Recordkeeper with a completed Transaction Form, either by fax or email (fax: (402) 963-9094, email: caltrustsupport@ultimusfundsolutions.com).

Funds may be transferred by wire only to the bank account specified in the Participant's Account Registration Form and Participation Agreement. Changes to the Participant's specified bank account must be received in writing properly executed before they can be effective.

CalTRUST Liquidity Fund

Shares in the Liquidity Fund will be redeemed in the amount of the withdrawal at the net asset value per Share next determined after receipt of a request for wire transfer. Funds will remain invested in the Series until the day they are wired. *Funds will not be wired unless and until the Account Manager/Recordkeeper receives the requisite notice.* Notice will be considered given on a particular Business Day if received by the Account Manager/Recordkeeper before 12:00 p.m. Pacific time; otherwise it will be considered given on the next Business Day.

CalTRUST Short-Term Fund

Shares in the Short-Term Fund will be redeemed in the amount of the withdrawal at the net asset value per Share next determined after receipt of a request for wire transfer. Funds will remain invested in the Series until the day they are wired. *Funds will not be wired unless and until the Account Manager/Recordkeeper receives the requisite notice.* Notice will be considered given on a particular Business Day if received by the Account Manager/Recordkeeper before 9:30 a.m. Pacific time; otherwise it will be considered given on the next Business Day.

CalTRUST Medium-Term Fund

Funds may be withdrawn from the Medium-Term Fund daily; *provided, however,* that the Account Manager/Recordkeeper receives notice of the request for wire transfer by 9:30 a.m. Pacific Time two days prior.

Shares in each Series will be redeemed in the amount of the withdrawal at the net asset value per Share determined by the Account Manager/Recordkeeper daily. Funds will remain invested in the Series until the day they are wired. *Funds will not be wired unless and until the Account Manager/Recordkeeper receives the requisite notice.* Notice will be considered given on a particular Business Day if received by the Administrator before 9:30 a.m. Pacific time; otherwise it will be considered given on the next Business Day.

Notwithstanding the foregoing limitations, in the event of an emergency as approved by the Board of Trustees (or a committee of the Board of Trustees or designated Trustee(s)), withdrawals may be made at such times and on such prior notice, if any, as determined by the Board of Trustees (or a committee of the Board of Trustees or designated Trustee(s)). In such instance, Shares in each Series will be redeemed in the amount of the withdrawal at the net asset value per Share next determined after receipt of a request for wire transfer.

Money Market Fund and Government Fund

Shares in the Money Market Fund and Government Fund will typically be redeemed in the amount of the withdrawal at the net asset value per Share next determined after receipt of a request for wire transfer. Funds will remain invested in the Series until the day they are wired. ***Funds will not be wired unless and until the Account Manager/Recordkeeper receives the requisite notice.*** For the Money Market Fund, notice will be considered given on a particular Business Day if received by the Account Manager/Recordkeeper before 12:00 p.m. Pacific time; otherwise it will be considered given on the next Business Day. For the Government Fund, notice will be considered given on a particular Business Day if received by the Account Manager/Recordkeeper before 1:00 p.m. Pacific time; otherwise it will be considered given on the next Business Day.

The Agreement permits the Trustees to suspend the right of withdrawal from the Series or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on that Exchange is restricted, or if, in the opinion of the Trustees, an emergency exists such that disposal of Shares or determination of net asset value is not reasonably practicable. If the right of withdrawal is suspended, a Participant may either withdraw its request for withdrawal or receive payment based on the net asset value next determined after termination of the suspension.

Additionally, under Rule 2a-7, the board of directors ("Fund Board") of the Money Market Fund is permitted to impose a liquidity fee up to 2% on the value of shares redeemed or temporarily restrict redemptions from the Government Money Market Fund for up to 10 business days during a 90 day period, in the event that the Money Market Fund's weekly liquid assets fall below the following thresholds:

- 30% weekly liquid assets—If the weekly liquid assets of the Money Market Fund falls below 30% of the Money Market Fund's total assets, and the Fund Board determines it is in the best interests of the Money Market Fund, the Fund Board may impose at any time, and as early as the same day, a liquidity fee of up to 2% of the amount redeemed, or a redemption gate that temporarily suspends the right of redemption.

▪ 10% weekly liquid assets—If the weekly liquid assets of the Money Market Fund falls below 10% of the Money Market Fund’s total assets as of the end of a business day, the Fund Board will impose, at the beginning of the next business day, a liquidity fee of 1% of the amount redeemed, unless the Fund Board determines that imposing such a fee would not be in the best interests of the Money Market Fund or determines that a lower or higher fee (not to exceed 2%) would be in the best interests of the Money Market Fund.

Liquidity fees and redemption gates, if imposed, may be terminated at any time in the discretion of the Fund Board. Liquidity fees and redemption gates will also automatically terminate at the beginning of the next business day once the Money Market Fund has invested 30% or more of its total assets in weekly liquid assets as of the end of a business day.

The Money Market Fund may not accept purchases during the period that a liquidity fee has been imposed. If the Fund Board imposes a redemption gate, the Money Market Fund will not accept purchase or redemption orders until the Money Market Fund has notified shareholders that the redemption gate has been lifted.

CalTRUST may, and is authorized by each Participant to, redeem Shares owned by such Participant (i) to the extent necessary to reimburse CalTRUST for any loss it has sustained by reason of the failure of such Participant to make full payment for Shares purchased by such Participant, (ii) to the extent necessary to collect any charge relating to a transaction effected for the benefit of such Participant which is applicable to Shares, or (iii) as otherwise deemed necessary and desirable by the Board for CalTRUST to effectively carry out its obligations under the Agreement, this Information Statement, comply with applicable law, or any other obligations in connection with the affairs of CalTRUST. Redemption payments may be made in whole or in part in securities or other property of the Series. Participants receiving any such securities or other property on redemption will bear any costs of sale.

D. Transfers

Transfers among the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, CalTRUST Medium-Term Fund, Money Market Fund, and Government Fund will be considered a withdrawal from one Series and a deposit to another Series subject to the restrictions, limitations and notice requirements above. Transfers may be accomplished through the CalTRUST Online Portal, by following the steps outlined in the “CalTRUST Online Trading User Guide”, which is available to all participants at www.caltrust.org, or by providing the Account Manager/Recordkeeper with a completed Transaction Form by fax or email (fax: (402) 963-9094, email: caltrustsupport@ultimusfundolutions.com).

SECTION V

OTHER SERVICES

A. ONLINE ACCESS

Secure online access will be available to Participants with respect to their accounts. Information with respect to each Series, including current yield, up-to-date account information, and a transaction history will be available online. Confirmations of each deposit and withdrawal of funds will be available online to a Participant within one Business Day of the transaction.

B. STATEMENTS

At the end of each month, a statement of each account will be available to each Participant through the online portal, which will show the dividend paid and the account balance as of the statement date. Statements will be made available in the online portal the first business day of the following month.

SECTION VI

TRUSTEES AND OFFICERS

A. BOARD OF TRUSTEES

CalTRUST is governed by a Board of Trustees, the number of which may be increased or decreased from time to time by the then-current Board to no fewer than five and no greater than fifteen Trustees. The Board is responsible for the overall management, supervision and administration of CalTRUST, including formulation of investment and operating policy guidelines of the Series. In addition, the Board oversees the activities of the Chief Executive Officer, the SubAdministrator, the Investment Manager, the Custodian, the Account Manager/Recordkeeper, legal counsel, independent auditors and other service providers and agents of CalTRUST and monitors the investment performance of each Series and the method of valuing the Shares.

The names and affiliations of the Trustees are as follows:

John Colville, City of Sacramento

Don Kent, Riverside County

Chuck Lomeli, Solano County

Dan McAllister, San Diego County

Matt McCue, Mission Springs Water District

Bobbie Ormonde, Westlands Water District

Mary Zeeb, Monterey County

Trustees are nominated by the Members and the Board and are ratified by the Members of the JPA. At least seventy-five percent (75%) of Trustees shall be members of the governing body, officers or personnel of the Members. Trustees currently serve without compensation, but all Trustees, except affiliates of the Investment Manager, if any, are reimbursed by CalTRUST for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees.

B. OFFICERS

The names and affiliations of the executive officers are as follows:

President: John Colville, City of Sacramento

Secretary: Don Kent, Riverside County

Treasurer: Mary Zeeb, Monterey County

The officers are appointed by the Board and serve at the discretion of the Board. The officers currently serve without compensation, but all officers, except affiliates of the Investment Manager, if any, are reimbursed by CalTRUST for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as officers.

SECTION VII

SUBADMINISTRATOR

A. SUBADMINISTRATOR

CSAC Finance Corporation (the "SubAdministrator"), with an office at 1100 K Street, Suite 101, Sacramento, California 95814, is the administrator of the Shares Program and subadministrator to CalTRUST. The Administrator was formed in 1986.

B. ADMINISTRATIVE SERVICES

The SubAdministrator assists the Chief Executive Officer with the administrative and ministerial aspects of CalTRUST's operations and assists with the administration of the Shares Program, pursuant to a program administration agreement with CalTRUST (the "Administration Agreement"). The Administration Agreement will remain in effect until terminated, and may not be assigned by the Administrator without the consent of the Board; *provided, however*, that such consent will be deemed given if a majority of the Board does not object in writing within 60 days after receiving written notice of a proposed assignment.

The Administration Agreement may be terminated by either CalTRUST or the Administrator, at any time and without penalty, upon at least 6 months prior written notice to the other parties, or by any party that is not in breach of the Administration Agreement, without penalty, upon at least 60 days' prior written notice to the other party, if the other party is in material breach of the Administration Agreement and such breach has not been cured within 60 days' notice thereof to such other party.

The SubAdministrator provides the following customer service, administrative and marketing services to CalTRUST and for the Shares Program in accordance with the Administration Agreement:

- **Governance Services.** Assist CalTRUST in the provision of general secretarial services, including, but not limited to, keeping statutory books and records, convening meetings of the Members of CalTRUST, and meetings of the Boards of Trustees and Committees and preparing adequate documentation for such meetings.
- **Office space.** Responsible for establishing and maintaining regular office space for the performance of CalTRUST duties and shall provide office space for the CalTRUST Executive Officer.
- **Disputes.** Provide general advice and assistance in the prosecution or defense of any and all legal proceedings by or against CalTRUST, on CalTRUST's behalf and follow up the same in accordance with such instructions as shall be provided to CSAC FC in this respect by CalTRUST.
- **Marketing Services.** Provide assistance in the marketing of CalTRUST, including the identification of potential new Members and Participants, the identification of additional services to be provided by CalTRUST to its Members and Participants, and the provision of staff time to support marketing outreach efforts.
- **General Administrative Services.** At the request of the CalTRUST Executive Officer, provide additional general administrative services including but not limited to, accounting services, access to, retention of, and consolidation of information, and advice and assistance in the general administration and management of CalTRUST.
- **Member Services.** Provide staff services dedicated to CalTRUST to provide participant support services. The staff providing these services shall report directly to the CalTRUST Executive Officer.
- **Coordination with Other Representatives.** Coordinate any administrative or legislative services on behalf of CalTRUST as directed by the CalTRUST Executive Officer.

SECTION VIII**INVESTMENT MANAGER****A. INVESTMENT MANAGER**

BlackRock Financial Management Inc., a registered Investment Manager with its principal office at 40 East 52nd Street, New York, NY 10022, is the Investment Manager with respect to the Shares Program. The daily management of the investment affairs and research relating to the Shares Program is conducted by or under the supervision of the Investment Manager. BlackRock Advisors, LLC, a registered investment Advisor with its principal office at 100 Bellevue Parkway, Wilmington, DE 19809, is the Investment Advisor for the Money Market Fund and the Government Fund.

BlackRock Financial Management Inc. brings together a strategic balance of investment capabilities to best serve investment needs worldwide. BlackRock Financial Management Inc. is a registered investment advisor and a wholly owned asset management subsidiary of BlackRock, Inc. Assets under management of BlackRock Inc. total over \$5.1 trillion, as of December 31, 2016. Their expertise and scale in short duration fixed income totals \$68.9 billion. In addition, the firm also manages \$403.6 billion in money market funds, ultra-short fixed income funds, separate accounts, exchange traded funds, and collective trust funds.

B. MANAGEMENT AND ADVISORY SERVICES

The Investment Manager manages the investment of the assets in the CalTRUST Liquidity Series, Short-Term Series, and Medium-Term Series, including the placement of orders for the purchase and sale of investments, pursuant to an Investment Management agreement with CalTRUST (the "Advisory Agreement"). The Investment Manager obtains and evaluates such information and advice relating to the economy and the securities markets as it considers necessary or useful to manage continuously the assets of CalTRUST in a manner consistent with each Series' investment objectives and policies. The Advisory Agreement may not be assigned by the Investment Manager without the consent of the CalTRUST Board of Trustees. The Advisory Agreement may be terminated by either party, at any time and without penalty, upon at least 90 days' prior written notice to the other party.

C. INVESTMENT TRANSACTIONS

The Investment Manager is responsible for decisions to buy and sell securities for CalTRUST and arranges for the execution of securities transactions on behalf of

each Series. Purchases of securities are made from dealers, underwriters and issuers. Sales prior to maturity are made to dealers and other persons. Money market instruments bought from dealers are generally traded on a “net” basis, with dealers acting as principal for their own accounts without a stated commission, although the price of the instrument usually includes a profit to the dealer. Thus, the Series do not normally incur any brokerage commission expense on such transactions. Securities purchased in underwritten offerings include a fixed amount of compensation to the underwriter, generally referred to as the underwriter’s commission or discount. When securities are purchased or sold directly from or to an issuer, no commissions or discounts are paid.

The policy of CalTRUST regarding purchases and sales of securities is that primary consideration will be given to obtaining the most favorable price and efficient execution of transactions. In seeking to implement this policy, the Investment Manager will effect transactions with those dealers whom the Investment Manager believes provide the most favorable price and efficient execution. If the Investment Manager believes such price and execution can be obtained from more than one dealer, it may give consideration to placing portfolio transactions with those dealers who also furnish research and other services to the Investment Manager. Such services may include, but are not limited to, any one or more of the following: information as to the availability of securities for purchase or sale; statistical or factual information or opinions pertaining to investments; wire services; and appraisals or evaluations of portfolio securities. The services received by the Investment Manager from dealers may be of benefit to it in the management of accounts of some or all of its other clients and may not in all cases benefit CalTRUST directly. CalTRUST does not reduce the management fee paid to the Investment Manager by any amount that may be attributable to the value of such services.

SECTION IX

CUSTODIAN

A. CUSTODIAN

U.S. Bank, N.A. a custodial bank with an office at 1420 Kettner Blvd, Suite 200, San Diego, CA 92101 is the Custodian for the CalTRUST Short-Term Fund and the CalTRUST Medium-Term Fund.

B. CUSTODIAL SERVICES

The Custodian holds all cash and securities of each Series, pursuant to an Institutional Fund Custody Agreement with CalTRUST (the “Custodial Agreement”). The Custodian does not participate in determining the investment

policies of CalTRUST or in investment decisions. CalTRUST may invest in the Custodian's obligations and may buy or sell securities through the Custodian.

SECTION X

SERIES EXPENSES

Total Annual Operating Expenses of the CalTRUST Liquidity Fund

	<u>Average Daily Net Assets in the Liquidity Fund¹</u>			
	<u>Up to \$50 Million</u>	<u>Over \$50; Up to \$200 Million</u>	<u>Over \$200 Million; Up to \$500 Million</u>	<u>Over \$500 Million</u>
Investment Management Fee ²	0.100%	0.080%	0.040%	0.020%
Account Mgmt/Record-keeping Fee ³	0.020%	0.020%	0.020%	0.015%
Custody Fee	0.005%	0.005%	0.005%	0.0033%
Administrative Fee ⁴	0.0225%	0.0225%	0.0225%	0.0225%
Operating Expenses ⁵	0.0335%	0.0335%	0.0335%	0.0335%
Total Annual Operating Expenses	0.181%	0.161%	0.121%	0.0943%

¹“Average daily net assets” means the average daily value of total assets minus accrued liabilities. The first \$50 Million of net assets in the Liquidity Fund will be charged the first tier rate; the next \$50 Million to \$150 Million of net assets in the Liquidity Fund will be charged the second tier rate; the next \$150 Million to \$500 Million of net assets in the Liquidity Fund will be charged the third tier rate; and all net assets in the Liquidity Fund over \$500 Million will be charged the fourth tier rate.

² Calculated on a daily basis and deducted monthly by the Investment Manager from the net assets in the Liquidity Fund.

³ Calculated on a daily basis and paid monthly to the Account Manager/Recordkeeper from the net assets in the Liquidity Fund.

⁴ Calculated on a daily basis and paid monthly to the Administrator from the net assets in the Liquidity Fund. The Administrator will be responsible for account administration, custodial, transfer agency, record keeping, and accounting fees, and ordinary out-of-pocket disbursements, which disbursements may include, without limitation, the costs of legal procedures and policies, periodic updating and preparation of the Information Statement, and preparation of tax returns, financial statements and reports, printing and distribution costs, the costs and expenses of holding any meetings of the Board, fees of other consultants and professionals engaged on behalf of CalTRUST, all expenses of computing the market value of the Short-Term Fund, overnight delivery and courier services, postage, telephone and telecommunication charges, pricing services, terminals, transmitting lines and expenses in connection therewith, travel on CalTRUST business, and costs of preparing books, presentations and other materials for the Board, with respect to the Liquidity Fund.

⁵ The Liquidity Fund will also be responsible for legal and audit fees, insurance (including trustees and officers insurance) premiums, Trustees' and officers' reasonable travel and other expenses, marketing fees, and the costs of making statutory and regulatory filings and other general compliance with any applicable federal or state laws, as well as all extraordinary expenses, including, without limitation, all reasonable expenses incurred by CalTRUST, the Administrator or the Investment Manager to establish, organize and otherwise commence operations of CalTRUST and the arrangements contemplated by this Information Statement and the Agreement, and litigation costs (including reasonable attorneys' fees), if any, with respect to the Liquidity Fund.

Total Annual Operating Expenses of the CalTRUST Short-Term Fund

	<u>Average Daily Net Assets in the Short-Term Fund¹</u>				
	<u>Up to \$100 Million</u>	<u>Over \$100; Up to \$250 Million</u>	<u>Over \$250 Million; Up to \$500 Million</u>	<u>Over \$500 Million; Up to \$1 Billion</u>	<u>Over \$1 Billion</u>
Investment Management Fee ²	0.100%	0.080%	0.060%	0.050%	0.040%
Account Mgmt/Record-keeping Fee ³	0.020%	0.020%	0.020%	0.015%	0.010%
Custody Fee	0.005%	0.005%	0.005%	0.0033%	0.0033%
Administrative Fee ⁴	0.0225%	0.0225%	0.0225%	0.0225%	0.0225%
Operating Expenses ⁵	0.0335%	0.0335%	0.0335%	0.0335%	0.0335%
Total Annual Operating Expenses	0.181%	0.161%	0.141%	0.1243%	0.1093%

¹ "Average daily net assets" means the average daily value of total assets minus accrued liabilities. The first \$300 Million of net assets in the Short-Term Fund will be charged the first tier rate; the next \$200 Million to \$500 Million of net assets in the Short-Term Fund will be charged the second tier rate; the next \$500 Million to \$1 Billion of net assets in the Short-Term Fund will be charged the third tier rate; and all net assets in the Short-Term Fund over \$1 Billion will be charged the fourth tier rate.

² Calculated on a daily basis and deducted monthly by the Investment Manager from the net assets in the Short-Term Fund.

³ Calculated on a daily basis and paid monthly to the Account Manager/Recordkeeper from the net assets in the Short-Term Fund.

⁴ Calculated on a daily basis and paid monthly to the Administrator from the net assets in the Short-Term Fund. The Administrator will be responsible for account administration, custodial, transfer agency, record keeping, and accounting fees, and ordinary out-of-pocket disbursements, which disbursements may include, without limitation, the costs of legal procedures and policies, periodic updating and preparation of the Information Statement, and preparation of tax returns, financial statements and reports, printing and distribution costs, the costs and expenses of holding any meetings of the Board, fees of other consultants and professionals engaged on behalf of CalTRUST,

all expenses of computing the market value of the Short-Term Fund, overnight delivery and courier services, postage, telephone and telecommunication charges, pricing services, terminals, transmitting lines and expenses in connection therewith, travel on CalTRUST business, and costs of preparing books, presentations and other materials for the Board, with respect to the Short-Term Fund.

⁵The Short-Term Fund will also be responsible for legal and audit fees, insurance (including trustees and officers insurance) premiums, Trustees' and officers' reasonable travel and other expenses, marketing fees, and the costs of making statutory and regulatory filings and other general compliance with any applicable federal or state laws, as well as all extraordinary expenses, including, without limitation, all reasonable expenses incurred by CalTRUST, the Administrator or the Investment Manager to establish, organize and otherwise commence operations of CalTRUST and the arrangements contemplated by this Information Statement and the Agreement, and litigation costs (including reasonable attorneys' fees), if any, with respect to the Short-Term Fund.

**Total Annual Operating Expenses of the CalTRUST
Medium-Term Fund**

	<u>Average Daily Net Assets in the Medium-Term¹</u>				
	<u>Up to \$100 Million</u>	<u>Over \$100; Up to \$250 Million</u>	<u>Over \$250 Million; Up to \$500 Million</u>	<u>Over \$500 Million; Up to \$1 Billion</u>	<u>Over \$1 Billion</u>
Investment Management Fee ²	0.130%	0.100%	0.080%	0.060%	0.050%
Account Mgmt/Record-keeping Fee ³	0.020%	0.020%	0.020%	0.015%	0.010%
Custody Fee	0.005%	0.005%	0.005%	0.0033%	0.0033%
Administrative Fee ⁴	0.0225%	0.0225%	0.0225%	0.0225%	0.0225%
Operating Expenses ⁵	0.0335%	0.0335%	0.0335%	0.0335%	0.0335%
Total Annual Operating Expenses	0.211%	0.181%	0.161%	0.1343%	0.1193%

¹“Average daily net assets” means the average daily value of total assets minus accrued liabilities. The first \$300 Million of net assets in the Medium-Term Fund, will be charged the first tier rate; the next \$200 Million to \$500 Million of net assets in the Medium-Term Fund will be charged the second tier rate; the next \$500 Million to \$1 Billion of net assets in the Medium-Term Fund will be charged the third tier rate; and all net assets in the Medium-Term Fund over \$1 Billion will be charged the fourth tier rate, as appropriate.

² Deducted monthly by the Investment Manager from the net assets in the Medium-Term Fund

³ Paid monthly to the Account Manager/Recordkeeper from the net assets in the Medium-Term Fund.

⁴ Paid monthly to the Administrator from the net assets in the Medium-Term Fund. The Administrator will be responsible for account administration, custodial, transfer agency, record keeping, and accounting fees, and ordinary out-of-pocket disbursements, which disbursements may include, without limitation, the costs of legal procedures and policies, periodic updating and

preparation of the Information Statement, and preparation of tax returns, financial statements and reports, printing and distribution costs, printing and distribution costs, the costs and expenses of holding any meetings of the Board, fees of other consultants and professionals engaged on behalf of CalTRUST, all expenses of computing the market value of the Medium-Term Fund overnight delivery and courier services, postage, telephone and telecommunication charges, pricing services, terminals, transmitting lines and expenses in connection therewith, travel on CalTRUST business, and costs of preparing books, presentations and other materials for the Board, with respect to the Medium-Term Fund.

⁵ The Medium-Term Fund will also be responsible for legal and audit fees, insurance (including trustees and officers insurance) premiums, Trustees' and officers' reasonable travel and other expenses, marketing fees, and the costs of making statutory and regulatory filings and other general compliance with any applicable federal or state laws, as well as all extraordinary expenses, including, without limitation, all reasonable expenses incurred by CalTRUST, the Administrator or the Investment Manager to establish, organize and otherwise commence operations of CalTRUST and the arrangements contemplated by this Information Statement and the Agreement, and litigation costs (including reasonable attorneys' fees), if any, with respect to the Medium-Term Fund.

Total Annual Operating Expenses of the Money Market Fund

The total annual operating expenses of the Money Market Fund, as of May 1, 2019, are 0.14% per year of total average daily net assets in the Money Market Fund. Additional detail regarding Annual Fund Operating Expenses for the Money Market Fund can be found in the BlackRock Liquidity Funds shares fund prospectus, available online at:

<https://www.blackrock.com/cash/en-us/products/307510/>

Total Annual Operating Expenses of the Government Fund

The total annual operating expenses of the Government Fund, as of September 1, 2017, are 0.17% per year of total average daily net assets in the Government Fund. Additional detail regarding Annual Fund Operating Expenses for the Government Fund can be found in the BlackRock Liquidity Funds Institutional shares fund prospectus, available online at:

<https://www.blackrock.com/cash/en-us/products/282628/>

SECTION XI

JOINT EXERCISE OF POWERS AGREEMENT

CalTRUST is a separate public agency established as a joint powers authority under the laws of the state of California by execution of a Joint Powers Authority Agreement by certain Public Agencies as the initial Members of CalTRUST. Additional Public Agencies may become Members of CalTRUST by approving a resolution to adopt the Agreement and by signing a counterpart signature page to the Agreement.

Copies of the Agreement may be obtained from the Administrator and should be read before a Public Agency participates in CalTRUST. *All descriptions contained in this Information Statement are subject to the specific language of the Agreement.*

For all matters requiring action by Participants, such action will be taken in proportion to the relative market value of each Participant's Shares of a Series.

The Agreement may be amended by the Board, except to the extent an amendment would adversely affect (i) the Shares Program in which case the amendment shall be subject to approval by a majority of the Shares or (ii) one or more Series of Shares, in which case the amendment shall be subject to approval by a majority of the Shares of any Series affected by such amendment. Among other things, the Board may also amend this Agreement without such Participant approval to change the name of CalTRUST or any Series, to establish and designate additional Series, to supply any omission herein or to correct or supplement any ambiguous defective or inconsistent provision hereof, or if they deem it necessary, to conform the Agreement to the requirements of applicable laws or regulations or to eliminate or reduce any taxes which may be payable by CalTRUST or the Participants, or as otherwise provided herein, but the Trustees shall not be liable for failing to do so.

No amendment may be made which would change any rights with respect to any Share by reducing the amount payable thereon upon liquidation of CalTRUST or by diminishing or eliminating any approval rights pertaining thereto, except with the vote of a majority of the Trustees and the approval of the holders of two-thirds (2/3) of the Shares outstanding and the holders of two-thirds (2/3) of the Shares of any Series affected by such amendment. Nothing in the Agreement permits its amendment to impair the exemption from personal liability of the Members, Participants, Trustees, officers, employees and agents of CalTRUST or to permit assessments upon Participants.

SECTION XII

PARTICIPANT AND TRUSTEE LIABILITY

A. PARTICIPANT LIABILITY

CalTRUST is an entity separate from its Members and the Participants and the Agreement expressly provides that except in the case of fraud or willful misconduct, no Member or Participant shall be subject to any personal liability whatsoever to any person in connection with property or the acts, obligations or affairs of CalTRUST, and all such persons shall look solely to CalTRUST property for satisfaction of claims of any nature arising in connection with the affairs of CalTRUST.

B. LIABILITY OF TRUSTEES AND OTHERS

The Agreement provides that no Trustee, officer or employee of CalTRUST will be liable for any action or failure to act, and that each will be indemnified by CalTRUST against all claims and liabilities as provided in the Agreement, except that no indemnification will be provided for such person's own bad faith, willful misfeasance, gross negligence or reckless disregard of duty.

The California Joint Exercise of Powers Act provides that all immunities from liability that apply to the activity of Trustees, Members, officers, employees or agents of the Members when performing their functions within the territorial limits of their respective Public Agencies will apply to them to the same degree and extent while engaged in the performance of any of their functions and duties associated with CalTRUST.

CalTRUST shall purchase and maintain insurance on behalf of each Trustee, officer, employee or agent of CalTRUST against any liability asserted against or incurred by such person in such capacity or arising out of such person's status as such, but only to the extent that CalTRUST would have the power to indemnify such person against that liability under the Agreement, unless CalTRUST determines that such insurance is not cost effective for CalTRUST or is otherwise impracticable.

* * *

ATTACHMENT A

See attached Program Registration Form and Participation Agreement.

EXECUTION COPY



JOINT EXERCISE OF POWERS AGREEMENT

DATED AS OF FEBRUARY 24, 2005

(Amended April 16, 2008)

(Amended August 4, 2009)

(Amended April 25, 2012)

(Amended September 12, 2012)

(Amended September 13, 2017)

(Amended April 18, 2018)

**CREATING THE
INVESTMENT TRUST OF CALIFORNIA,
doing business as CalTRUST**

A JOINT POWERS AUTHORITY

1100 K Street, Suite 101
Sacramento, CA 95814
Tel (833) CalTRUST (225-8787)

Updated: 4/11/2019; 2:13:46 PM

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JOINT EXERCISE OF POWERS AGREEMENT

This **JOINT EXERCISE OF POWERS AGREEMENT**, dated as of February 24, 2005 (this "Agreement"), amending and restating that certain declaration of trust, dated as of January 9, 2003 and amended and restated as of June 3, 2003, is entered into by each Public Agency (as defined below) set forth on Schedule A hereto (the "Initial Members"). Capitalized terms used in this Agreement shall have the meanings given such terms in Section 1.3 of this Agreement, unless otherwise defined.

WITNESSETH

WHEREAS, pursuant to the Act, two or more Public Agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each Member is a "Public Agency" as that term is defined in Section 6509.7 of the Act, which, as of the date of this Agreement, is defined as "the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, or regional transportation commission of this state or another state, or any joint powers authority formed pursuant to this [Article 1] by any of these agencies," and includes "a nonprofit corporation whose membership is confined to public agencies or public officials;" and

WHEREAS, each Member is also either a political subdivision of a state, or an agency, authority, or instrumentality of the United States, a state or any political subdivision of a state, as those terms are used in the Investment Company Act of 1940; and

WHEREAS, the Act authorizes the Members to create a joint exercise of powers entity separate from the Members to exercise the common powers of the Members, as specified in this Agreement, and to act as administrator of this Agreement; and

WHEREAS, by this Agreement, each Member desires to create and establish the Investment Trust of California, doing business as *CalTRUST*, for the purposes set forth herein to exercise the powers provided herein and to act as administrator of this Agreement; and

WHEREAS, the Act authorizes a joint powers authority, such as *CalTRUST*, to issue shares of beneficial interest to participating Public Agencies; and

WHEREAS, by this Agreement, *CalTRUST* will establish and administer an investment program for the benefit of its Participants, such program to be known as the Shares Program; and

WHEREAS, pursuant to the Law, Public Agencies may purchase shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 of the Act; and

WHEREAS, the Shares Program involves the investment by Public Agencies in shares of beneficial interest issued by *CalTRUST* in accounts containing authorized investments that are owned by *CalTRUST*.

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

**ARTICLE I.
CREATION; PURPOSE, DEFINITIONS AND REPRESENTATIONS**

Section 1.1 Creation of CalTRUST. There is hereby created pursuant to the Act a public agency and entity to be known as the “Investment Trust of California,” doing business as “CalTRUST.” As provided in the Act, CalTRUST shall be a public agency and entity separate and apart from the Members. The debts, liabilities and obligations of CalTRUST shall not constitute debts, liabilities or obligations of the Members.

Section 1.2 Purpose. This Agreement is made pursuant to the Act to provide for the exercise by CalTRUST of those powers referred to in the recitals hereof and for CalTRUST to administer the exercise of those powers. The purpose of CalTRUST is to consolidate investment activities of the Participants and thereby reduce duplication, achieve economies of scale and carry out coherent and consolidated investment strategies through the Shares Program (as described in Articles VI and VII hereof). The Public Agencies that purchase Shares from CalTRUST through the Shares Program are collectively referred to herein as “Participants”, and individually, as a “Participant”.

Section 1.3 Definitions. As used in this Agreement, the following terms shall have the following respective meanings unless the context otherwise requires:

“Act” shall mean Title 1, Division 7, Chapter 5 of the California Government Code (commencing with § 6500), the Joint Exercise of Powers Act, as it may be amended from time to time.

“Affiliate” shall mean, as to any person, any other person who owns beneficially, directly or indirectly, at least 5% of the outstanding capital stock or equity interest of such person or of any other person who controls, is controlled by or is under common control with such person, or is an officer, retired officer, director, employee, partner or trustee of such person or of any other person who controls, is controlled by or is under common control with such person.

“Agreement” shall mean this Joint Exercise of Powers Agreement as it may from time to time be amended in accordance with the provisions hereof.

“Bad Faith” shall have the meaning set forth in Section 10.3 hereof.

“Board of Trustees” or “Board” shall mean the governing board of CalTRUST.

“CalTRUST” shall mean the Investment Trust of California, doing business as CalTRUST, created by this Agreement.

“Custodian” shall mean the entity engaged by CalTRUST to serve as the custodian for the Shares Program pursuant to the terms of the Custody Agreement.

“Custody Agreement” shall mean a custody agreement pursuant to which CalTRUST shall engage a custodian to provide certain services to CalTRUST for the Shares Program, including but not limited to maintaining a securities custody account for all cash, securities and other property that may be delivered to the Custodian from time to time upon the terms and conditions set forth therein.

“Disqualification” shall have the meaning set forth in Section 2.3(b) hereof.

“Information Statement” shall mean the information statement or other disclosure document relating to the Shares Program as such Information Statement may be revised from time to time.

“Initial Members” shall have the meaning set forth in the preamble hereto.

“Investment Manager” shall mean the entity engaged by CalTRUST to serve as the investment manager to the Shares Program pursuant to the terms of the Investment Management Agreement.

“Investment Management Agreement” shall mean an investment management agreement pursuant to which CalTRUST shall engage an Investment Manager to provide certain services to CalTRUST for the Shares Program.

“Investment Policy” shall mean the investment policies and objectives of CalTRUST relating to the Shares Program, as such Investment Policy may be revised from time to time in accordance herewith.

“Law” means Title 5, Division 2, Part 1, Chapter 4 of the California Government Code (commencing with § 53600), as it may be amended from time to time.

“Members” shall mean the Initial Members and each Public Agency that becomes a Member pursuant to the terms of Section 1.4 hereof.

“Member Trustee” shall have the meaning set forth in Section 2.2 hereof.

“Non-Interested Trustees” shall have the meaning set forth in Section 10.6 hereof.

“Participants” shall have the meaning set forth in Section 1.2 hereof.

“Public Agency” shall have the meaning given to such term from time to time in Section 6509.7 (or any successor or amended provision) of the Act. As of the date of this Agreement, “Public Agency” is defined in Section 6509.7 of the Act as “the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, or regional transportation commission of this state or another state, or any joint powers authority formed pursuant to this article by any of these agencies,” and includes “a nonprofit corporation whose membership is confined to public agencies or public officials.”

“Ralph M. Brown Act” shall mean Title 5, Division 2, Part 1, Chapter 9 of the California Government Code, as it may be amended from time to time.

“Series” shall have the meaning set forth in Section 6.1 hereof.

“Shares” shall have the meaning set forth in Section 6.1 hereof.

“Shares Program” shall mean the investment program provided to Participants by CalTRUST whereby Public Agencies invest in Shares.

“Shares Register” shall have the meaning set forth in Section 6.4 hereof.

Section 1.4 Addition of Public Agencies as Members; Withdrawal of Members.

(a) **Addition of Members.** A Public Agency may become a Member by taking appropriate action to authorize and approve the execution and delivery by such Member of this Agreement, signing a counterpart of this Agreement and furnishing CalTRUST with satisfactory evidence that such actions have been taken.

(b) **Withdrawal.** A Member may withdraw from this Agreement upon written notice to the Secretary of the Board. The Secretary of the Board shall forward a copy of such written notice of withdrawal to the Investment Manager. Any such withdrawal shall be effective only upon receipt of the written notice of withdrawal by the Secretary of the Board who shall acknowledge receipt of such notice of withdrawal in writing to such withdrawing Member and shall file such notice as an amendment to this Agreement effective upon such filing.

(c) **List of Members.** Schedule B sets forth a list of all Members and shall be amended from time to time upon additional Public Agencies becoming Members and upon Public Agencies withdrawing as Members.

Section 1.5 Representations, Warranties, Covenants and Agreements of the Members. Each Member represents, warrants, covenants and agrees to and with CalTRUST and the other Members, but only as to itself, as follows:

(a) **Organization as Public Agency.** The Member is duly organized and validly existing as a Public Agency with the common powers referred to in the recitals hereof, and each of the recitals hereof is true as it relates to such Member. The Member has full legal right, power and authority to enter into this Agreement, to observe and perform its obligations hereunder and to become a Member hereunder. By all necessary official actions the Member has duly authorized and approved the execution hereof and the observance and performance of its obligations hereunder.

(b) **Binding and Enforceable.** This Agreement constitutes a legal, valid and binding obligation of the Member enforceable against the Member in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, and by the application of equitable remedies in appropriate cases.

**ARTICLE II.
GOVERNING BOARD; MEETINGS OF THE BOARD**

Section 2.1 Board of Trustees. CalTRUST shall be governed by the Board of Trustees.

Section 2.2 Number, Qualification, Election and Term of Trustees. The number of Trustees shall be fixed from time to time by resolution of the Board; *provided, however*, that the number of Trustees shall not be fewer than three (3) and not greater than fifteen (15). At least seventy-five percent (75%) of the Trustees shall be members of the governing body, officers or personnel of the Members (each, a “Member Trustee”). The Trustees shall be nominated by the Board and approved by a majority of the Members.

Section 2.3 Resignation and Removal.

(a) **Resignation.** Any Trustee may resign by an instrument in writing signed by such Trustee and delivered to the other Trustees, and such resignation shall be effective upon such delivery, or at a later date according to the terms of the instrument.

(b) **Disqualification.** A Trustee will cease to be qualified as a Trustee in the event, and as of the date, such Trustee dies, is judged incompetent, or, in the case of a Member Trustee, is no longer a member of the governing body, officer or personnel of a Member, or becomes incapable of performing the duties of the office of Trustee, a guardian or conservator is appointed for such Trustee, or such Trustee is otherwise disqualified from acting as a Trustee by reason of applicable law (each, a "Disqualification").

(c) **Removal by Trustees.** Any Trustee may be removed, with or without cause, by the action of two-thirds (2/3) of the remaining Trustees.

(d) **Removal by Court.** The Superior Court of the County of Sacramento, California, may at the suit of any Member or of any Participant holding at least 10% of the aggregate of the then outstanding Shares, remove from office any Trustee in case of fraudulent or dishonest acts or abuse of authority or discretion with reference to *CalTRUST* and may bar from reelection as a Trustee of *CalTRUST* any Trustee so removed for a period determined by the Court.

Section 2.4 Vacancies. The term of office of a Trustee shall terminate and a vacancy shall occur in the event of the resignation, Disqualification or removal of a Trustee. No such vacancy shall operate to annul this Agreement. In the case of a vacancy, including a vacancy existing by reason of an increase in the number of Trustees by the Board, a majority of the remaining Trustees shall fill such vacancy by the appointment of such other person as they in their discretion shall see fit and as is qualified as provided herein. If there shall be no remaining Trustee, a majority of the Members may appoint a Trustee who is qualified as provided herein. An appointment of a Trustee may be made in anticipation of a vacancy to occur at a later date by reason of resignation, provided that such appointment shall not become effective prior to such resignation. Whenever a vacancy in the number of Trustees shall occur, until such vacancy is filled as provided in this Section 2.4, the Trustees in office, regardless of their number, shall constitute the Board and shall have all the powers granted to the Board and shall discharge all the duties imposed upon the Board by this Agreement. No person appointed hereunder shall commence his or her term of office until such person has accepted such appointment in writing.

Section 2.5 Quorum. A majority of the Trustees shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

Section 2.6 Manner of Acting. Subject to the Ralph M. Brown Act and except as otherwise provided herein, any action required or permitted to be taken by the Board may be taken by a majority of the Trustees present at a meeting of Board (a quorum being present), or by a teleconference during which at least a quorum of the members of the Board participate from locations within California and which meets all other requirements of Section 54953 of the California Government Code.

Section 2.7 Meetings of the Board.

(a) All meetings of the Board, including, without limitation, regular, adjourned regular, special and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act. In addition, the Secretary shall cause notice of each meeting of the Board to be sent to each Trustee, each Member and each Participant. The Board shall hold at least one regular meeting each year, and may provide for the holding of regular meetings at more frequent intervals. In addition, the Board or a committee of Trustees appointed in accordance with Section 2.8 shall hold regular meetings each month at which meetings the investment performance of the Shares Program and related items shall be presented. The date upon which, and the hour and place at which, each such regular meeting shall be held shall be fixed by the Board. The Secretary of CalTRUST shall cause minutes of all meetings of the Board to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Trustee and to any Member or Participant (if such Member or Participant so requests CalTRUST in writing).

(b) If the Board receives, on behalf of one or more Members or Participants, a request to include an item of business on the agenda for a regular Board or committee meeting at least ninety six (96) hours prior to such meeting, such item of business shall be included on the agenda for that meeting. If the request to include an item of business on the agenda is received less than ninety six (96) hours prior to such meeting, such item of business shall not be included on the agenda for that meeting, but shall be included on the agenda for the following regular meeting of the Board, unless the Board otherwise determines to include such item of business on the agenda in accordance with the Ralph M. Brown Act. Any Board agenda that includes an item of business requested by any Member or Participant shall be distributed to all Members and Participants pursuant to Section 14.5 or as otherwise permitted by the Ralph M. Brown Act.

(c) If the Secretary of CalTRUST receives, on behalf of one or more Members or Participants, a request to call a special meeting of the Board or a particular committee to consider an urgent item of business raised by a Member or Participant, the Secretary shall promptly forward such request to each Trustee, and the Board may, in its sole discretion, determine whether or not to call a special meeting to consider such item of business. If the Board does determine to call a special meeting, the item of business raised by the Member or Participant shall be included on the agenda. The Board may, at its discretion, include any other items of business raised by a Member or Participant so long as such items are raised not less than twenty four (24) hours prior to the time set for the meeting and in sufficient time for the item to be included on the agenda distributed with notice of such special meeting. If the Board does not call a special meeting to consider the item of business raised by a Member or Participant, such item of business shall be included on the agenda of the next regular Board meeting if the Board received the request from the Secretary in accordance with Section 2.7(b). Any Board agenda that includes an item of business requested by any Member or Participant shall be distributed to all Members and Participants pursuant to Section 14.5 or as otherwise permitted by the Ralph M. Brown Act.

Section 2.8 Committees. The Board may create one or more committees and appoint members of the Board to serve on such committees. Each committee shall consist of two or more Trustees who serve at the pleasure of the Board. The creation of a committee and appointment of members to it shall be approved by a majority of all of the Trustees serving on the Board when the action is taken. The provisions of this Agreement which govern meetings, notice and waiver of notice, and quorum and voting requirements of the Board shall apply to committees of the Board as well.

Section 2.9 Fees and Compensation. Trustees may receive such compensation, if any, for their services and such reimbursement of expenses as may be fixed or determined by the Board. This Section 2.9 shall not be construed to preclude any Trustee from serving CalTRUST in any other capacity as an officer, agent, employee, or otherwise and receiving compensation for those services.

**ARTICLE III.
OFFICERS**

Section 3.1 Officers. The officers of CalTRUST shall be the President, Secretary and Treasurer (as defined below) and such other officers as the Board may determine. Any number of offices may be held by the same person.

Section 3.2 Definition of Officers.

(a) **President.** The President shall preside at all meetings of the Board of Trustees and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Trustees or be prescribed by the Joint Powers Agreement.

The President shall also be the chief corporate officer of CalTRUST and shall subject to the control of the Board of Trustees, have general supervision, direction and control of the business and officers of CalTRUST. He shall be ex-officio member of all standing committees, and shall have the general powers and duties of management usually vested in the office of President of a corporation and shall have such other powers and duties as may be prescribed by the Board of Trustees or by this Joint Powers Agreement.

(b) **Secretary.** The Secretary shall keep or cause to be kept a book of minutes at the principal office or at such other place as the Board of Trustees may order, of all meetings of the Trustees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings and the proceedings thereof. The Secretary shall give or cause to be given notice of all meetings of the Board of Trustees, shall keep CalTRUST records in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees or this Joint Powers Amendment.

(c) **Treasurer.** The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor and controller of CalTRUST (the "Treasurer") pursuant to Section 6505.6 of the Act. Except for moneys held by any custodian or depository in connection with the Shares Program and except as may otherwise be specified by resolution of the Board, the Treasurer of CalTRUST shall be responsible for safekeeping and disbursement of CalTRUST assets, and, as such, shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Act.

Section 3.3 Election of Officers. The officers of CalTRUST shall be elected by the Board to serve at the pleasure of the Board until such officer is re-elected or a successor to such office is elected by the Board. The officers shall have such authority and perform such duties as the Board may from time to time determine, subject to the rights, if any, of an officer under any contract of employment.

Section 3.4 Removal of Officers. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board.

Section 3.5 Resignation of Officers. Any officer may resign at any time by giving written notice to the Board. Any resignation shall take effect as of the date of the receipt of that notice or at any later time specified in that notice, and unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of CalTRUST under any contract to which the officer is a party.

Section 3.6 Vacancies in Offices. A vacancy in any office because of death, resignation, removal or any other cause shall be filled in the manner prescribed herein for regular appointment to that office. The President may make temporary appointments to a vacant office pending action by the Board.

Section 3.7 Fees and Compensation. Officers may receive such compensation, if any, for their services and such reimbursement of expenses as may be fixed or determined by the Board.

**ARTICLE IV.
POWERS**

Section 4.1 General Powers. CalTRUST shall have the power, in its own name, to exercise the common powers of the Members referred to in the recitals hereof and to exercise all additional powers given to a joint powers entity under the Act and any other applicable law for any purpose authorized under this Agreement. Pursuant to Section 6508 of the Act, CalTRUST shall have the power, in its own name, to do any or all of the following: to make and enter into contracts, or to employ agents and employees, to acquire, construct, manage, maintain or operate any building, works or improvements, or to acquire, hold or dispose of property or to incur debts, liabilities or obligations and sue and be sued in its own name. Pursuant to Section 6509.7 of the Act, CalTRUST shall have the power, in its own name, to issue shares of beneficial interest in the securities and obligations authorized by the Law. CalTRUST is authorized, in its own name, to do all acts necessary for the exercise of said powers for said purposes. Such powers shall be exercised subject only to such restrictions upon the manner of exercising such powers as are imposed upon a county in the exercise of similar powers, as provided in Section 6509 of the Act.

Section 4.2 Specific Powers. Consistent with, derived from and subject to the general powers of CalTRUST granted in Section 4.1, CalTRUST shall have the following specific powers:

(a) **Investments.** CalTRUST shall have the power to subscribe for, invest in, reinvest in, purchase or otherwise acquire, own, hold, pledge for settlement purposes only, sell, assign, transfer, exchange, distribute, lend or otherwise deal in or dispose of investments of every nature and kind, provided such investment is (in the sole and absolute discretion of CalTRUST) consistent with the applicable law and the Investment Policy, and to exercise any and all rights, powers and privileges of ownership or interest in respect of any and all such investments of every kind and description, including without limitation, the right to consent and otherwise act with respect thereto, with power to designate one or more persons, firms, associations or corporations to exercise any of such rights, powers and privileges in respect of any of such investments.

Subject to Section 9.8, the Investment Policy may be revised from time to time by resolution of the Board, provided that the Investment Policy shall at no time permit investments not authorized for legal investment under the Law. Promptly upon the Board's approval of any amendment to the Investment Policy, the Board shall cause the amended Investment Policy to be delivered to each Participant.

(b) **Issuance and Redemption of Shares.** *CalTRUST* shall have the power to issue, sell, repurchase, redeem, retire, cancel, acquire, hold, resell, reissue, dispose of, transfer, and otherwise deal in Shares, or any Series of Shares by means of the Shares Program, and subject to the provisions hereof, to apply to any such repurchase, redemption, retirement, cancellation or acquisition of Shares, or any Series of Shares, any funds or property of *CalTRUST* with respect to such Shares, or Series of Shares, whether capital or surplus or otherwise, to the full extent now or hereafter permitted by applicable law.

(c) **Legal Title.** Legal title to all *CalTRUST* property shall be vested in *CalTRUST*, except that *CalTRUST* shall have power to cause legal title to any *CalTRUST* property to be held in the name of any other person as nominee, on such terms as *CalTRUST* may determine, *provided, however*, that the interest of *CalTRUST* therein is appropriately protected.

(d) **Delegation.** *CalTRUST* shall have power to delegate from time to time to officers, employees or agents of *CalTRUST* the doing of such things and the execution of such instruments in the name of *CalTRUST* or otherwise as *CalTRUST* may deem expedient, to the same extent as such delegation is permitted by applicable law.

(e) **Collection and Payment.** *CalTRUST* shall have power to collect all property due to *CalTRUST*; to pay all claims, including taxes, against *CalTRUST* property; to prosecute, defend, compromise or abandon any claims relating to *CalTRUST* property; to foreclose any security interest securing any obligation by virtue of which any property is owed to *CalTRUST*; and to enter into releases, agreements and other instruments.

(f) **Expenses and Limits Thereon.** *CalTRUST* shall have the power to incur and pay any reasonable expenses that in the opinion of *CalTRUST* are necessary or incidental to carry out any of the purposes of this Agreement.

(g) **Litigation.** *CalTRUST* shall have the power to engage in and to prosecute, defend, compromise, abandon, or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, and demands relating to *CalTRUST* or *CalTRUST* property, and, out of *CalTRUST* property, to pay or to satisfy any debts, claims or expenses incurred in connection therewith, including those of litigation, and such power shall include without limitation the power of *CalTRUST*, in the exercise of its good faith business judgment, consenting to dismiss any action, suit, proceeding, dispute, claim, or demand, derivative or otherwise, brought by any person, including a Member or Participant, whether or not *CalTRUST* or any of the Trustees may be named individually therein or the subject matter arises by reason of business for or on behalf of *CalTRUST*.

(h) **Miscellaneous Powers.** *CalTRUST* shall have the power to: (i) employ or contract with such persons as *CalTRUST* may deem desirable for the transaction of the affairs of *CalTRUST*, including such agents or employees as *CalTRUST* considers appropriate; (ii) to the extent permitted by applicable law, enter into joint ventures, partnerships and any other

combinations or associations; (iii) purchase, and pay for out of *CalTRUST* property, insurance policies insuring the Trustees, officers, employees, agents, Members, investment advisers, distributors, or independent contractors of *CalTRUST* against all claims arising by reason of holding any such position or by reason of any action taken or omitted by any such person in such capacity, whether or not constituting negligence, or whether or not *CalTRUST* would have the power to indemnify such person against such liability; (iv) to the extent permitted by applicable law, indemnify any person with whom *CalTRUST* has dealings to such extent as *CalTRUST* shall determine, including, without limitation, any administrator of *CalTRUST*; (v) determine and change the fiscal year of *CalTRUST* and the method by which its accounts shall be kept; and (vi) adopt a seal for *CalTRUST*, but the absence of such seal shall not impair the validity of any instrument executed on behalf of *CalTRUST*.

(i) **Other Powers.** In addition to the specific powers set forth above, *CalTRUST* shall also have all other powers consistent with the Act and reasonably necessary from time to time to carry out the purposes of *CalTRUST* as set forth in Section 1.2 hereof.

Section 4.3 Approval Powers of Members. The following matters alone shall require the approval of all or a certain percentage of the Members as provided herein: (a) termination of *CalTRUST* as provided in Section 11.2, (b) merger, consolidation or sale of assets of *CalTRUST* as provided in Section 11.4, and (c) such additional matters relating to *CalTRUST* as may be required by this Agreement or as *CalTRUST* may consider necessary or desirable. In addition, if a certain percentage approval is not specified herein, approval of at least a majority of the Members shall be required.

ARTICLE V.

ADMINISTRATIVE, INVESTMENT MANAGEMENT AND OTHER SERVICES FOR CALTRUST

Section 5.1 Administrative, Investment Manager and Approval of Agreements.

(a) **Supervision of *CalTRUST*.** The Board is responsible for the general policies of *CalTRUST* and for such general supervision of the business of *CalTRUST* conducted by all officers, agents, employees, advisers, managers or independent contractors of *CalTRUST* as may be necessary to insure that such business conforms to the provisions of this Agreement. However, the Board shall not be required personally to conduct all the business of *CalTRUST*, and consistent with the Board's ultimate responsibility as stated above, *CalTRUST* shall have the power to appoint, employ or contract with any person (including one or more of the Trustees or any corporation, partnership or trust in which one or more of them may be directors, officers, stockholders, partners or trustees) as *CalTRUST* may deem necessary or proper for the transaction of the business of *CalTRUST*. *CalTRUST* may in its discretion, from time to time, enter into an administrative, Investment Management, or other management contract on behalf of *CalTRUST* whereby the other party to such contract shall undertake to furnish *CalTRUST* such management, Investment Management or supervisory, administrative, accounting, legal, statistical, research, and promotional facilities and services, and such other facilities and services, if any, as the *CalTRUST* may in its discretion determine.

(b) **Investment Manager Qualifications.** Any investment manager retained by *CalTRUST* shall meet all of the criteria set forth in Section 6509.7 of the Act, as such provision may be amended from time to time, which, as of the date hereof, requires that:

(i) the investment manager shall be registered or exempt from registration with the Securities and Exchange Commission;

(ii) the investment manager shall not have less than five (5) years of experience investing in the securities and obligations authorized by the Law; and

(iii) the investment manager shall have assets under management in excess of five hundred million dollars (\$500,000,000).

Section 5.2 Investment Manager for the Shares Program.

(a) **Authority.** *CalTRUST* may exercise broad discretion in allowing the Investment Manager to administer and regulate the operations of the Shares Program, to act as agent for *CalTRUST*, to execute documents on behalf of *CalTRUST*, and to make decisions which conform to general policies and general principles established by *CalTRUST*. In furtherance of the Shares Program, *CalTRUST* may authorize the Investment Manager to effect purchases, sales, loans or exchanges of securities of *CalTRUST* on behalf of *CalTRUST* or may authorize any officer, employee or Trustee to effect such purchases, sales, loans or exchanges pursuant to recommendations of the Investment Manager, all without further action by *CalTRUST*. Any such purchases, sales, pledges and exchanges shall be deemed to have been authorized by *CalTRUST*.

(b) **Best Efforts.** With respect to *CalTRUST*'s activities under the Shares Program, the Investment Manager shall be required to use its best efforts to present a continuing and suitable investment program to *CalTRUST* which is consistent with the applicable law and the Investment Policy, but neither the Investment Manager nor any Affiliate of the Investment Manager shall be obligated to present any particular investment opportunity to *CalTRUST* even if such opportunity is of a character which, if presented to *CalTRUST*, could be taken by *CalTRUST*.

(c) **Termination of Services.** *CalTRUST* shall have the right to terminate the Investment Management Agreement (i) at any time and without penalty, upon at least ninety (90) days' prior written notice to the Investment Manager, or (ii) immediately upon written notice to the Investment Manager, for cause in the event of breach of the Investment Management Agreement, negligence or willful misconduct by the Investment Manager, which breach is not cured within ten (10) days after written notice of such breach has been provided. *CalTRUST* may, at any time, solicit bids to enter into a new agreement with a different independent contractor to carry out the duties set forth in the Investment Management Agreement.

Section 5.3 Compensation of Investment Manager for Shares Program and Others. *CalTRUST* shall have the power to determine the compensation and other terms of employment or contract of the Investment Manager or any other person employed or contracted by *CalTRUST*; *provided, however*, that any determination to employ or contract with any Trustee or any person of which a Trustee is an Affiliate, shall be valid only if made, approved or ratified by a majority of the Trustees who are not Affiliates of such person.

Section 5.4 Other Activities of Investment Manager for Shares Program. The Investment Manager shall not be required to administer the investment activities of the Shares Program as its sole and exclusive function and may have other business interests and may engage in other

activities similar or in addition to those relating to the Shares Program, including the rendering of services and advice to other persons and the management of other investments (including investments of the Investment Manager and its Affiliates); provided that such other business interests do not conflict with the best interests of CalTRUST.

Section 5.5 Custodian for the Shares Program.

(a) CalTRUST shall have the power to determine the compensation and other terms of employment or contract of the Custodian; *provided, however*, that any determination to employ or contract with any Trustee or any person of which a Trustee is an Affiliate, shall be valid only if made, approved or ratified by a majority of the Trustees who are not Affiliates of such person. The scope and terms of the Custodian's engagement by CalTRUST will be defined and circumscribed in the Custody Agreement. CalTRUST shall have the right to terminate the Custody Agreement (i) at any time and without penalty, upon at least thirty (30) days' prior written notice to the Custodian, or (ii) immediately upon written notice to the Custodian, for cause in the event of breach of the Custody Agreement, negligence or willful misconduct by the Custodian. CalTRUST may, at any time, solicit bids to enter into a new agreement with a different independent contractor to carry out the duties set forth in the Custody Agreement.

(b) **Custodian Qualifications.** Any custodian retained by CalTRUST shall meet the following criteria:

(i) the custodian shall be a bank or trust company, in good standing, duly authorized to exercise trust powers and subject to supervision or examination by a federal or state banking authority; and

(ii) the custodian shall have combined capital and surplus in excess of fifty million dollars (\$50,000,000).

Notwithstanding the foregoing, a custodian that does not meet the requirement of clause (ii) above may be retained as the custodian for CalTRUST if its obligations under the Custody Agreement are guaranteed by an Affiliate which meets all of the qualifications set forth above, and such guaranty is acceptable in form and substance to CalTRUST.

Section 5.6 Other Services to CalTRUST. CalTRUST may from time to time enter into contracts or agreements with independent contractors in the discretion of CalTRUST to carry out the following functions: (i) transfer agent, record keeper and dividend disbursing agent; (ii) administrator, to maintain the books and records of the Shares Program and to supervise all aspects of CalTRUST's operations, including periodically updating the Information Statement for the Shares Program, to prepare CalTRUST's tax returns and periodic reports to Members or Participants, including preparation of monthly, quarterly and annual reports of financial performance to be made available to Members or Participants, to compute the daily net asset value and yield for the Shares Program, to provide office space, equipment and facilities necessary for CalTRUST's operations and to provide such other administrative services as CalTRUST may require; (iii) distributor, to act as CalTRUST's sales agent for the distribution of the Shares; (iv) customer service agent, to provide information to Public Agencies which are Members or Participants or are interested in becoming Members or Participants; (v) custodian bank, to hold all money and securities constituting CalTRUST property; (vi) independent certified public accountants, to perform an annual audit and provide such other services as

*Cal*TRUST may require; and (vii) legal counsel. The foregoing specific list shall not prevent *Cal*TRUST from employing other persons to provide such advice, assistance or services as *Cal*TRUST may from time to time require to carry out the purposes of *Cal*TRUST as set forth in Section 1.2 hereof.

Section 5.7 Authorization to Execute. By executing this Agreement, each Member hereby authorizes *Cal*TRUST to execute a Custody Agreement with a Custodian meeting the requirements hereof and an Investment Management Agreement with an Investment Manager meeting the requirements hereof. *Cal*TRUST is duly authorized to enter into a Custody Agreement and an Investment Management Agreement.

ARTICLE VI. SHARES PROGRAM

Section 6.1 Shares of Beneficial Interest. The interests of the Participants in the Shares Program established hereunder shall be divided into transferable units to be called Shares of beneficial interest, \$0.01 par value (the "Shares"). The number of Shares authorized hereunder is unlimited. Subject to Section 6.2, the Board may establish and designate from time to time any number of series of Shares (each, a "Series"), the proceeds of which may be invested in separate, independently managed accounts. Each Share of any Series shall represent an equal proportionate share in *Cal*TRUST assets with respect to such Series with each other Share in such Series. The Board may divide or combine the Shares of any Series into a greater or lesser number of Shares of such Series without thereby changing the proportionate interests in *Cal*TRUST assets with respect to such Series.

(a) **Initial Series of Shares.** There is hereby established and designated three (3) initial Series of Shares to be known as: (i) the "*Cal*TRUST Short-Term Fund" Series, (ii) the "*Cal*TRUST Medium-Term Fund" Series, and (iii) the "*Cal*TRUST Long-Term Fund" Series. All Shares issued hereunder, including without limitation, Shares issued in connection with a dividend in Shares or a division of Shares, shall be fully paid and nonassessable.

(b) **Money Market Fund Series and Government Fund of Shares.** In addition, there is hereby established and designated the "Money Market Fund" and "Government Fund" Series. All shares issued hereunder, including without limitation, Shares issued in connection with a dividend in Shares or a division of Shares, shall be fully paid and nonassessable.

Section 6.2 Series of Shares. The following provisions shall be applicable to each Series of Shares established and designated by the Board:

(a) **Number and Classification.** The number of shares of each Series that may be issued shall be unlimited. The Board may classify or reclassify any unissued shares of any Series or any Shares previously issued and reacquired into one or more Series that may be established and designated from time to time. Shares reacquired by *Cal*TRUST shall be canceled and restored to the status of authorized and unissued Shares undesignated as to Series.

(b) **Series Assets.** All consideration received by *Cal*TRUST for the issue or sale of Shares of a particular Series, together with all assets in which such consideration is invested or reinvested, all income, earnings, profits and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and any funds or payments derived from

reinvestment of such proceeds in whatever form the same may be, shall irrevocably belong to that Series for all purposes, subject only to the rights of creditors, and shall be so recorded upon the books of account of CalTRUST. In the event that there are any assets, income, earnings, profits, or proceeds thereof, or funds or payments which are not readily identifiable as belonging to any particular Series, the Board shall allocate them among any one or more of the Series established and designated from time to time in such manner and on such basis as they, in their sole discretion, deem fair and equitable. Each such allocation by the Board shall be conclusive and binding upon the Participants of the Shares Program in all Series for all purposes.

(c) **Series Liabilities.** The assets belonging to each particular Series shall be charged with the liabilities of CalTRUST in respect of that Series, as with all expenses, costs, charges and reserves attributable to that Series, and any general liabilities, expenses, costs, charges or reserves of CalTRUST which are not readily identifiable as belonging to any particular Series shall be allocated and charged by the Board to and among any one or more of the Series established and designated from time to time in such manner and on such basis as the Board in its sole discretion deem fair and equitable. Each allocation of liabilities, expenses, costs, charges and reserves by the Board shall be conclusive and binding upon the Participants of the Shares Program in all Series for all purposes.

(d) **Dividends and Distributions.** All dividends and distributions on Shares of a particular Series shall be distributed pro rata to the Participants in that Series in proportion to the number of Shares of that Series held by such Participants at the date and time of record established pursuant hereto for the payment of such dividends or distributions.

(e) **Liquidation.** In the event of the liquidation of a particular Series, the Participants in that Series which is being liquidated shall be entitled to receive, when and as declared by the Board, the excess of the assets belonging to that Series over the liabilities belonging to that Series. The Participants of the Shares Program in any Series shall not be entitled thereby to any distribution upon liquidation of any other Series. The assets so distributable to the Participants in any Series shall be distributed among such Participants in proportion to the number of Shares of that Series held by them and recorded on the books of CalTRUST. The liquidation of any particular Series in which there are Shares then outstanding may be authorized by an instrument in writing approved by the Board, without the approval of the outstanding voting Shares of that Series.

(f) **Conversion and Exchange.** The Board shall have the authority to provide that the Participants in any Series shall have the right to convert or exchange the Shares of such Series for or into Shares of one or more other Series in accordance with such requirements and procedures as may be established by the Board.

(g) **Designations.** The Board shall have the power to determine the designations, preferences, privileges, limitations and rights, including approval and dividend rights, of each Series of Shares. Subject to the provisions of this Section 6.2, all Shares of all Series shall have identical rights and privileges, except insofar as variations thereof among Series shall have been determined and fixed by the Board.

(h) **Additional Series.** The establishment and designation of any Series of Shares in addition to the three (3) initial Series established and designated in Section 6.1 shall be effective upon the execution by the Board of an instrument setting forth such establishment and

designation and the relative rights, preferences, approval powers, restrictions, limitations as to dividends, qualifications, and terms and conditions of redemption of such Series or as otherwise provided in such instrument. At any time that there are no Shares outstanding of any particular Series previously established and designated, the Board may by written instrument approved by the Board abolish that Series and the establishment and designation thereof. Each instrument referred to in this Section 6.2(h) shall constitute an amendment to this Agreement.

Section 6.3 Rights of Participants. The ownership of CalTRUST property of every description and the right to conduct the affairs of CalTRUST herein before described are vested exclusively in CalTRUST, and the Participants shall have no interest therein other than the beneficial interest conferred by their Shares, and they shall have no right to call for any partition, division, dividend or distribution of any property, profits, rights or interests of CalTRUST nor can they be called upon to assume any losses of CalTRUST or suffer an assessment of any kind by virtue of their ownership of Shares. The Shares shall be personal property giving only the rights specifically set forth in this Agreement. The Shares shall not entitle the holder to preference, preemptive, appraisal, conversion or exchange rights, except as the Board may determine.

Section 6.4 Register of Shares. A register for the Shares Program (the "Shares Register") shall be kept at the principal executive office of CalTRUST or at such place as the Board shall designate containing the names and addresses of all Participants of the Shares Program and the number and Series of Shares held by them respectively and a record of all transfers thereof. Such register shall be conclusive as to which Participants are the holders of the Shares and which Participants shall be entitled to receive distributions or otherwise to exercise or enjoy the rights of Participants of the Shares Program. No Participant shall be entitled to receive payment of any distribution, nor to have rights given to it as herein provided, until its correct name and address has been given to the transfer agent, record keeper or such other officer or agent of CalTRUST as shall keep the Shares Register. The Board, in its discretion, may but need not authorize the issuance of Share certificates and promulgate appropriate rules and regulations as to their use.

Section 6.5 Transfer of Shares. Shares shall be transferable on the Shares Register only by the record holder thereof or by its agent thereunto duly authorized in writing, upon delivery to the transfer agent or record keeper of a duly executed instrument of transfer, together with such evidence of the genuineness of each such execution and authorization and of other matters as may reasonably be required. Upon such delivery, the transfer shall be recorded on the Shares Register. Until such record is made, the Participant of record shall be deemed to be the holder of such Shares for all purposes hereunder and neither CalTRUST nor any transfer agent or record keeper nor any trustee, officer, employee or agent of CalTRUST shall be affected by any notice of the proposed transfer. No Shares may be transferred to a transferee other than a Participant or CalTRUST itself. Any attempted transfer to any other person shall be void and of no effect.

ARTICLE VII.

REDEMPTIONS OF SHARES WITHIN SHARES PROGRAM

Section 7.1 Redemptions. In case any Participant of the Shares Program at any time desires to dispose of its Shares, it may deposit a written request or other such form of request as the Board may from time to time authorize, at the office of the transfer agent or record keeper or at the office of any bank or trust company, either in or outside of California which is a member of the Federal Reserve System and which the transfer agent or record keeper has designated in

writing for that purpose, to have the Shares redeemed by CalTRUST at the net asset value thereof per Share next determined after such deposit as provided in Article VIII. Payment for redemption shall be made to the Participant within the number of business days specified in the Information Statement for the Shares Program, as most recently amended or supplemented, unless the date of payment is postponed pursuant to Section 7.2, in which event payment may be delayed beyond such period.

Section 7.2 Suspension of Right of Redemption. The Board may declare a suspension of the right of redemption or postpone the date of payment or redemption for the whole or any part of any period (i) during which the New York Stock Exchange is closed other than customary weekend and holiday closings, (ii) during which trading on the New York Stock Exchange is restricted, (iii) during which the Bond Market Association has declared the market closed when the New York Stock Exchange is open, or (iv) during which an emergency exists as a result of which disposal by CalTRUST of securities owned by it is not reasonably practicable or it is not reasonably practicable for the value of CalTRUST's net assets to be determined. Such suspension shall take effect at such time as the Board shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right of redemption or payment on redemption until the Board shall declare the suspension at an end, except that the suspension shall terminate in any event on the first day on which the New York Stock Exchange shall have reopened or the period specified in (ii) or (iv) shall have expired (as to which the determination of the Board shall be conclusive). In the case of a suspension of the right of redemption, a Participant may either withdraw its request for redemption or receive payment based on the net asset value existing after the termination of the suspension. Notwithstanding the provisions of Section 14.5, notice of the suspension of the right of redemption shall be deemed duly given upon the posting of such notice in a prominent location on the homepage of the CalTRUST website.

Section 7.3 Redemptions to Reimburse CalTRUST for Loss on Nonpayment for Shares or for Other Charges. CalTRUST shall have the power to redeem Shares owned by any Participant (i) to the extent necessary to reimburse CalTRUST for any loss it has sustained by reason of the failure of such Participant to make full payment for Shares purchased by such Participant, (ii) to the extent necessary to collect any charge relating to a transaction effected for the benefit of such Participant which is applicable to Shares as provided in the Information Statement for the Shares Program, as most recently amended or supplemented, or (iii) as otherwise deemed necessary by the Board for CalTRUST to comply with applicable law in connection with the affairs of CalTRUST. Any such redemption shall be effected at the redemption price determined in accordance with Section 7.1. CalTRUST shall notify the Participant whose Shares are being redeemed, in writing, prior to redeeming any Share pursuant to this Section.

Section 7.4 Redemptions in Kind. Payment for Shares redeemed pursuant to Section 7.1 may, at the option of the Board, in its complete discretion be made in cash, or in kind, or partially in cash and partially in kind. In case of payment in kind, the Board, or its delegate, shall have absolute discretion as to what security or securities shall be distributed in kind and the amount of the same, and the securities shall be valued for purposes of distribution at the figure at which they were appraised in computing the net asset value of the Shares.

Section 7.5 Reporting. In accordance with the terms of the Investment Management Agreement, the Investment Manager shall provide, or cause the Custodian and/or any agent of

the Investment Manager or the Custodian to provide, information to each Participant, at least monthly, describing such Participant's investments through the Shares Program, including but not limited to the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the Participant, and shall additionally include a description of any of the Participant's funds, investments, or programs that are under the management of any subcontractor to the Investment Manager (but only if such subcontracting is permitted by this Agreement and the Investment Policy or consented to by the Members) or are part of any securities lending program, as well as a current market value of such Participant's Shares as of the date of the report and shall include the source of this same valuation.

Section 7.6 Minimum Investment. The Board shall have the power to fix the minimum investment for Participants of the Shares Program expressed in dollars or Shares, or both. Whenever a Participant's investment is less than the minimum established by the Board, CalTRUST may redeem the Shares of such Participant, *provided, however*, that thirty (30) days prior notice is given to such Participant. If the Board changes the minimum investment to an amount greater than the investment of any Participant at the time that such change becomes effective, the investment of such Participant shall not be redeemed without such Participant's consent.

ARTICLE VIII.

DETERMINATION OF NET ASSET VALUE, NET INCOME, DISTRIBUTIONS AND ALLOCATIONS

Section 8.1 Shares Program. The Information Statement for the Shares Program, as most recently amended or supplemented, sets forth such bases and times for determining the per Share net asset value of the Shares, the net income, and the declaration and payment of distributions, as the Board, in its absolute discretion, may prescribe and deem necessary or desirable.

ARTICLE IX.

MEETINGS OF PARTICIPANTS; APPROVAL POWER OF PARTICIPANTS

Section 9.1 Voting. The Participants entitled to vote or take action at any meeting or without a meeting of Participants shall be determined in accordance with this Article IX. The Participants' vote may be by voice vote or by ballot. Shares of each Series shall be voted and shall be counted based on the relative net asset value of each Share, and all Shares of all Series shall be voted together as one class, except for matters that relate exclusively to a particular Series for which only holders of Shares of that Series shall vote. Any Participant may vote part of the Shares in favor of the proposal and refrain from voting the remaining Shares or, vote them against the proposal, but if the Participant fails to specify the number of Shares which the Participant is voting affirmatively, it will be conclusively presumed that the Participant's approving vote is with respect to the total Shares that the Participant is entitled to vote on such proposal.

Section 9.2 Action Without Meeting. Any action which may be taken at any meeting of Participants may be taken without a meeting and without prior notice if a consent in writing setting forth the action so taken is signed as provided in this Section 9.2. Any action taken at any meeting or by signed consent, may be taken upon the vote or written consent of the holders of outstanding Shares having not less than the minimum number of votes necessary to authorize or take that action at a meeting at which all Shares entitled to vote on that action were present and

voted. All such written consents shall be filed with the Secretary or such other designated officer of CalTRUST and shall be maintained in CalTRUST's records. A Participant's written consent may be revoked by a writing received by the Secretary or such other designated officer of CalTRUST before written consents of the value of Shares necessary to authorize the proposed action have been filed with the Secretary or such other designated officer of CalTRUST.

Section 9.3 Notice of Action. The Secretary or such other designated officer of CalTRUST shall give prompt notice to all Participants of any action approved: (a) by the Participants without a meeting, (b) that amends or terminates the Custody Agreement or Investment Management Agreement, (c) that amends the Investment Policy or this Agreement or (d) pursuant to Section 9.8 hereof. This notice shall be given in the manner specified in Section 14.5.

Section 9.4 Meetings. To the extent required by law, meetings of Participants shall be governed by and held in accordance with the provisions of the Ralph M. Brown Act.

Section 9.5 Proxies. Every person entitled to vote on any matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the Secretary or such other designated officer of CalTRUST. A proxy shall be deemed signed if the Participant's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the Participant or the Participant's attorney-in-fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (i) revoked by the person executing it before the vote pursuant to that proxy by a writing delivered to CalTRUST stating that the proxy is revoked or by a subsequent proxy executed by, or attendance at the meeting and voting in person by the person executing that proxy; or (ii) written notice of the death or incapacity of the maker of that proxy is received by CalTRUST before the vote pursuant to that proxy is counted; *provided, however*, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy unless otherwise provided in the proxy.

Section 9.6 Inspectors.

(a) **Appointment.** Before any meeting of Participants, the Board may appoint any persons, other than Trustees whose appointment is to be approved at such meeting, to act as inspectors at the meeting or its adjournment. If no inspectors are so appointed, the chair of the meeting may, and on the request of any Participant or a Participant's proxy shall, appoint inspectors at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at a meeting on the request of one or more Participants or proxies, the holders of at least a majority of the outstanding Shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chair of the meeting may, and on the request of any Participant or a Participant's proxy shall, appoint a person to fill the vacancy.

(b) **Duties.** These inspectors shall:

(i) Determine the number of Shares outstanding and the voting power of each, the Shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;

- (ii) Receive votes, ballots or consents;
- (iii) Hear and determine all challenges and questions in any way arising in connection with the right to vote;
- (iv) Count and tabulate all votes or consents;
- (v) Determine when the polls shall close;
- (vi) Determine the result; and
- (vii) Do any other acts that may be proper to conduct the election or vote with fairness to all Participants.

Section 9.7 Record Date for Participant Notice, Voting and Giving Consents.

(a) **Fixed Record Date.** For purposes of determining the Participants entitled to notice of any meeting or to vote or entitled to give consent to action without a meeting, the Board may fix in advance a record date which shall not be more than fifteen (15) days nor fewer than seven (7) days before the date of any such meeting.

(b) **Deemed Record Date.** If the Board does not so fix a record date:

(i) **For Meetings.** The record date for determining Participants entitled to notice of or to vote at a meeting of Participants shall be at the close of business on the business day next preceding the day on which notice is given or if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(ii) **For Written Consent.** The record date for determining Participants entitled to give consent to action in writing without a meeting, when no prior action by the Board has been taken, shall be the day on which the first written consent is requested, or, when prior action of the Board has been taken, shall be at the close of business on the day on which the Board adopts the resolution relating to that action.

Section 9.8 Approval Powers of Participants. Any amendment to the Investment Policy shall require: (a) the approval of Participants or their proxies holding at least a majority of the outstanding Shares or (b) the negative consent of the Participants. To obtain the negative consent of the Participants, the following negative consent procedure shall be followed: (x) the Secretary shall provide each Participant with a notice in accordance with Section 14.5 at least sixty (60) days prior to the date of such proposed action explaining the nature of such proposed action and this negative consent procedure; (y) the Secretary shall provide each Participant who did not respond to the initial notice with a notice at least thirty (30) days prior to the date of such proposed action explaining the nature of such proposed action and this negative consent procedure; (z) if Participants owning at least fifty percent (50%) of the Shares do not object to the proposed action in writing within sixty (60) days after the initial notice, the proposed action shall become effective with respect to all Participants; *provided, however*, any Participant that objects in writing to the action within sixty (60) days after receiving the initial notice shall be permitted to redeem its Shares as set forth herein.

Section 9.9 Meeting Agendas.

(a) **Regular Board Meetings.** If a Participant desires an item of business to be included on the agenda for the next scheduled regular Board meeting, the Participant may request that such item of business be included on the agenda in accordance with the provisions of Section 2.7(b) hereof.

(b) **Participant Meetings.** A Participant may notify the Secretary if such Participant desires an item of business to be included on the agenda for the next scheduled regular Participant meeting. For such item of business to be included on the agenda, the Secretary must receive the request at least ninety six (96) hours prior to such regular meeting. If the request to include an item of business on the agenda is not received at least ninety six (96) hours prior to such meeting, such item of business shall not be included on the agenda for that meeting, but shall be included on the agenda for the following regular meeting of the Participants, unless the Board otherwise determines to include such item of business on the agenda in accordance with the Ralph M. Brown Act.

(c) **Special Board or Participant Meetings.** Any Participant may notify the Administrator if such Participant desires the Board to call a special meeting of the Board or of Participants to consider an urgent item of business raised by a Participant, provided that the Board is not required to call a special meeting to consider such item of business. Any such request shall be made in accordance with the provisions of Section 2.7(c) hereof.

ARTICLE X.**LIMITATIONS OF LIABILITY OF MEMBERS, PARTICIPANTS, TRUSTEES AND OTHERS**

Section 10.1 No Personal Liability of Members, Participants, Trustees and Others. Except in the case of fraud or willful misconduct, no Member, Participant and, subject to Section 10.3, no Trustee, officer, employee or agent of CalTRUST, acting in its capacity as a Member, Participant, Trustee, officer, employee or agent of CalTRUST, as applicable, shall be subject to any personal liability whatsoever to any person in connection with property or the acts, obligations or affairs of CalTRUST, and all such persons shall look solely to CalTRUST property for satisfaction of claims of any nature arising in connection with the affairs of CalTRUST. Except in the case of fraud or willful misconduct, no Member, Participant, Trustee, officer, employee, or agent, as such, of CalTRUST who is made a party to any suit or proceeding to enforce any such liability, shall be held to any personal liability. The debts, liabilities and obligations of CalTRUST shall not be the debts, liabilities and obligations of any Member, Participant, Trustee, officer, employee or agent of CalTRUST, unless otherwise provided in this Agreement; *provided, however*, that in such case, such debts, liabilities and obligations shall be limited to the value of CalTRUST's assets. Nothing contained in this Section 10.1 shall release the Investment Manager, the Custodian or any of their respective officers, employees or agents from personal liability in connection with their engagement by or services to CalTRUST.

Section 10.2 Indemnification of Participants in Shares Program. CalTRUST shall indemnify and hold each Participant harmless from and against all claims and liabilities to which such Participant may become subject by reason of its being or having been a Participant in the Shares Program and shall reimburse such Participant for all legal and other expenses reasonably incurred by it in connection with any such claim or liability; *provided, however*, that: (a) such

Participant was acting in accordance with all legal and policy requirements and investment objectives applicable to such Participant, including any limitations that the Participant has adopted or is subject to which are more restrictive than state law, (b) such indemnity or reimbursement shall be made from assets (or proceeds thereof or income therefrom) of the one or more Series of Shares of *CalTRUST* in respect of which such claim or liability arose and not from the assets (or proceeds or income therefrom) of any other Series of Shares of *CalTRUST*, and (c) no indemnification shall be made for any Participant's negligence or willful misconduct. The rights accruing to a Participant under this Section 10.2 shall not exclude any other right to which such Participant may be lawfully entitled, nor shall anything herein contained restrict the right of *CalTRUST* to indemnify or reimburse a Participant in any appropriate situation even though not specifically provided herein.

Section 10.3 Bad Faith of Trustees and Others. No Trustee, officer or employee of *CalTRUST* shall be liable to *CalTRUST*, or to any Member, Participant, Trustee, officer, employee or agent thereof for any action or failure to act, except for his or her own bad faith, willful misfeasance, gross negligence or reckless disregard of duty (collectively, "Bad Faith").

Section 10.4 Indemnification of Trustees and Others from Third-Party Actions. *CalTRUST* shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of *CalTRUST*) by reason of the fact that such person is or was a Trustee, officer or employee of *CalTRUST*, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if it is determined that such person acted in good faith and reasonably believed: (i) in the case of conduct in his or her official capacity as a Trustee of *CalTRUST*, that his or her conduct was in *CalTRUST*'s best interests, (ii) in all other cases, that his or her conduct was at least not opposed to *CalTRUST*'s best interests, and (iii) in the case of a criminal proceeding, that he or she had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that such person reasonably believed to be in the best interests of *CalTRUST* or that such person had reasonable cause to believe such person's conduct was unlawful.

Section 10.5 Indemnification of Trustees and Others for Successful Defense. To the extent that a Trustee, officer or employee of *CalTRUST* has been successful on the merits in defense of any proceeding referred to in Section 10.4 or in defense of any claim, issue or matter therein, before the court or other body before which the proceeding was brought, such person shall be indemnified against expenses actually and reasonably incurred in connection therewith.

Section 10.6 Advance of Expenses. Expenses incurred in defending any proceeding may be advanced by *CalTRUST* before the final disposition of the proceeding upon a written undertaking by or on behalf of the Trustee, officer or employee of *CalTRUST*, to repay the amount of the advance if it is ultimately determined that he or she is not entitled to indemnification, together with at least one of the following as a condition to the advance: (i) security for the undertaking; or (ii) the existence of insurance protecting *CalTRUST* against losses arising by reason of any lawful advances; or (iii) a determination by a majority of the Trustees who are not parties to the proceeding ("Non-Interested Trustees"), or by independent legal counsel in a written opinion, based on a review of readily available facts, that there is reason to believe that such person ultimately will be found entitled to indemnification.

Section 10.7 Exclusions and Limitations of Indemnification of Trustees and Others. Notwithstanding the foregoing, no indemnification or advance shall be made under Sections 10.4 to 10.6:

(a) **Bad Faith.** For any liability arising by reason of Bad Faith of a Trustee, officer or employee of *CalTRUST*.

(b) **Improper Personal Benefit.** In respect of any claim, issue, or matter as to which a Trustee, officer or employee of *CalTRUST* shall have been adjudged to be liable on the basis that personal benefit was improperly received by him or her, whether or not the benefit resulted from an action taken in such person's official capacity.

(c) **Otherwise Prohibited.** In any circumstances where it appears that it would be inconsistent with any condition expressly imposed by a court, any provision of this Agreement, or any agreement in effect at the time of accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid which prohibits or otherwise limits indemnification or advance.

(d) **Limited to *CalTRUST*'s Assets.** In any amount, individually or in the aggregate, that exceeds the value of *CalTRUST*'s assets. If there are concurrent indemnifications of multiple Participants under this Article IX, such indemnifications shall be made on a pro rata basis up to the value of *CalTRUST*'s assets.

Section 10.8 Obligations under Law. Notwithstanding anything herein or in the Investment Management Agreement to the contrary, nothing herein or therein is intended to relieve any Member or Participant of any obligation it has under State or Federal law to monitor, review, evaluate or provide oversight with respect to the Shares Program, the Investment Manager, or its participation in *CalTRUST*.

Section 10.9 Required Approval. No indemnification or advance shall be made under Sections 10.4 to 10.6 unless and until it is determined, by a majority of the Non-Interested Trustees, or by independent legal counsel in a written opinion, based on a review of readily available facts, that indemnification of a Trustee, officer, employee or agent of *CalTRUST* is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections 10.4 to 10.6, as applicable, and such indemnification is not excluded by reason of Section 10.7.

Section 10.10 Insurance. *CalTRUST* shall purchase and maintain insurance on behalf of each Trustee, officer, employee or agent of *CalTRUST* against any liability asserted against or incurred by such person in such capacity or arising out of such person's status as such, but only to the extent that *CalTRUST* would have the power to indemnify such person against that liability hereunder, unless *CalTRUST* determines that such insurance is not cost effective for *CalTRUST* or is otherwise impracticable.

Section 10.11 Fiduciaries of Employee Benefit Plan. This Article X does not provide indemnification or release from liability with respect to any proceeding against any trustee, Investment Manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be a Trustee, officer, employee or agent of *CalTRUST*. Nothing contained in this Article X shall limit any right to indemnification to which such a

trustee, Investment Manager, or other fiduciary may be entitled by contract or otherwise which shall be enforceable to the extent permitted by applicable law other than this Article X.

Section 10.12 No Duty of Investigation and Notice in CalTRUST Instruments. No purchaser, lender, transfer agent, record keeper or other person dealing with any Trustee, officer, employee or agent of CalTRUST shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by such Trustee, officer, employee or agent or be liable for the application of money or property paid, loaned, or delivered to or on the order of such Trustee, officer, employee or agent. Every obligation, contract, instrument, certificate, Share or other security of CalTRUST and undertaking, and every other document executed in connection with CalTRUST, shall be conclusively presumed to have been executed or done by the executors thereof only in their capacity as Trustees under this Agreement or in their capacity as officers, employees or agents of CalTRUST. Every written obligation, contract, instrument, certificate, Share or other security of CalTRUST or undertaking made or issued by any Trustee shall recite that it is executed by such Trustee not individually, but in the capacity as Trustee under this Agreement, and that the obligations of any such instruments are not binding upon any of the Trustees, Members or Participants individually, but bind only CalTRUST property, but the omission of such recital shall not operate to bind the Trustees, Members or Participants individually.

Section 10.13 Reliance on Experts. Each Trustee, officer, employee and agent of CalTRUST shall, in the performance of his or her duties, be fully protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or other records of CalTRUST, upon an opinion of counsel, or upon reports made to CalTRUST by any of its officers or employees or by the investment adviser, administrator, transfer agent, record keeper, custodian, distributor accountants, appraisers or other experts or consultants selected with reasonable care by the Trustees, officers, employees or agents of CalTRUST.

Section 10.14 Immunity from Liability. All of the privileges and immunities from liability, all exemptions from laws, ordinances and rules, and all pension, relief, disability, workmen's compensation, and other benefits which apply to the activity of the trustees, officers, employees or agents of the Members when performing their functions within the territorial limits of their respective Public Agencies, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties associated with CalTRUST.

Section 10.15 Further Restriction of Duties and Liabilities. Without limiting the foregoing provisions of this Article X, the Trustees, officers, employees and Members of CalTRUST shall in no event have any greater duties or liabilities than those imposed by applicable law as shall be in effect from time to time.

ARTICLE XI. DURATION, TERMINATION AND AMENDMENT

Section 11.1 Duration. CalTRUST shall continue without limitation of time but subject to the provisions of this Article XI.

Section 11.2 Termination of CalTRUST.

(a) **By Vote.** *Cal*TRUST may be terminated by the vote of the majority of the Trustees, subject to approval of not less than two-thirds (2/3) of the Members.

(b) **Winding Up Activities.** Upon the termination of *Cal*TRUST:

(i) *Cal*TRUST shall carry on no activities except for the purpose of winding up its affairs;

(ii) The Board shall proceed to wind up the affairs of *Cal*TRUST and all of the powers of *Cal*TRUST and the Board under this Agreement shall continue until the affairs of *Cal*TRUST shall have been wound up, including the power to fulfill or discharge the contracts of *Cal*TRUST, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of *Cal*TRUST property to one or more persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay its liabilities, and do all other acts appropriate to liquidate its business; *provided, however*, that any sale, conveyance, assignment, exchange, transfer or other disposition of all or substantially all *Cal*TRUST property shall require approval in accordance with Section 11.4; and

(iii) After paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Board may distribute the remaining *Cal*TRUST property, in cash or in kind or partly in cash and partly in kind, among the Participants according to their respective beneficial interests.

(c) **Effect of Termination.** After termination of *Cal*TRUST and distribution to the Participants as herein provided, the Board shall approve the execution of and lodge among the records of *Cal*TRUST an instrument in writing setting forth the fact of such termination, and the Trustees shall thereupon be discharged from all further liabilities and duties hereunder, and the rights and interests of all Participants shall thereupon cease.

Section 11.3 Amendment Procedure.

(a) **By the Board; By Participants.** This Agreement may be amended by the Board, except to the extent an amendment would adversely affect (i) the Shares Program in which case the amendment shall be subject to approval by a majority of the Shares or (ii) one or more Series of Shares, in which case the amendment shall be subject to approval by a majority of the Shares of any Series affected by such amendment. Among other things, the Board may also amend this Agreement without such Participant approval to change the name of *Cal*TRUST or any Series, to establish and designate additional Series, to supply any omission herein or to correct or supplement any ambiguous defective or inconsistent provision hereof, or if they deem it necessary, to conform this Agreement to the requirements of applicable laws or regulations or to eliminate or reduce any taxes which may be payable by *Cal*TRUST, the Members or the Participants, or as otherwise provided herein, but the Trustees shall not be liable for failing to do so.

(b) **By the Board and Super Majority of Shares.** No amendment may be made under this Section 11.3 which would change any rights with respect to any Share by reducing the amount payable thereon upon liquidation of *Cal*TRUST or by diminishing or eliminating any

approval rights pertaining thereto, except with the vote of a majority of the Trustees and the approval of the holders of two-thirds (2/3) of the Shares outstanding and the holders of two-thirds (2/3) of the Shares of any Series affected by such amendment. Nothing in this Agreement shall permit its amendment to impair the exemption from personal liability of the Members, Participants, Trustees, officers, employees and agents of *CalTRUST* or to permit assessments upon Participants.

(c) **Certificate of Amendment.** A certificate signed by the Secretary of *CalTRUST* setting forth an amendment and reciting that it was duly approved by the Board and/or the Participants shall be conclusive evidence of such amendment when lodged among the records of *CalTRUST*.

Section 11.4 Merger, Consolidation and Sale of Assets. To the extent permitted by law, *CalTRUST* may merge into or consolidate a Series of Shares with any other corporation, association, trust or other organization or may sell, lease or exchange all or substantially all of the Series' property, including its goodwill, upon such terms and conditions and for such consideration when and as authorized by the Board and approved by a majority of the Shares of any Series affected.

ARTICLE XII. RECORDS AND REPORTS

Section 12.1 Maintenance and Inspection of Records. The accounting books and records with respect to the Shares Program and the minutes of proceedings of the Board and the Participants shall be kept at such place or places designated by the Board or in the absence of such designation, at the principal executive office of *CalTRUST*. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any Member or Participant at any reasonable time during usual business hours for a purpose reasonably related to the Member or Participant's interests as a Member or Participant, as applicable. The inspection may be made in person or by an agent or attorney and shall include the right to copy and make extracts.

Section 12.2 Inspection by Trustees. Every Trustee shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of *CalTRUST*. This inspection by a Trustee may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 12.3 Financial Statements and Audits. A copy of any financial statements and any income statement of *CalTRUST* for each quarterly period of each fiscal year and accompanying balance sheet of *CalTRUST* as of the end of each such period that has been prepared by *CalTRUST* shall be kept on file in the principal executive office of *CalTRUST* for at least twelve (12) months and each such statement shall be exhibited at all reasonable times to any Member or Participant demanding an examination of any such statement or a copy shall be mailed to any such Member or Participant. The quarterly income statements and balance sheets referred to in this Section shall be accompanied by the report, if any, of any independent accountants engaged by *CalTRUST* or the certificate of an authorized officer of *CalTRUST* that the financial statements were prepared without audit from the books and records of *CalTRUST*.

An annual audit of the accounts and records of *CalTRUST* shall be made, and the report thereon filed and kept, in accordance with the provisions of Section 6505 of the Act.

**ARTICLE XIII.
GENERAL MATTERS**

Section 13.1 Checks, Drafts, Evidence of Indebtedness. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to *CalTRUST* shall be signed or endorsed in such manner and by such person or persons as shall be designated from time to time by resolution of the Board.

Section 13.2 Execution of Instruments. The Board, except as otherwise provided herein, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of *CalTRUST* and this authority may be general or confined to specific instances; and unless so authorized or ratified by the Board or within the agency power of an officer, no officer, agent, or employee shall have any power or authority to bind *CalTRUST* by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 13.3 Fiscal Year. The fiscal year of *CalTRUST* shall be fixed and refixed or changed from time to time by resolution of the Board. The fiscal year of *CalTRUST* shall initially end on June 30 of each year.

Section 13.4 Principal Office. The Board shall fix and, from time to time, may change the location of the principal executive office of *CalTRUST* at any place within the State of California.

Section 13.5 Accountability. Pursuant to Section 6505 of the Act, *CalTRUST* shall establish and maintain such funds and accounts as may be required by good accounting practice, and there shall be strict accountability of all funds and reports of all receipts and disbursements.

**ARTICLE XIV.
MISCELLANEOUS**

Section 14.1 Governing Law. This Agreement is executed and delivered in the State of California and with reference to the laws thereof, and the rights of all parties and the validity and construction of every provision hereof shall be subject to and construed according to the laws of the State of California.

Section 14.2 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and such counterparts, together, shall be constituted one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

Section 14.3 Certificates. Any certificate executed by an individual who, according to the records of *CalTRUST*, appears to be a Trustee hereunder, or Secretary or assistant secretary or such other designated officer of *CalTRUST*, certifying to: (i) the number or identity of Trustees, Members or Participants, (ii) the due authorization of the execution of any instrument or writing, (iii) the form of any vote passed at a meeting of the Board, (iv) the number of Trustees present or voting at any meeting, (v) the identity of any officers appointed by the Board, or (vi) the

existence of any fact or facts which in any manner relate to the affairs of CalTRUST, shall be conclusive evidence as to the matters so certified in favor of any person dealing with the Trustees and their successors.

Section 14.4 Provisions in Conflict with Law or Regulations. The provisions of this Agreement are severable, and if the Board shall determine, with the advice of counsel, that any of such provisions is in conflict with applicable laws and regulations, including, without limitation, the Act, the Law or the Ralph M. Brown Act, the conflicting provisions shall be deemed superseded by such laws or regulations to the extent necessary to eliminate such conflict; *provided, however*, that such determination shall not affect or render invalid any of the remaining provisions of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall pertain only to such provision in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction or any other provision of this Agreement in any jurisdiction.

Section 14.5 Notices. Any and all notices and communications to which a Member or Participant may be entitled shall be deemed duly given or made if delivered by e-mail or facsimile or other electronic means providing a record of delivery, or, if so requested by such Member or Participant, in person or mailed, postage prepaid, addressed to the Member or Participant of record at its address as recorded in the account records for CalTRUST or the Shares Program. In addition to any other notice or communication to which a Member or Participant may be entitled, each Member and Participant shall be entitled to notice of any amendment to this Agreement, the Investment Policy or of any matter which is approved by the Participants (whether by negative consent or otherwise).

Section 14.6 Index and Headings for Reference Only. The index and headings preceding the text, articles and sections hereof have been inserted for convenience and reference only and shall not be construed to affect the meaning, construction or effect of this Agreement.

Section 14.7 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Members and their successors and assigns. Participants shall be third-party beneficiaries of this Agreement.

* * *

IN WITNESS WHEREOF, the undersigned, a majority of Trustees, have executed this Agreement as of the date first herein above set forth.

COUNTY OF SONOMA

By: /s/ Thomas G. Ford
Title: Treasurer/Tax Collector

COUNTY OF SOLANO

By: /s/ Charles Lomeli
Title: Treasurer/Tax Collector/County Clerk

WESTLANDS WATER DISTRICT

By: /s/ Dave Ciapponi
Title: Assistant General Manager

[SIGNATURE PAGE TO JOINT EXERCISE OF POWERS AGREEMENT]

**SCHEDULE A
INITIAL MEMBERS**

Solano County

Sonoma County

Westlands Water District

**SCHEDULE B
LIST OF MEMBERS**

ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS
ALPHA FUND
ASSOCIATION OF CALIFORNIA WATER AGENCIES
BAY AREA SCHOOLS INSURANCE COOPERATIVE
BAY AREA TOLL AUTHORITY
BEAUMONT-CHERRY VALLEY WATER DISTRICT
CALIFORNIA ASSOCIATION OF COUNTY TREASURERS & TAX COLLECTORS
CALIFORNIA COUNTIES FOUNDATION
CALIFORNIA COVERAGE AND HEALTH INITIATIVES
CALIFORNIA SPECIAL DISTRICTS ASSOC
CASTRO VALLEY SANITARY DISTRICT
CASTROVILLE COMMUNITY SERVICES DISTRICT
CAYUCOS SANITARY DISTRICT
CENTRAL CALIFORNIA IRRIGATION DIST
CHINO BASIN WATER CONSERVATION DISTRICT
CHINO VALLEY INDEPENDENT FIRE DISTRICT
CITY OF ALBANY
CITY OF ARVIN
CITY OF BELLFLOWER
CITY OF BEVERLY HILLS
CITY OF CHINO
CITY OF CONCORD
CITY OF DELANO
CITY OF EL CENTRO
CITY OF ELK GROVE
CITY OF GARDENA
CITY OF HERCULES
CITY OF JACKSON
CITY OF LAFAYETTE
CITY OF LAGUNA HILLS
CITY OF LARKSPUR
CITY OF LODI
CITY OF MARTINEZ
CITY OF NATIONAL CITY
CITY OF NORWALK
CITY OF OAKLEY
CITY OF OJAI
CITY OF PALM SPRINGS
CITY OF PASO ROBLES HOUSING AUTHORITY
CITY OF PINOLE

CITY OF POWAY
CITY OF RIALTO/LEWIS
CITY OF RICHMOND
CITY OF RIVERSIDE
CITY OF SACRAMENTO
CITY OF SAN BERNARDINO
CITY OF SAN DIMAS
CITY OF STOCKTON
CITY OF VILLA PARK
CITY OF WASCO
COACHELLA VALLEY MOSQUITO & VECTOR CONTROL DISTRICT
CONSOLIDATED CENTRAL VALLEY TABLE GRAPE PEST & DISEASE CONTROL DIST.
CONTRA COSTA COUNTY
COOPERATIVE PERSONNEL SERVICES DBA CPS HUMAN RESOURCE SERVICES
COUNTY OF ALAMEDA
COUNTY OF BUTTE
COUNTY OF MONTEREY
COUNTY OF SAN LUIS OBISPO
COUNTY OF VENTURA
COUNTY SUPERVISORS ASSOCIATION OF CA DBA CA STATE ASSOCIATION OF COUNTIES (CSA
CRESTLINE SANITATION DISTRICT
CSAC FINANCE CORPORATION
CSDA FINANCE CORPORATION
CUTLER PUBLIC UTILITY DISTRICT
DEL NORTE COUNTY
DUDLEY RIDGE WATER DISTRICT
EASTERN MUNICIPAL WATER DISTRICT
EL DORADO LOCAL AGENCY FORMATION COMMISSION
FALLBROOK HEALTHCARE DISTRICT
FLORIN RESOURCE CONSERVATION DISTRICT/ELK GROVE WATER DISTRICT
FRESNO KINGS MADERA REGIONAL HEALTH AUTHORITY DBA CALVIVA HEALTH
GOLD COAST HEALTH PLAN
GOLDEN STATE FINANCE AUTHORITY HOMEBUYERS FUND
GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT
HELENDALE COMMUNITY SERVICES DISTRICT
HERLONG PUBLIC UTILITY DISTRICT
HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
INLAND EMPIRE RESOURCE CONSERVATION DISTRICT
INLAND EMPIRE UTILITIES AGENCY
INSTITUTE FOR LOCAL GOVERNMENT
IRONHOUSE SANITARY DISTRICT

JAMES IRRIGATION DISTRICT
KAWEAH DELTA HEALTH CARE DISTRICT
KERN DELTA WATER DISTRICT
KINGS RIVER CONSERVATION DISTRICT
KINNELOA IRRIGATION DISTRICT
LAKE HEMET MUNICIPAL WATER DISTRICT
LEAGUE OF CALIFORNIA CITIES
MAMMOTH COMMUNITY WATER DISTRICT
MAXWELL IRRIGATION DISTRICT
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
MIDWAY CITY SANITARY DISTRICT
MISSION SPRINGS WATER DISTRICT
MODOC COUNTY
MONTECITO WATER DISTRICT
MONTEREY PENINSULA REGIONAL PARK DISTRICT
NATIONAL ASSOCIATION OF COUNTIES
NATIONAL HOMEBUYERS FUND, INC
NORTH OF THE RIVER MUNICIPAL WATER DISTRICT
OILDALE MUTUAL WATER COMPANY
ORANGE COUNTY CEMETERY DISTRICT
ORCHARD DALE WATER DISTRICT
PALM RANCH IRRIGATION DISTRICT
PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT
RANCHO SANTA FE FIRE PROTECTION DISTRICT
RCDSMM - CONSERVATION EASEMENT LEGAL FUND
REGIONAL GOVERNMENT SERVICES AUTHORITY
RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
RIVERSIDE COUNTY
ROSAMOND COMMUNITY SERVICES DISTRICT
RTA
RURAL COUNTY REPRESENTATIVES OF CALIFORNIA
SACRAMENTO HOUSING & REDEVELOPMENT AGENCY
SACRAMENTO REGIONAL TRANSIT DISTRICT
SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SAN DIEGO UNIFIED PORT DISTRICT
SAN GORGONIO PASS WATER AGENCY
SAN LUIS & DELTA – MENDOTA WATER AUTHORITY
SANTA ANA WATERSHED PROJECT AUTH
SANTA BARBARA SAN LUIS OBISPO REGIONAL HEALTH AUTHORITY

SANTA CRUZ-MONTEREY-MERCED MANAGED MEDICAL CARE COMMISSION DBA
CENTRAL CALIFORNIA ALLIANCE FOR HEALTH
SANTA LUCIA COMMUNITY SERVICES DISTRICT
SOLANO COUNTY
SONOMA COUNTY
SOUTH FEATHER WATER & POWER AGENCY
SOUTH PLACER MUNICIPAL UTILITY DISTRICT
SPECIAL DISTRICTS LEADERSHIP FOUNDATION
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS (SACRS)
SUCCESSOR AGENCY TO CHINO REDEVELOPMENT AGENCY
TOWN OF ROSS
TRANSPORTATION AUTHORITY OF MARIN
TULARE IRRIGATION DISTRICT
TULARE LOCAL HEALTHCARE DISTRICT
TWENTYNINE PALMS WATER DISTRICT
VALLEY SANITARY DISTRICT
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
WATER FACILITIES AUTHORITY
WELLS FARGO BANK, NA AS ESCROW AGENT FOR CALEASE PUBLIC FUNDING AND
COUNTY OF SANTA BARBARA ESCROW
WEST VALLEY MOSQUITO AND VECTOR CONTROL DISTRICT
WEST VALLEY WATER DISTRICT
WESTLANDS WATER DISTRICT
YORBA LINDA WATER DISTRICT



Program Registration Form and Participation Agreement

Instructions

To become a CalTRUST Participant, please complete this **Program Registration Form and Participation Agreement**. If you have any questions concerning any part of this form, please call the CalTRUST toll-free number: (833) CALTRUST (225-7788).

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the CalTRUST Joint Exercise of Powers Agreement, dated as of February 24, 2005, as amended April 18, 2018, by and among the members of CalTRUST (the "JP Agreement") or the information statement of CalTRUST (the "Information Statement"), as applicable.

When the Program Registration Form and Participation Agreement is complete, please submit as follows:

SCAN AND E-MAIL A COPY of this Form to CalTRUST Shareholder Services: admin@caltrust.org

MAIL THE ORIGINAL of this Form to:

CalTRUST
1100 K Street, Suite 101
Sacramento, CA 95814

Part 1. Agency Information

Name of Agency: Humboldt Bay Municipal Water District

Mailing Address: P.O. Box 95

City: Eureka State: CA Zip: 95502-0095

Website: hbmwd.com

Type of Agency: Special District
[County, City, Special District, Non-Profit, Other (please specify)]

Tax ID Number: 94-6050067



Part 2. Authorized Representatives and Signatories

(Below are the individuals authorized to conduct business on behalf of the participating entity)

Authorized Representatives of: Humboldt Bay Municipal Water District
 (Name of Agency)

Minimum Number of Signatories Required to Authorize a Trade: Two (2)

Trustee/Fiduciary Signatures and Online Access

(The total number of Trustees/Fiduciaries signing below must equal or exceed the number of authorized signatories required per trade, as listed on the line above.)

Complete the form below to designate agency contacts and their roles. Please check the appropriate box(es) for each individual. The individual listed as the Primary Contact will be considered the main point-of-contact for the agency's CalTRUST account.

Authorized Signatory Trustee/Fiduciary: The undersigned certify that any of the persons signing below as an authorized signatory of the Participant have the full authority and capacity to invest funds in and withdraw funds from the Shares Program, as well as manage accounts through the CalTRUST Online Portal, pursuant to compliance with the minimum number of authorized traders listed above. The undersigned agree that the certifications, instructions, and authorizations contained in this Program Registration Form and Participation Agreement will remain in effect until CalTRUST receives written notice of change. It is only necessary for individuals certified as an Authorized Signatory to provide a signature.

Online Trading Opt-OUT: Selecting the Opt-OUT indicates that your agency does not allow for the Authorized Signatory to have access to conduct trades online.

Statement Only Access: The individual(s) for which Statement Only Access is selected will be granted access to the CalTRUST Online Participant Portal, but will only be able to access monthly statements and fund information. Authorized Signatories will have this access already and do not need to be indicated here.

Primary Contact

Name: Chris Harris

Title: Business Manager

Email: harris@hbmwd.com **Phone:** 707-443-5018

Signature: _____ **Date:** _____

Select Account Access Option:

Authorized Signatory Trustee/Fiduciary	Online Trading Opt-OUT	Statement Only Online Access
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Secondary Contact

Name: John Friedenbach

Title: General Manager

Email: friedenbach@hbmwd.com Phone: 707-443-5018

Signature: _____ Date: _____

Select Account Access Option:

Authorized Signatory Trustee/Fiduciary	Online Trading Opt-OUT	Statement Only Online Access
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Representative

Name: Becky Moyle

Title: Accounting & Human Resources Specialist

Email: moyle@hbmwd.com Phone: 707-443-5018

Signature: _____ Date: _____

Select Account Access Option:

Authorized Signatory Trustee/Fiduciary	Online Trading Opt-OUT	Statement Only Online Access
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Additional Representative

Name: Dee Dee Simpson-Glenn

Title: Accounting & Human Resources Assistant

Email: office@hbmwd.com Phone: 707-443-5018

Signature: _____ Date: _____

Select Account Access Option:

Authorized Signatory Trustee/Fiduciary	Online Trading Opt-OUT	Statement Only Online Access
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Additional Representative

Name: _____

Title: _____

Email: _____ Phone: _____

Signature: _____ Date: _____

Select Account Access Option:

Authorized Signatory Trustee/Fiduciary	Online Trading Opt-OUT	Statement Only Online Access
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Representative

Name: _____

Title: _____

Email: _____ Phone: _____

Signature: _____ Date: _____

Select Account Access Option:

Authorized Signatory Trustee/Fiduciary	Online Trading Opt-OUT	Statement Only Online Access
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Representative

Name: _____

Title: _____

Email: _____ Phone: _____

Signature: _____ Date: _____

Select Account Access Option:

Authorized Signatory Trustee/Fiduciary	Online Trading Opt-OUT	Statement Only Online Access
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Part 3. Withdrawal Instructions

The Administrator agrees to honor all properly authorized wire transfer requests in accordance with the terms of the Information Statement that is then current.

At any time, the Participant may change (a) wiring instructions, (b) authorized representatives, (c) other information. However, the Participant agrees that the Administrator may rely on the information previously supplied by the Participant until the Administrator receives authorized written notification of any change on forms prescribed by CalTRUST. Changes will become effective within one (1) Business Day of receipt of written notice by the Administrator.

The Administrator is hereby authorized to act upon instructions received in writing by the authorized representative(s) listed in Part 2 of this agreement to have amounts withdrawn from the agency's CalTRUST account and wired only to the Federal Reserve member bank account designated below, unless changed by written instructions to the Administrator. It is understood that the Administrator will be under no obligation to honor, in whole or in part, any transfer request which (a) exceeds available funds invested in the Shares Program, (b) is provided by any person other than the authorized persons designated in Part 2 of this agreement, (c) is not in accordance with any other requirements stated herein.

Agency Name: Humboldt Bay Municipal Water District

Bank Name: _____

ABA Number: _____

Account Name: _____

Account Number: _____

Bank Address: _____



Part 4. Acknowledgement & Certification

The undersigned certify and affirm that:

1. None of CalTRUST, its Trustees, the Administrator, the Investment Advisor or the Custodian has provided any advice to the Participant about whether to participate in CalTRUST. The Participant has requested and received from the Administrator all information that the Participant, after due inquiry, deemed relevant to participating in CalTRUST. The Participant has carefully reviewed the Information Statement and JP Agreement, has discussed with CalTRUST representatives any questions the Participant may have had as to such materials, and as to the business, operations or financial condition of CalTRUST, and agrees to be bound by the terms of the Information Statement and acknowledges the terms of the JP Agreement as they relate to the Participant. The Participant understands the risks of this investment as described in the Information Statement. The Participant has taken into account that, like an investment in most securities, there is a risk of loss of this investment, and that an investment through the Series of Shares known as the "CalTRUST Medium-Term Fund" Series will be relatively illiquid so that funds invested in those Funds will not be readily available. Taking into account these factors and all other factors relating to the Shares Program, the Participant has independently concluded that this investment is suitable for the Participant.
2. The Participant has consulted with its own legal, accounting, tax, investment and other advisers in connection with this investment, to the extent that the Participant has deemed necessary, including with respect to the investment of any tax-exempt bond proceeds, which may result in certain consequences if invested.
3. The Participant is duly authorized to enter into this Program Registration Form and Participation Agreement, and the person signing this Program Registration Form and Participation Agreement on behalf of the Participant is authorized to do so, under all applicable governing documents and investment objectives of the Participant, by the legislative or other governing body of the Participant, and pursuant to applicable laws. This Program Registration Form and Participation Agreement constitutes a legal, valid and binding agreement of the Participant enforceable against the Participant in accordance with its terms.
4. The Participant is either a political subdivision of a state, or an agency, authority, or instrumentality of the United States, a state or any political subdivision of a state, as those terms are used in the Investment Company Act of 1940, or designated non-profit.
5. The Participant understands that the Shares have not been registered under the Securities Act of 1933, as amended. The Participant understands that no federal or state agency has passed on the merits or fairness of this investment.
6. This Program Registration Form and Participation Agreement shall be binding on the Participant and its successors and assigns and shall inure to the benefit of the successors and assigns of CalTRUST and the Administrator. This Program Registration Form and Participation Agreement shall be governed by the laws of the State of California as such laws are applied to agreements that are made in California by California residents and that are to be performed wholly within California.
7. The Participant has reviewed CalTRUST's Investment Policy and has determined that it satisfies, and does not conflict with, the Participant's legal and policy requirements and investment objectives, including any limitations that the Participant has adopted that are more restrictive than State law or CalTRUST's Investment Policy, and the Participant agrees to review the Investment Policy each time its governing body reviews its own investment policy. To the extent that the Participant has any questions or concerns about the Investment Policy, it agrees to raise these matters expeditiously with CalTRUST and if such questions or concerns are not addressed to the satisfaction of the Participant, it agrees to sell its Shares.
8. The Participant accepts responsibility for the investment decisions of the Investment Advisor and agrees that it will independently review the performance of the Investment Advisor as often as it deems necessary to meet all legal requirements applicable to the investment of the Participant's funds with respect to investment decisions affecting the Participant.
9. If the Participant has in effect an annual delegation of discretionary investment power to its treasurer, such delegation to the treasurer will be in effect at all times when the Participant participates in the Shares Program.
10. *The Participant has carefully reviewed and understands the important disclosures and information contained in the Information Statement concerning the requirements, and consequences for failing to comply with such requirements, with respect to the following topics:*
 - When funds may be invested through or withdrawn from the Series of Shares known as the, CalTRUST FedFund Government Money Market Fund, CalTRUST LEAF Money Market Fund, CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, and/or CalTRUST Medium-Term Fund;
 - When investments will begin earning income after an investment of funds through the CalTRUST FedFund Government Money Market Fund, CalTRUST LEAF Money Market Fund, CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, and/or CalTRUST Medium-Term Fund;
 - When investments will stop earning income in connection with a withdrawal of funds from the CalTRUST FedFund Government Money Market Fund, CalTRUST LEAF Money Market Fund, CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, and/or CalTRUST Medium-Term Fund;
 - Requisite form and timing of advance notices of and timing of receipt of funds for investments through the CalTRUST FedFund Government Money Market Fund, CalTRUST LEAF Money Market Fund, CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, and/or CalTRUST Medium-Term Fund;
 - Requisite form and timing of advance notices of requests for withdrawals from the CalTRUST FedFund Government Money Market Fund, CalTRUST LEAF Money Market Fund, CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, and/or CalTRUST Medium-Term Fund; and
 - When funds to be invested through the CalTRUST Medium-Term Fund will be automatically and temporarily invested through the CalTRUST Short-Term Fund, and when such funds will be automatically transferred from the CalTRUST Short-Term Fund and invested through the CalTRUST Medium-Term Fund as requested.



Part 5. Waiver and Disclaimer Related to Use of the CalTRUST Investment Program Internet Site by Participants

This Waiver and Disclaimer, acknowledged and agreed to by (name): Chris Harris
the primary authorized representative of (agency) Humboldt Bay Municipal Water District

a participant in the CalTRUST Investment Program, hereinafter the "Program", sets forth terms and conditions for use of CalTRUST's "Internet Site for CalTRUST Investment Program (or Program) Participants," hereinafter "Internet Site." The accounts and services provided by the Trustee/Administrator, including those which the Program participant may access through the Internet Site, are governed by a separate Agreement between the parties, which Agreement remains in full force and effect. This Waiver and Disclaimer relating to the Program participant's use of the Internet Site is separate from and does not supersede the Agreement for participation in the Program.

1. **USE RESTRICTIONS** CalTRUST maintains the Internet Site as a service to Program Participants. Reproduction or modification of any information contained in the Internet Site is prohibited without the express written consent of the Trustee/Administrator. CalTRUST makes no representations that the information contained in the Internet Site is appropriate, available or permissible for use in all locations. Use of the Internet Site is prohibited where such use is in violation of the law.
2. **LIABILITY DISCLAIMER** In providing the information contained on the Internet Site, CalTRUST takes all reasonable precautions to ensure that the data is complete and accurate; however, neither the Trustee/Administrator nor any of its agents, shall have liability for any direct or indirect uses of such data, including, but not limited to, any and all investment decisions, regulatory filings or other uses made upon reliance upon any such data.

THE INFORMATION CONTAINED IN THE INTERNET SITE IS PROVIDED "AS IS" AND WITHOUT ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND, EITHER EXPRESSED OR IMPLIED. CALTRUST DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CALTRUST MAKES NO WARRANTY OR REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THE INTERNET SITE. CALTRUST SHALL NOT BE LIABLE FOR ANY DAMAGES OR EXPENSES OF ANY KIND ARISING OUT OF YOUR USE, ACCESS OR INABILITY TO ACCESS THE INTERNET SITE OR YOUR RELIANCE ON THE INFORMATION CONTAINED IN THE INTERNET SITE.

3. **RIGHT TO CHANGE OR MODIFY** CalTRUST reserves the right to change, modify and/or withdraw the information in the Internet Site at any time without notice. The products and services referred to in the Internet Site may not be available in all locations. CalTRUST reserves the right to change, modify and/or withdraw any products and services at any time without notice.
4. **COMMUNICATIONS** Any information you send to the Internet Site must be legal, truthful and not violate the rights of others.
5. **JURISDICTION** This Waiver and Disclaimer shall be construed in accordance with, and governed by the laws of the State of California, without giving effect to conflict of law principles, and except insofar as the same are or may be preempted or superseded by applicable Federal law.
6. **INTEGRATION** These terms and conditions form the entire understanding and agreement with respect to the subject matter hereof and supersede any and all prior understandings or agreements. In the event of a conflict between these terms and conditions and those set forth in the agreement between the parties for participation in the Program, the terms and conditions of the agreement for participation in the Program shall prevail.
7. **SEVERABILITY** If any term or condition shall, to any extent, be invalid or unenforceable, the remainder of the terms and conditions shall not be affected thereby, nor shall the application of such term or provision to persons or circumstances other than those as which it is held invalid or unenforceable be affected thereby.
8. **THIRD PARTY CONTENT** CalTRUST is not responsible for content appearing on the Internet Site that is created, produced or provided by a third party. CalTRUST shall not be responsible for the accuracy or completeness of any such third party content.
9. **OTHER WEB LINKS** CalTRUST is not responsible for the content of other sites that are not controlled by CalTRUST to which the Internet Site may be linked. Inclusion of a link to another site does not imply an endorsement by CalTRUST.

Signature: _____ Date: _____



Part 6. Signatures of Person(s) Authorized to Establish Accounts

(Signature required from the individual(s) authorized to approve participation in the CalTRUST Program)

The undersigned hereby duly execute and deliver this Program Registration Form and Participation Agreement as of this _____ day of _____, 20____, as authorized signatories of:

Name of Agency: Humboldt Bay Municipal Water District

Authorized Signatory

Name: Chris Harris

Title: Business Manager

Signature: _____

Witness Name (optional): _____

Witness Signature (optional): _____

Additional Authorized Signatory (Optional)

Name: John Friedenbach

Title: General Manager

Signature: _____

Witness Name (optional): _____

Witness Signature (optional): _____

EXHIBIT C



**CALIFORNIA STATE TREASURER
FIONA MA, CPA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
11/04/19	2.14	2.18	208
11/05/19	2.14	2.18	208
11/06/19	2.14	2.18	208
11/07/19	2.12	2.18	213
11/08/19	2.12	2.18	214
11/09/19	2.12	2.18	214
11/10/19	2.12	2.18	214
11/11/19	2.12	2.18	214
11/12/19	2.12	2.17	212
11/13/19	2.11	2.17	212
11/14/19	2.10	2.17	213
11/15/19	2.10	2.17	216
11/16/19	2.10	2.17	216
11/17/19	2.10	2.17	216
11/18/19	2.10	2.16	215
11/19/19	2.10	2.16	214
11/20/19	2.09	2.16	212
11/21/19	2.08	2.16	213
11/22/19	2.08	2.16	212
11/23/19	2.08	2.16	212
11/24/19	2.08	2.16	212
11/25/19	2.08	2.15	212
11/26/19	2.08	2.15	211
11/27/19	2.07	2.15	220
11/28/19	2.07	2.15	220
11/29/19	2.07	2.15	220
11/30/19	2.07	2.15	218
12/01/19	2.07	2.15	217
12/02/19	2.07	2.15	219
12/03/19	2.07	2.14	218
12/04/19	2.07	2.14	218

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

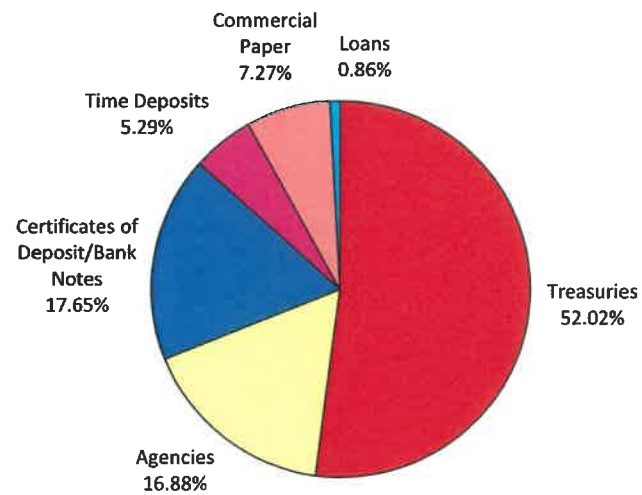
Quarter Ending 09/30/19

Apportionment Rate: 2.45
 Earnings Ratio: .00006701807521016
 Fair Value Factor: 1.001642817
 Daily: 2.25%
 Quarter to Date: 2.34%
 Average Life: 185

PMIA Average Monthly Effective Yields

Nov 2019 **2.103**
 Oct 2019 2.190
 Sep 2019 2.280

**Pooled Money Investment Account
Portfolio Composition
10/31/19
\$91.4 billion**



Percentages may not total 100% due to rounding

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).
 Based on data available as of 12/04/2019

OPERATIONS

Memo to: HBMWD Board of Directors
From: Dale Davidsen, Superintendent
Date: December 3rd, 2019
Subject: Essex/Ruth November 2019 Operational Report

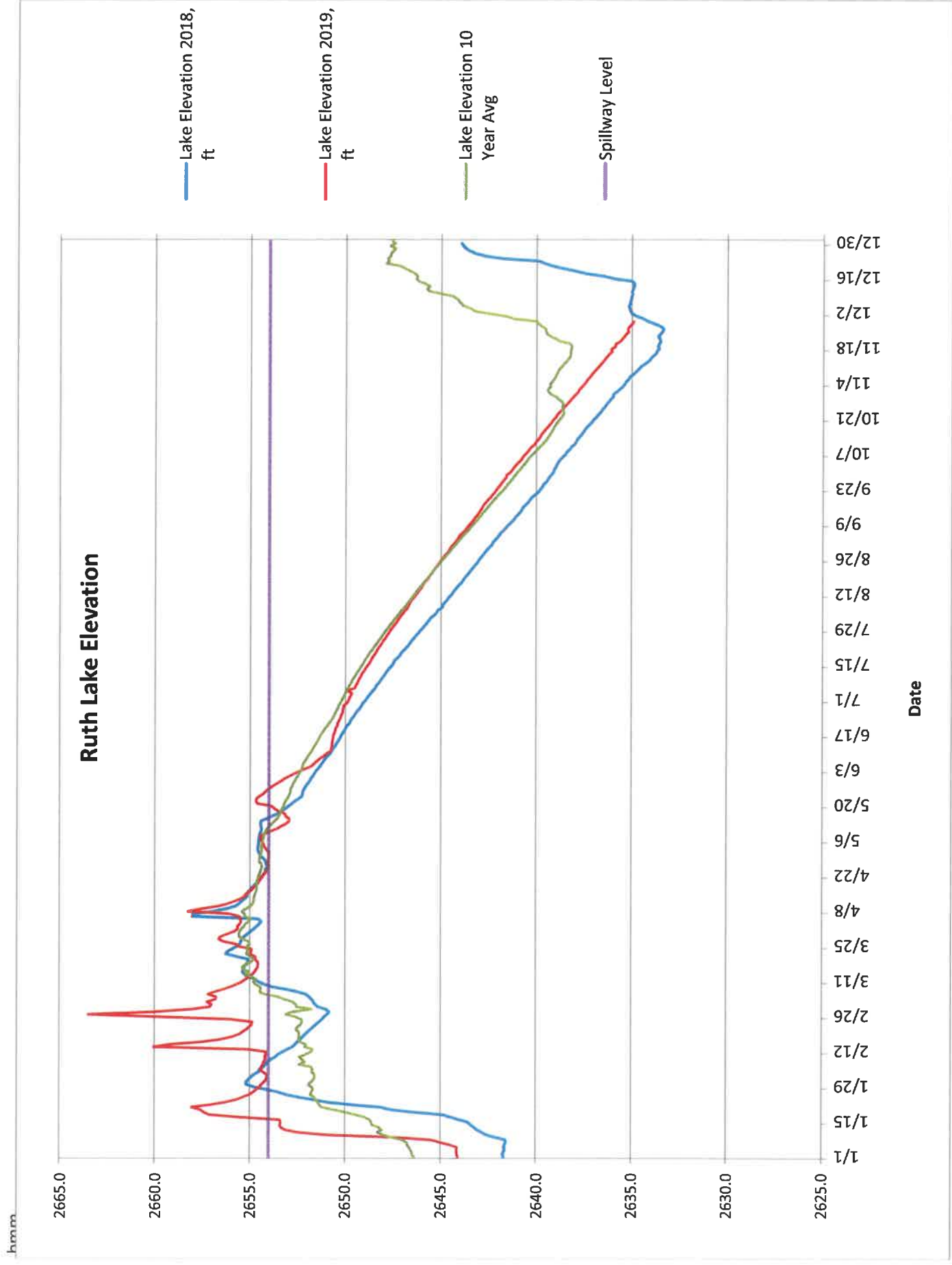
Upper Mad River, Ruth Lake, and Hydro Plant

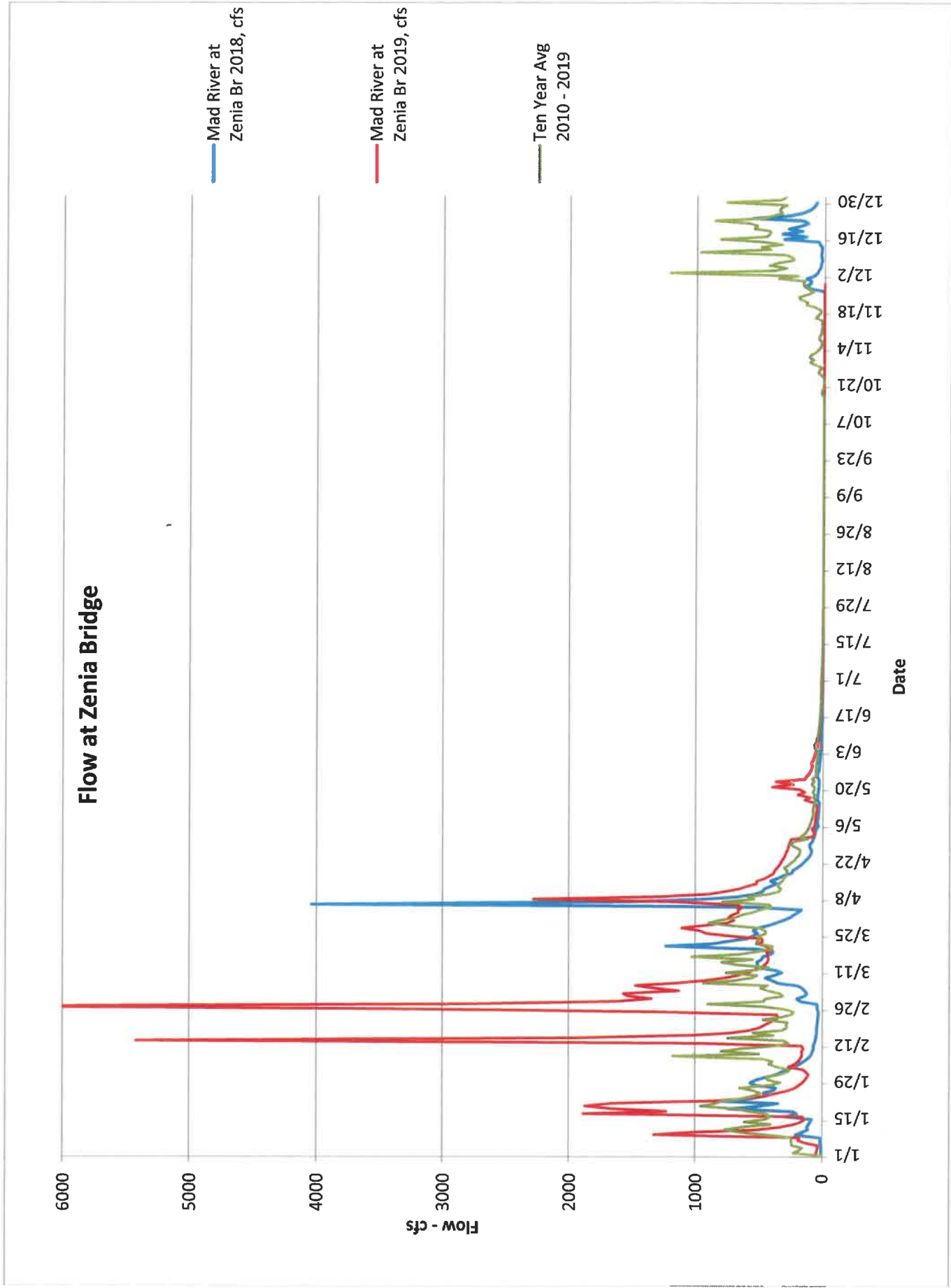
1. There was no flow at Mad River above Ruth Reservoir (Zenia Bridge) in November.
2. The conditions at Ruth Lake for November were as follows:
The lake level on November 30th was 2634.89 feet which is:
 - 3.49 feet lower than October 31st, 2019
 - 0.72 feet higher than November 30th, 2018
 - 5.13 feet lower than the ten year average
 - 19.11 feet below the spillway
3. There were 2.55 inches of recorded rainfall for November at Ruth Headquarters.
4. Ruth Hydro produced 148,800 KWh. The hydro plant ran all month with 3 outages resulting in a loss of 2,169 KWh.
5. The discharge from the lake averaged 46 cfs with a high of 52 cfs on November 17th.

Lower Mad River, Winzler Control, and TRF

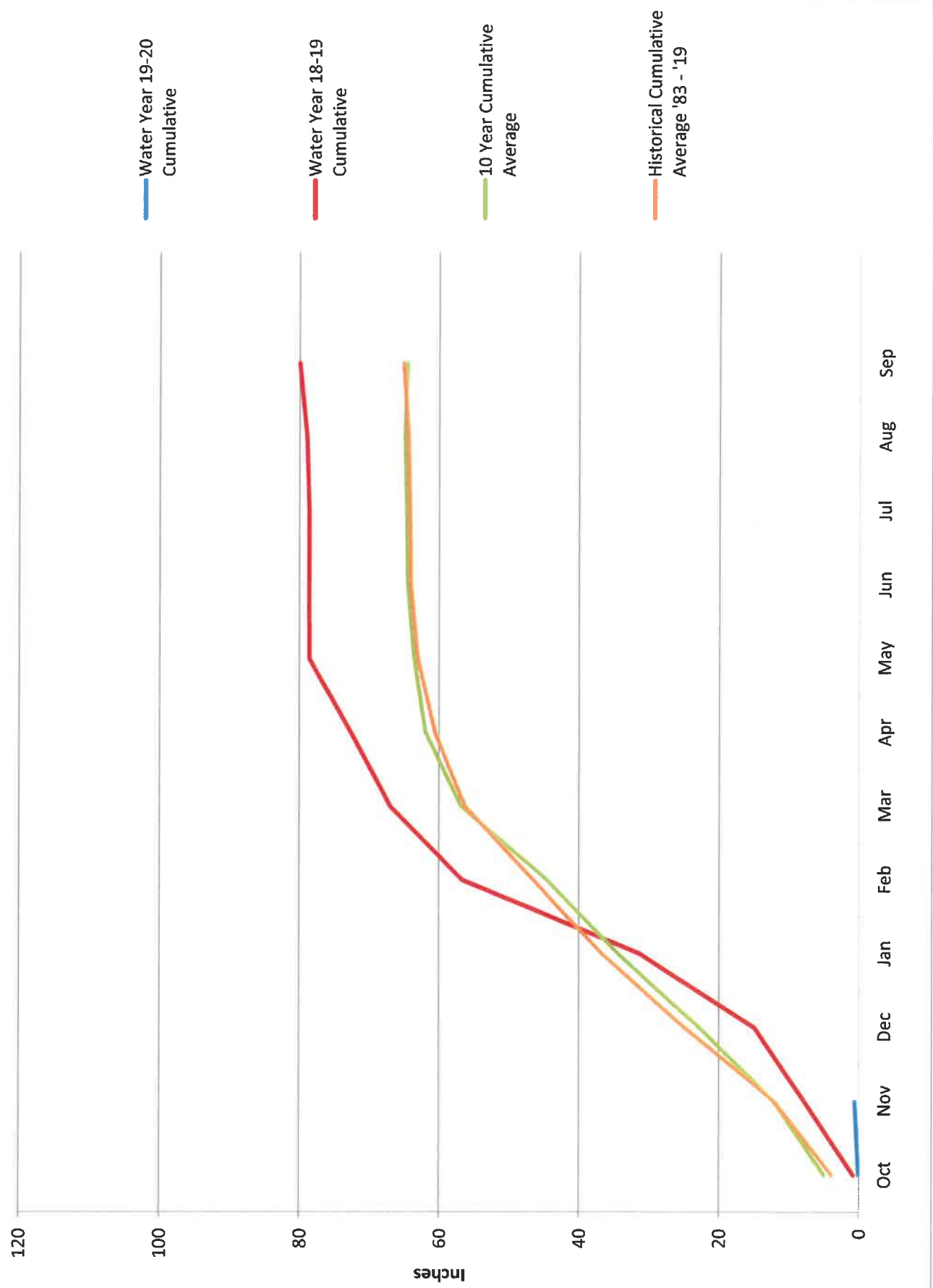
6. The river at Winzler Control Center for November had an average flow of 79 cfs. The river flow reached a high flow of 291 cfs on November 27th.
7. The domestic water conditions were as follows:
 - The monthly turbidity average was 0.11 NTU, which meets Public Health Secondary Standards.
 - As of November 30th, we pumped 244.540 million gallons at an average of 8.151 MGD.
 - The maximum metered daily municipal customer use was 9.780 MGD on November 4th.
8. The Turbidity Reduction Facility ran 12 days in November.
9. The TRF conditions were as follows:
 - Average monthly filtered water turbidity was 0.08 NTU.
 - There were 18 backwashes on the TRF filters in November.

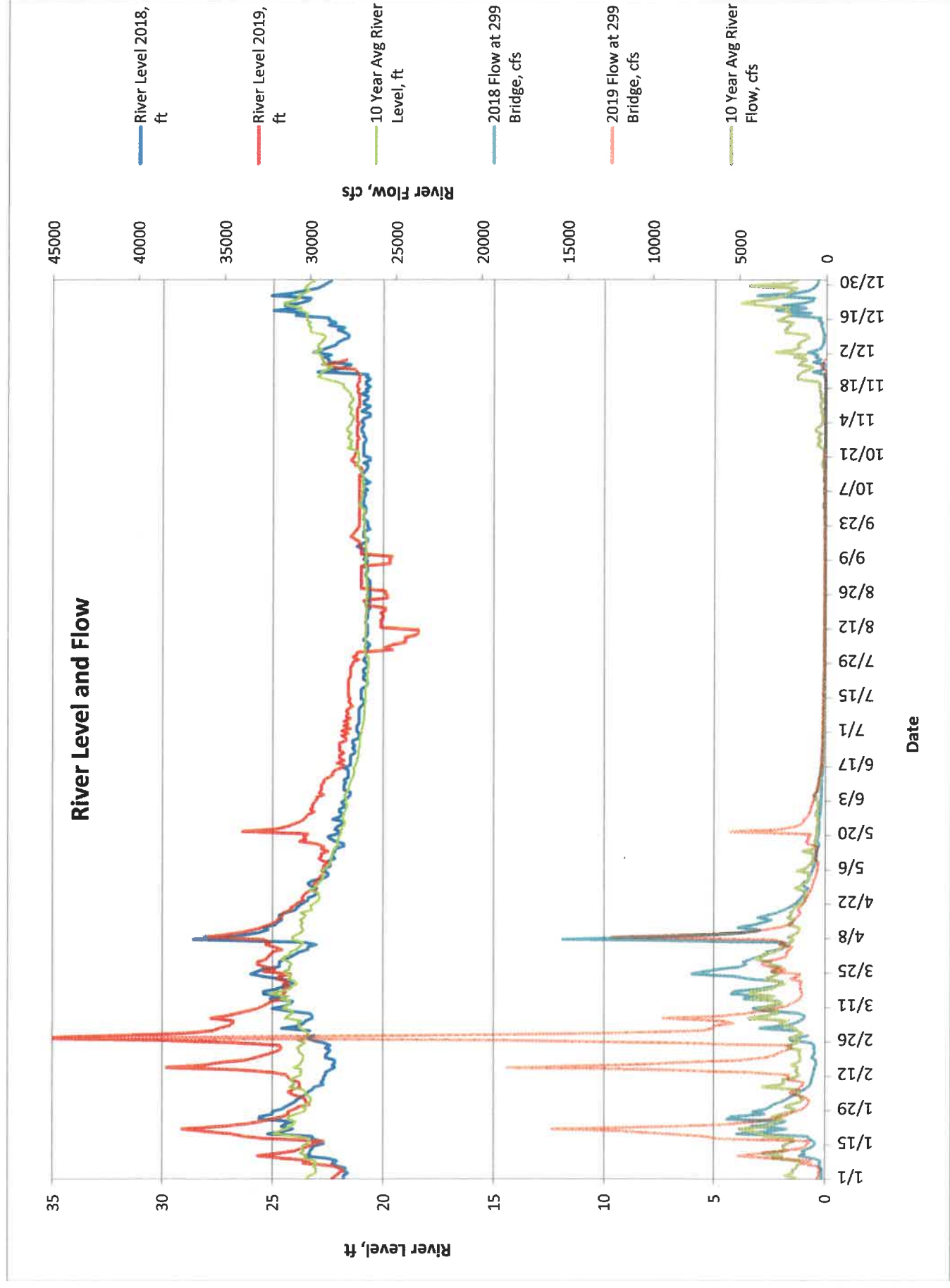
10. November 5th – 7th – New crane inspection service AC3 was on site inspecting all District cranes at Essex, Collectors and Ruth.
11. November 6th – Safety meetings
 - Lock out / Tag out
 - General Electrical Safety
12. November 12th – 4 staff members, 2 from Essex, 1 from Ruth and 1 from Eureka office attended a Water Diversion reporting and instrumentation calibration class in Ukiah. This was regulatory required class.
13. November 13th –
 - Safety meetings
 - i. SDS & Right to Know
 - ii. Spill Prevention
 - iii. Sexual Harassment
14. November 13th & 14th - Telstar on site for annual chlorine system maintenance
15. November 19th – 20th - 3 from Maintenance went to Ruth to replace the source water tank for Headquarters and Bunkhouse.
16. November 26th – Power out at 1800 at Essex and TRF due to storm.
17. November 27th – Still no power at Essex, TRF or Fieldbrook, had to refill FB and Morris reservoirs with FB generator.
18. November 28th – Thanksgiving Day, still no power. I came in to fabricate a new air intake for aftermarket air filters on TRF generator.
19. November 29th – Power back on at Essex and TRF at 1930.
20. Current and Ongoing Projects
 - Training continues for Larry at Ruth.
 - Coordinating with Contractor on Ruth Relay replacement work.

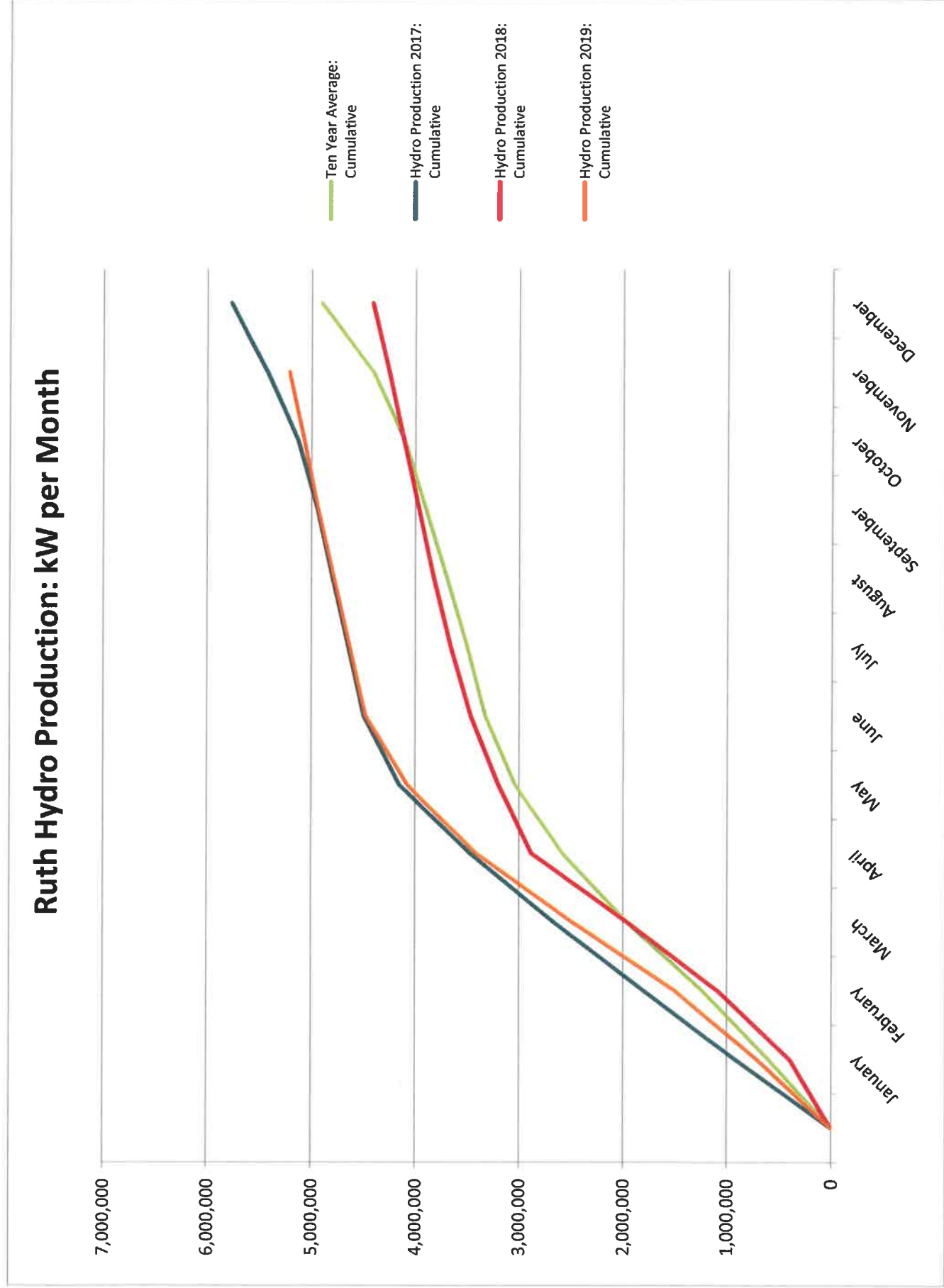




Ruth Rainfall - Water Year 2018-2019







1. We would like to surplus the 28 leftover bags of Sika products purchased for the Spillway repairs. This product has a very short shelf life and will not be usable to do repairs with next year if needed.

MANAGEMENT

Humboldt Coastal Resilience Project Phase 3 Beach-Dune Transect Profiles

November 2019

Submitted by: Andrea Pickart, Candace Reynolds, US Fish and Wildlife Service and Ian Walker
Arizona State University

Submitted to: California State Coastal Conservancy, Oakland, California

The following is a compilation of graphs depicting shoreline change over three years in 73 transects located along 32 km of shoreline between Little River and Centerville Beach. This report follows the Phase 1 and 2 progress reports, and incorporates new data from 2019. These data will ultimately be used to quantify volumetric changes along the shoreline and to parameterize a model for sea-level rise/climate change response. They are presented here as a preliminary product to provide information to landowners and managers.

Although there is much variation, certain trends can be discerned along the littoral cell. Graphs are grouped according to ownership, and we provide a succinct description of trends within each ownership over 3 years. Maps showing location of transects and property boundaries are provided in Appendix A.

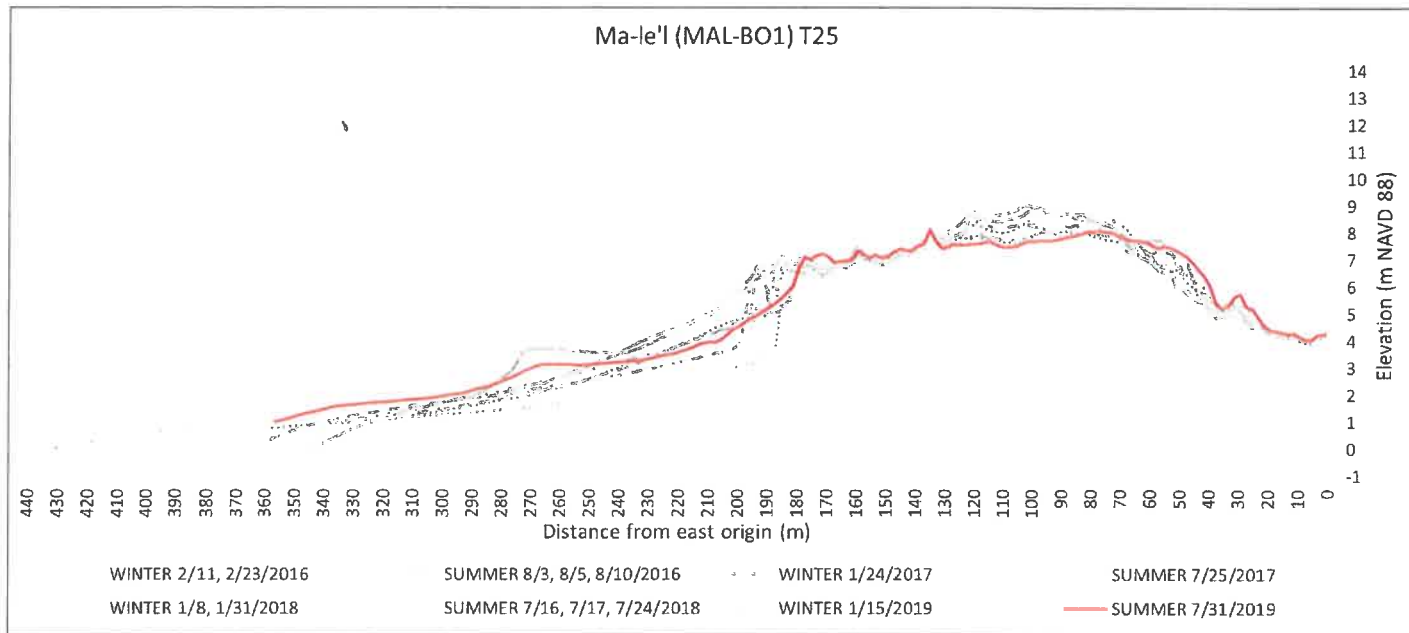
The Little River transects were relatively stable, although exhibiting seasonal variation. Clam Beach transects were similarly stable, with the exception of the southernmost transect that occurs near the Mad River mouth, which migrated north in the past year and wiped out much of the transect. Mad River spit showed accretion at the crest of the spit. The Mad River, Long, and Woll area had very high steep transects that retreated by scarping. The Bair transects, which take in the Lanphere Adaptation Site, were scarped but then recovered via scarp-fill ramping. Much of the Lanphere area saw the loss of the incipient foredune, with some deposition on the stoss face of the established foredune. Ma-le'l North showed a similar trend of incipient foredune loss. BLM's Ma-le'l South showed both losses and gain of the incipient foredune. Friends of the Dunes and Manila Community Services District experienced scarping or loss of the incipient foredune. Samoa Pacific, Cal Redwoods, and Fairhaven Power experienced scarping and/or retreat of the established foredune. City of Eureka also showed scarping and retreat of the established foredune. The Samoa transects were variable but showed no trend. South Spit was variable and did not exhibit a trend overall. Table Bluff exhibited retreat of the berm. Eel River Wildlife Area experienced scarping followed by the formation of a wood-based incipient foredune. Eel River Estuary Preserve showed scarping of the established foredune, and an area of new foredune breaching, and in previously breached area translation of the berm inland. The Russ parcel, which had been previously breached, also showed inland translation.

Overall, the behavior of the foredune during the past 3 years varies from north to south. Northernmost transects at Little River and Clam beach (excepting the transect affected by the river) were stable. At the upper end of the North Spit barrier, the high foredunes experienced retreat; ramps were not able to build sufficiently high to allow for recovery. The Lanphere adaptation site exhibited scarping followed by ramping, a resilient response. The Lanphere and Ma-le'l dunes saw the erosion of the incipient foredune that had built in the preceding 5 years, these are generally ephemeral features. The South Spit was mostly stable, but Table Bluff retreated. The Eel River Wildlife Area had a lot of scarping initially but large wood was deposited and formed the nucleus of a new incipient foredune. Eel River Estuary Preserve exhibited the highest erosion, with a new foredune breach, and erosion of existing foredunes. Both EREP and Russ overwash areas translated inland.



View southeast at 207 m (upper beach)

Notes: The profile describes a sparsely vegetated parabolic dune that recently differentiated from a transgressive dunefield. It is fronted by a developing, native foredune. In winter 2017 the foredune was severely scarpd with a loss of 1.6 m vertically. Additional scarping and beach lowering occurred by summer 2017 due to the narrow width of beach resulting from a persistent rip current. Some slumping but no ramping of the scarp had occurred by summer. Between the winter 2018 and summer 2018 surveys a high water event eroded the incipient foredune back another 12 m horizontally, removing the cusped edge. The beach was lowered by 0.5 m. Note the low beach and unusually high water line in the summer photo. By summer 2019 deposition on the upper beach and formation of a ramp allowed for some recovery of the developing foredune.

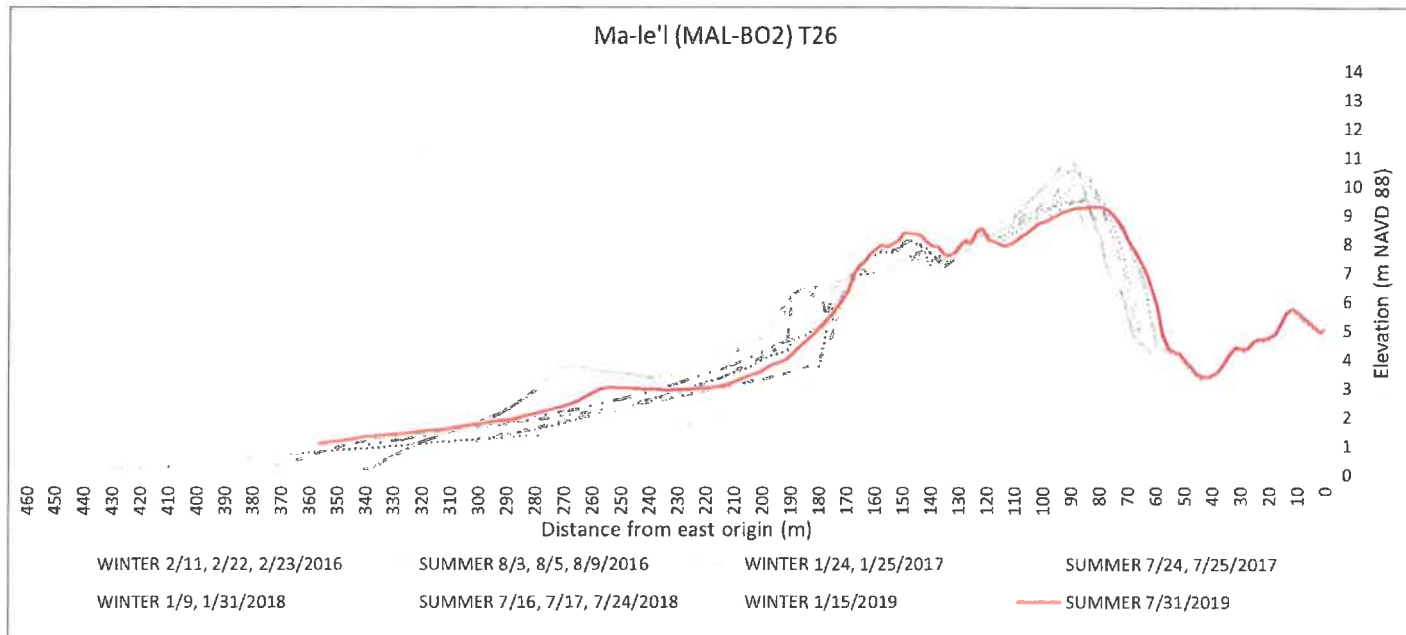


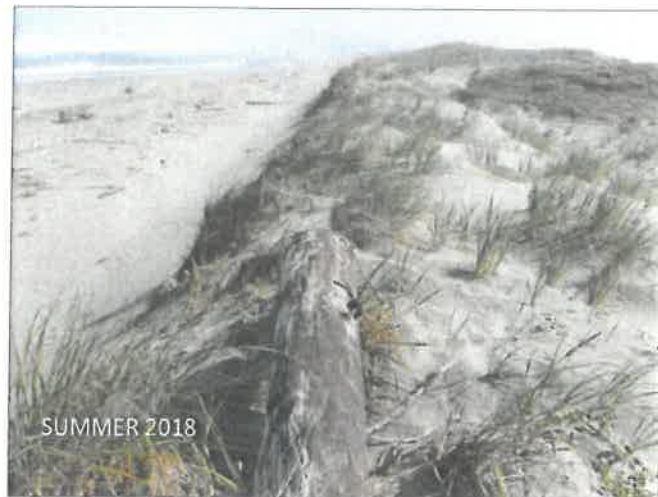
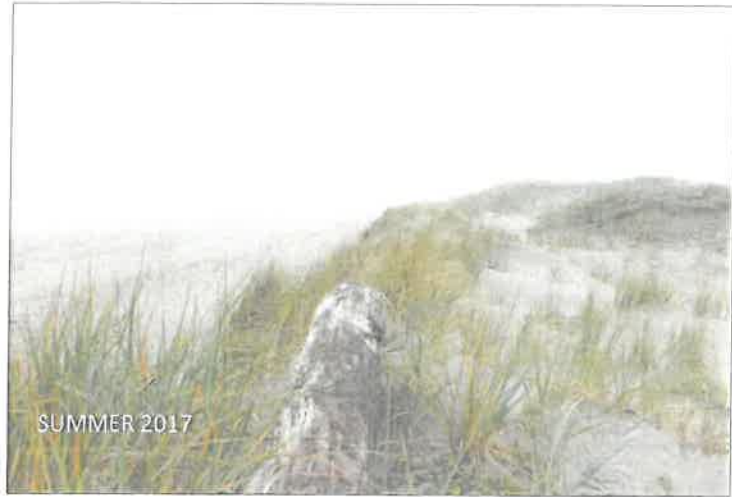
Ma-le'I North Transect 26



View southeast at 191 m (upper beach)

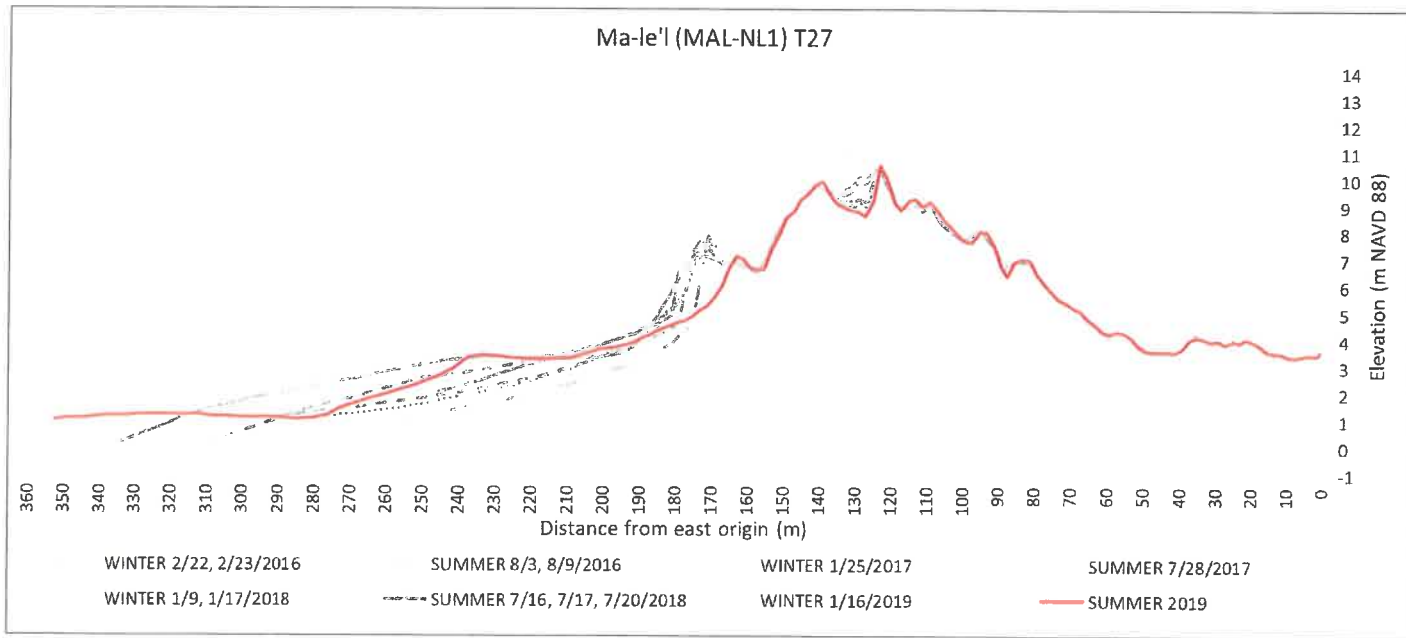
Notes: Adjacent to and similar to Transect 25 although this parabolic dune is shorter and its terminal slipface higher and steeper. In winter 2017 the developing fore-dune was scarped, losing 1.5 m of elevation, and the back-shore was lowered by 0.8 m. By summer 2017 an additional 20 m of retreat had occurred from renewed scarping due to the narrow width of beach resulting from a persistent rip current. Slumping had occurred along with some ramping. Between the winter and summer 2018 surveys the upper beach eroded up to 1.4 m, removing the ramp. In 2019 deposition on the upper beach rebuilt the ramp. At its eastern edge the parabolic dune has translated, with the slipface steepening through winter 2018 as a result of the relatively static position of its base, which was anchored by *Salix* growing in a deflation basin. Between winter 2018 and summer 2019 the base migrated inland 10 m horizontally.





View north at 171 m (incipient foredune)

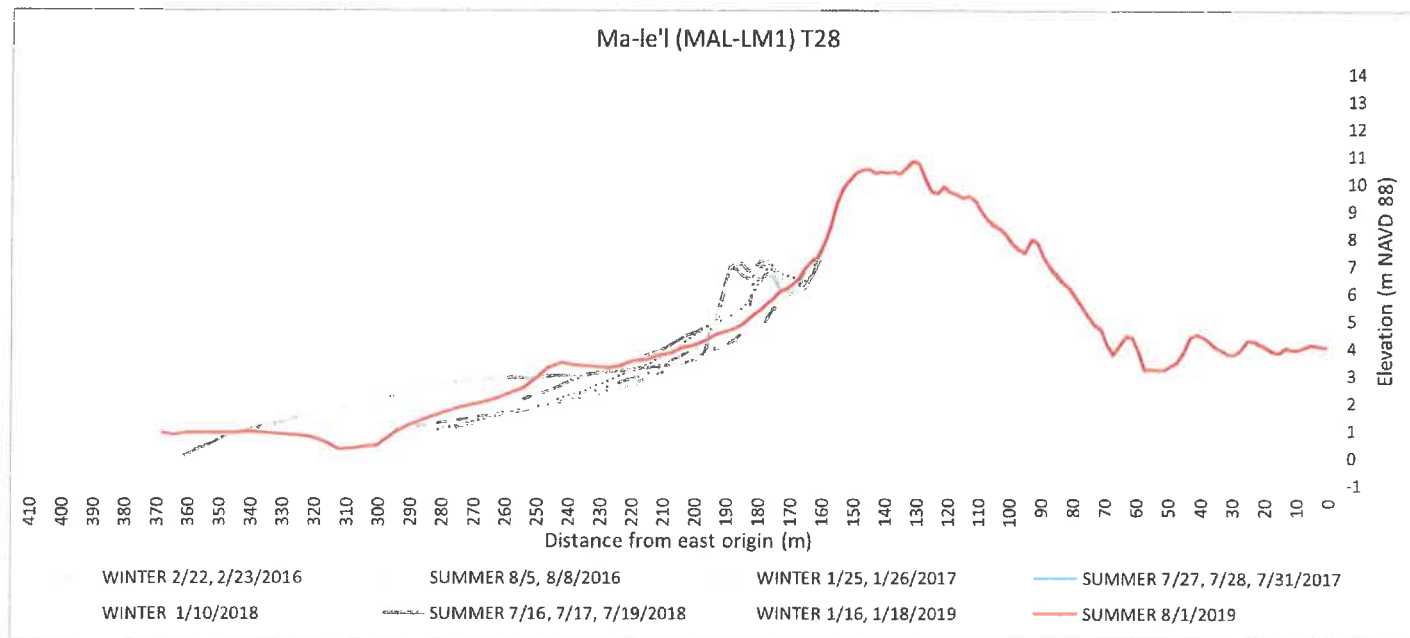
Notes: Scarping of the incipient *Elymus* foredune occurred in winter 2016, followed by scarp-fill ramping in summer 2016. The incipient foredune was then rescarped in winter 2017 during the high water event that emplaced the wood pictured in the photo above. Although little ramping occurred in summer 2017, the upper beach gained in elevation. Scarping resulted in mobilization of sand on the crest of the incipient foredune, similar to the slipfaces that can be seen to the north in the photograph. In 2019 additional scarping of the IFD occurred, leaving only a small IFD.





View north at 177 m (incipient foredune)

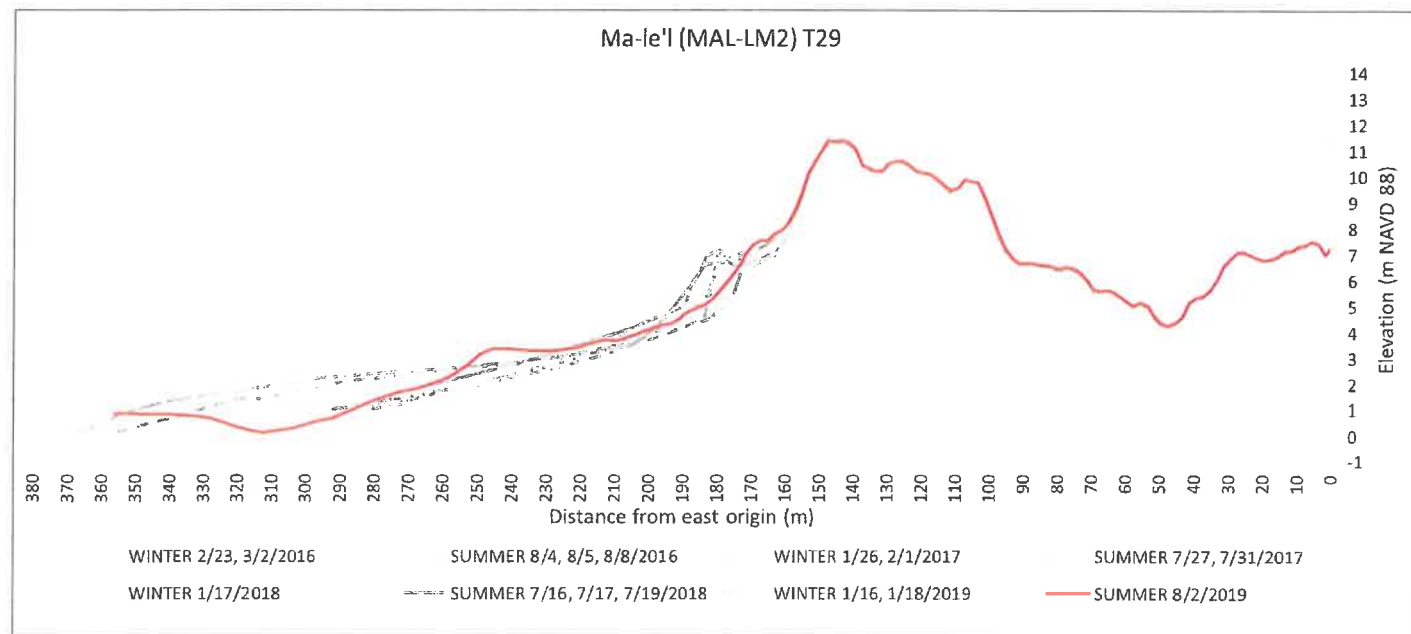
Notes: A 2.0 m vertical scarp occurred in the incipient *Elymus* foredune in winter 2016. By summer 2016 the scarp had increased in height from further erosion and sand at the top of the scarp mobilized, forming a slipface. In winter 2017 the incipient foredune re-scarped, retreating an additional 10 m, and up to 10 m of sediment eroded from the backshore. By summer 2017 the crest of the incipient foredune had migrated inland, de-emphasizing the incipient foredune swale. The beach regained elevation to near the level of summer 2016. Between summer 2017 and summer 2018 the incipient foredune remained relatively unchanged (see photos above). However, in 2019 the incipient foredune was entirely removed.





View south at 175 m (incipient foredune swale)

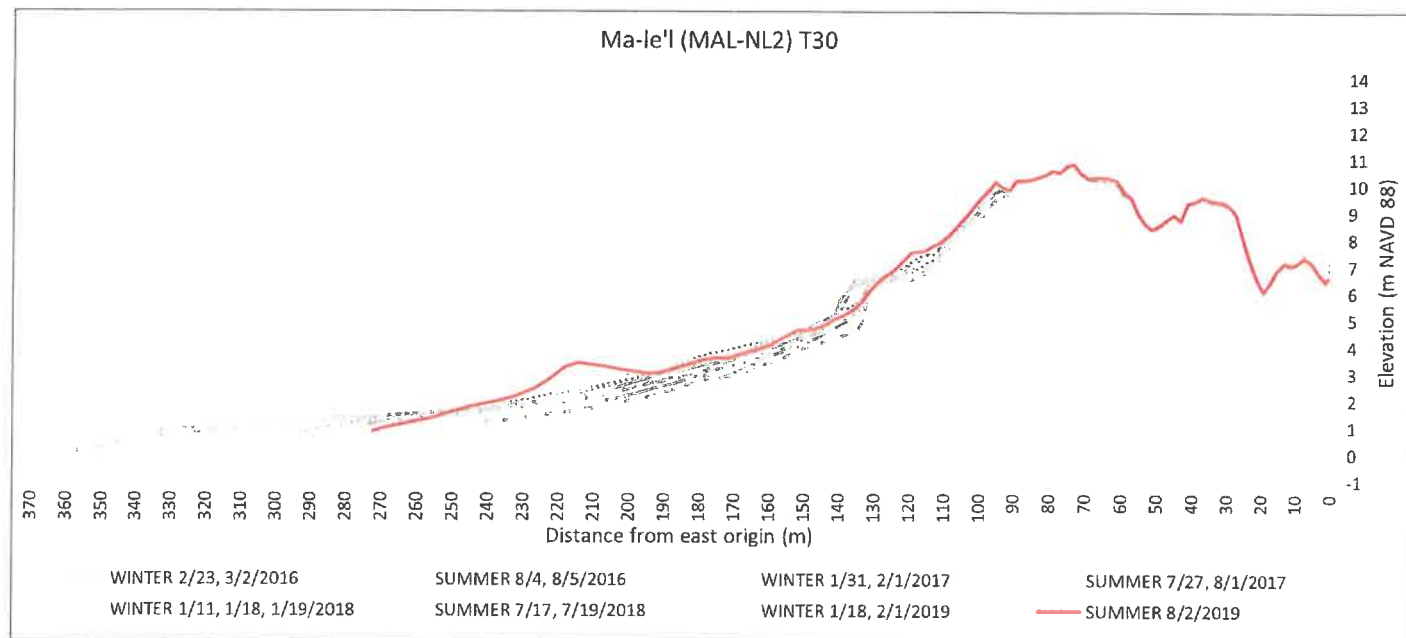
Notes: Similar to the previous transect, this profile depicts a stable, native, established foredune and a dynamic incipient foredune. Scarping of the incipient *Elymus* foredune occurred in winter 2016 with additional erosion of the upper beach occurring before the summer 2016 survey, which shows scarp-fill ramp formation. In high water events of winter 2017 the incipient foredune retreated an additional 10 m, leaving a 2.5 m scarp. In summer 2017 the mobilized sand on the incipient foredune crest formed a slipface, and by summer 2018 additional deposition had filled the swale (see photos above). In 2019 the incipient foredune had translated and become incorporated in the established foredune.





View southeast along transect at 147 m showing scarp (left) and ramped foredune (right)

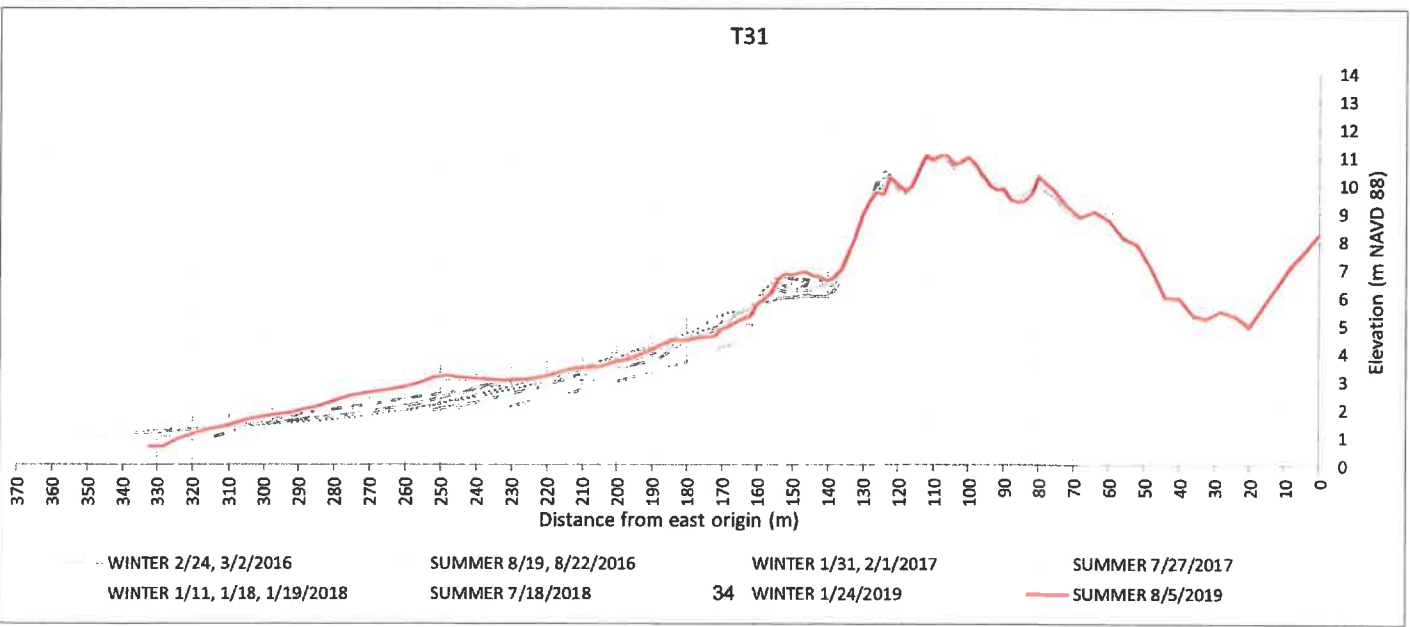
Notes: The incipient *Elymus* foredune scarped dramatically in winter 2017, losing 2.0 m vertically and lowering the fore-shore and backshore. By summer 2017 the beach had regained the lost elevation and the incipient foredune slope was smoothed by erosion and ramping. The small peak at 109 m midway up the stoss face of the established foredune in winter 2016 is the relict of a knoll that eroded during the previous 3 years. The sand from the knoll moved up the face of the established foredune. By summer 2018 the incipient foredune was no longer a distinct feature, having welded on to the stoss face of the established foredune. By 2019 this feature had migrated up the foredune.





View north at 156 m (incipient foredune)

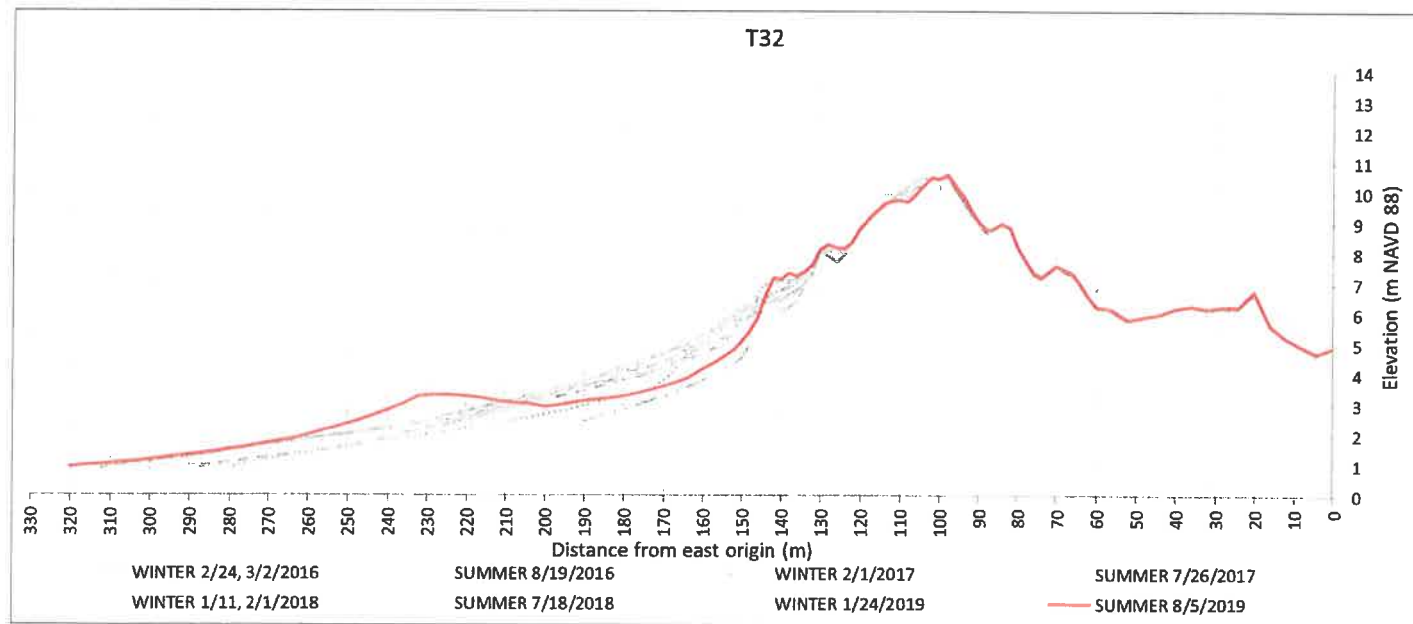
Notes: This stretch of restored shoreline at Ma-le'I South is described by a bench-like incipient *Elymus* foredune below a broad, native established foredune. Between winter 2016 and summer 2016 there was seasonal deposition on the upper beach and incipient foredune and minor erosion at the established foredune crest. In winter 2017 the incipient foredune was slightly scarped, leading to deposition and slipface formation on the crest. The profile changed little by the following summer other than 0.2 m deposition on the beach. By summer 2018 deposition had raised the incipient foredune crest, forming more of a swale between the incipient foredune and established foredune. In summer 2019 the incipient foredune continued to build. Relative to transects to the north, the beach and incipient foredune volumes have not varied widely over the three years of surveys.





View north at 144 m (incipient foredune)

Notes: The broad, bench-like incipient foredune (similar to the previous transect) was scarped in winter 2016 and a steep beach slope resulted. In summer 2016 mobilized sand at the crest of the incipient foredune migrated into the incipient foredune swale and there was 0.5 m of deposition as the result of scarp-fill ramping. In winter 2017 the upper beach scarped and eroded. By summer 2017 sand had filled the scarp and deposition occurred on the incipient foredune. Additional deposition on the incipient foredune occurred by summer 2018, although erosion occurred on the upper beach. In 2019 the incipient foredune and upper beach were substantially scarped, as is visible in the photo at right



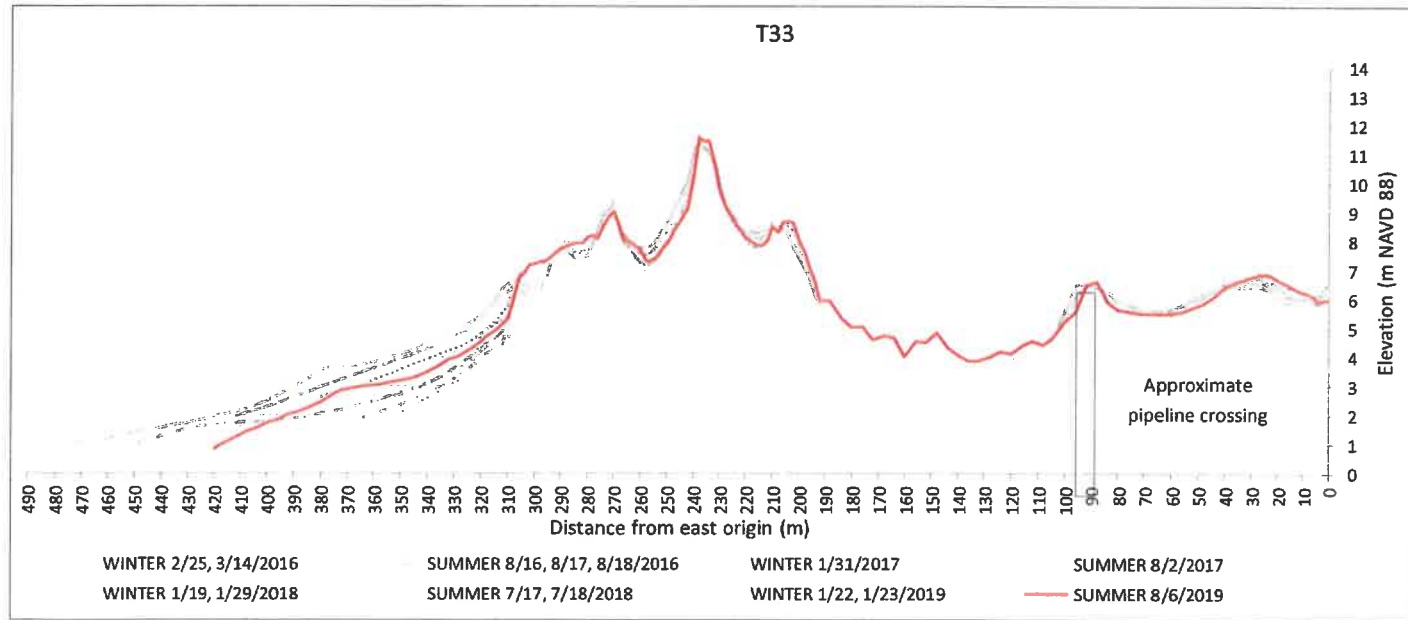


View north at 306 m (incipient foredune)

Notes: A 2.0 m vertical scarp formed in the incipient *Elymus* foredune during high water events in winter 2017. By summer 2017 0.4 m deposition occurred on the upper beach, but the vertical scarp remained, although sediment was mobilized on its crest. By summer 2018 a scarp-fill ramp had formed and sediment had translated inland and filled the incipient foredune swale (see photos above). The established native foredune is eroded into hummocks and erosion occurred in the blowout between the peaks at 230 and 270 m. In 2019 the upper beach was eroded and the troughs were filled. This profile extends further inland than most in order to capture the Humboldt Bay Municipal Water District pipelines in an area that has been vulnerable to erosion and exposure in the past. This area is actively managed, with sand deposited over an exposed portion of the pipeline in 2015. Eastward translation of the sand



placed over the pipeline suggests future vulnerability. Note that the profile to the immediate west of the pipeline is stable, and the migration of the dunes at and east of the pipeline is unconnected to processes at the beach and foredune.

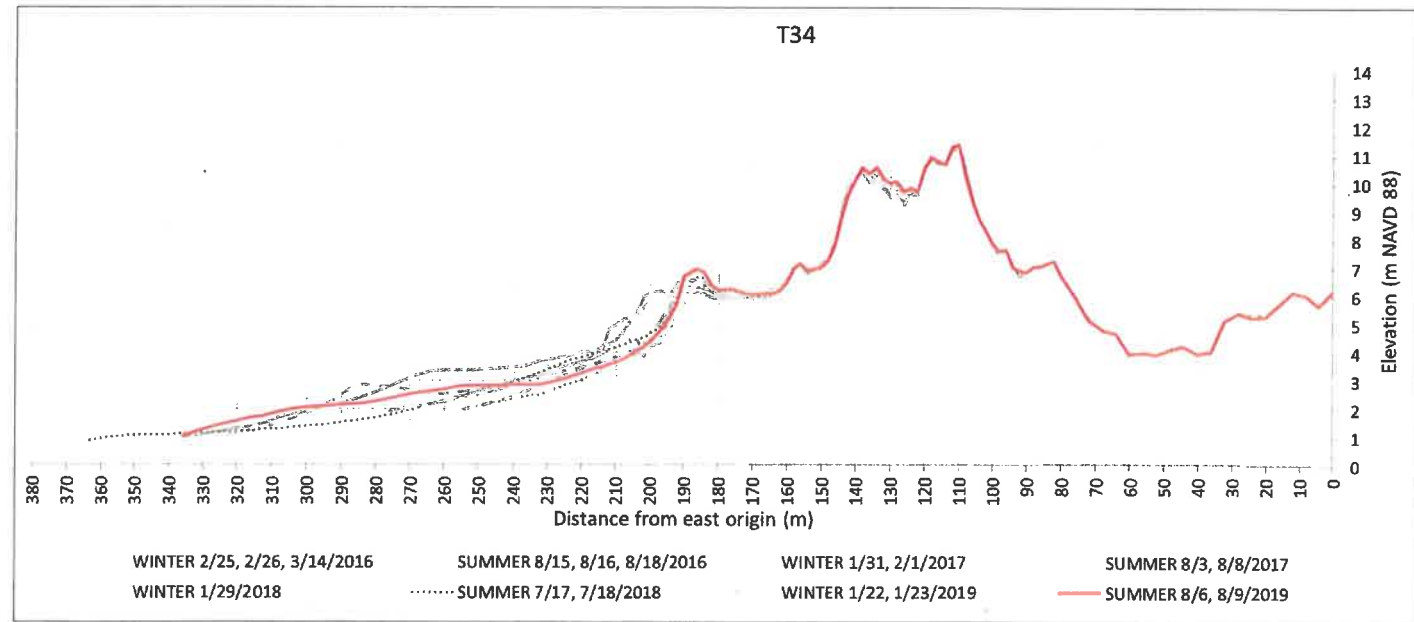




View north at 184 m (incipient foredune)



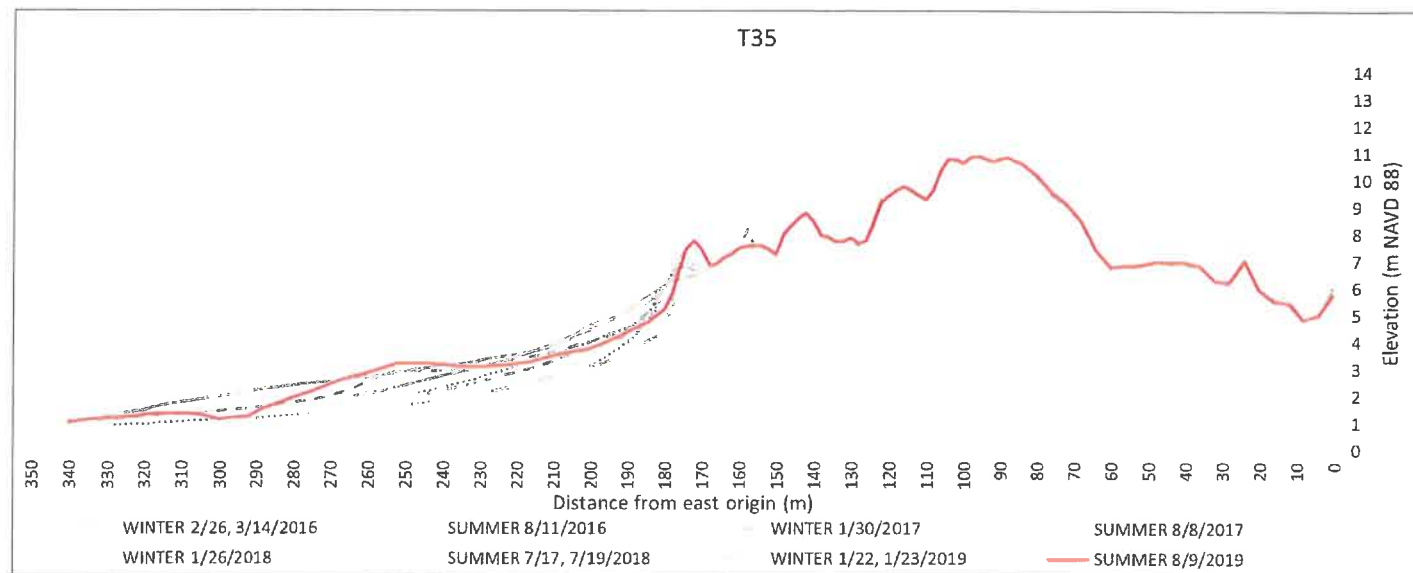
Notes: The original profile describes a broad, flat incipient foredune fronting a two-peaked established foredune. The incipient foredune was scarped prior to the winter 2017 survey and by summer deposition had occurred on the backshore, a scarp-fill ramp had formed, and the crest of the incipient foredune had eroded, creating a gradual slope from the upper beach. High water events in winter 2017 created a 1.8 m scarp in the incipient foredune, which retreated horizontally 12.0 m. The beach was lowered from 1.0-1.5 m. By summer 2018 a scarp-fill ramp had formed and the incipient foredune crest had increased in elevation. There was very little change in 2019.





View southeast along transect from upper beach at 196 m

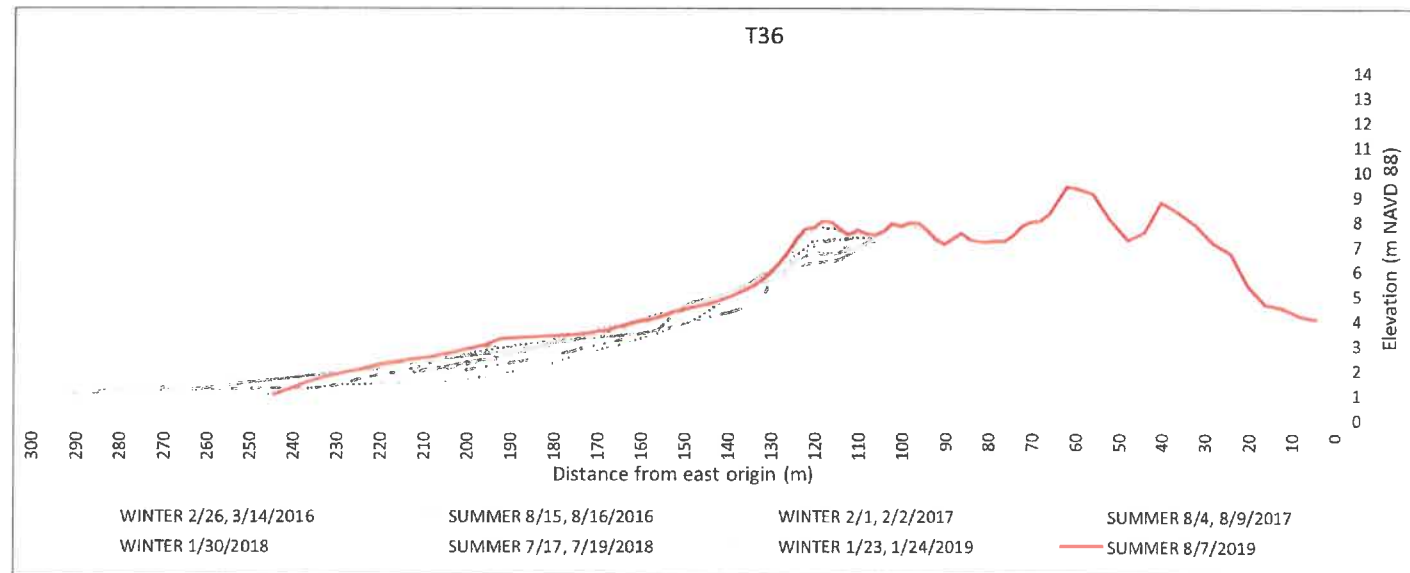
Notes: Through summer 2016 a wide, hummocky incipient foredune sloped gradually from the upper beach to the established foredune. In winter 2017 high water events carved a 1.2 m scarp, creating a more defined incipient foredune. The beach was lowered by 1.0 m and the incipient foredune retreated 15 m. Sand was mobilized on the crest of the incipient foredune, forming a slipface that partially buried *Elymus*. During winter 2018 the incipient foredune rescarped, and between the winter and summer 2018 surveys, additional beach erosion lowered the upper beach by 1.0 m, however a scarp fill ramp had formed (see photos above) and 0.5 m deposition occurred on the crest of the incipient foredune by summer 2018. By summer 2019 the incipient foredune had translated inland and increased in elevation.





View northwest at 104 m (incipient foredune)

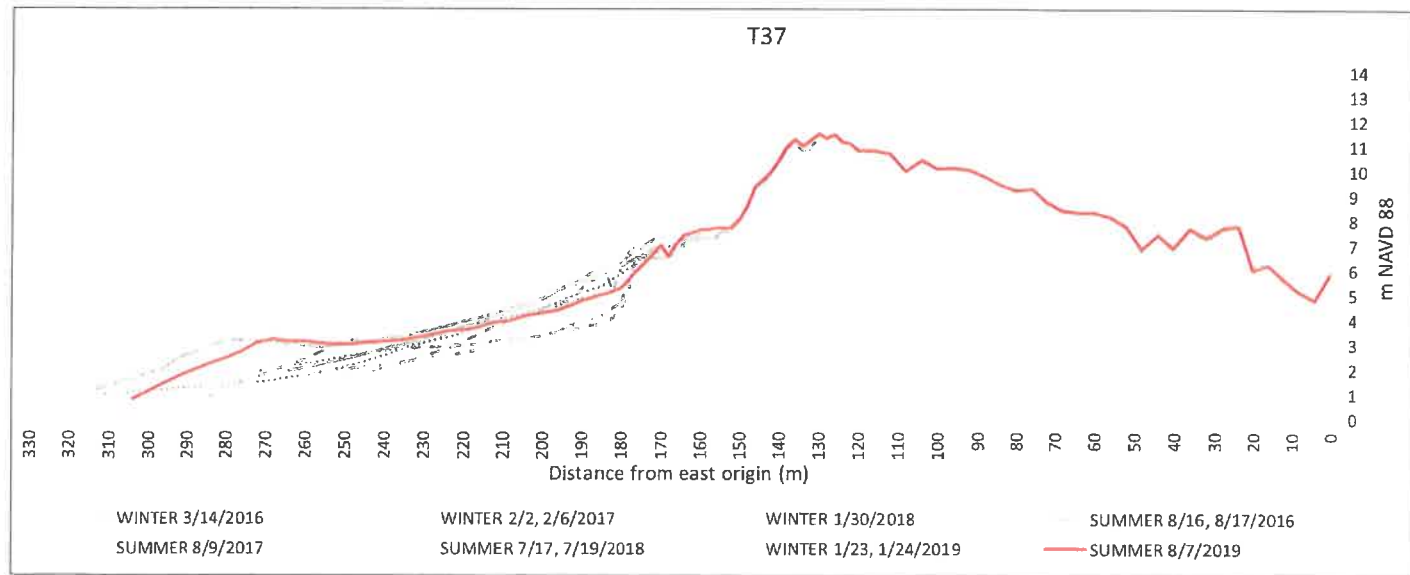
Notes: A wide, hummocky incipient foredune sloped gradually from the upper beach to the established foredune from winter 2016 through summer 2016. The beach remained relatively stable. In summer 2017 the incipient foredune built seaward, with 0.2 m of deposition at its western edge, which is visible in the rear of the left photograph taken from the crest of the incipient foredune looking northwest along the transect. There was little change during winter 2018, and in summer 2018 the incipient foredune had an additional .5 m of deposition (see photo on right), while the upper beach was eroded an equivalent amount. There was little change in 2019.





View southeast along transect from upper beach at 208 m

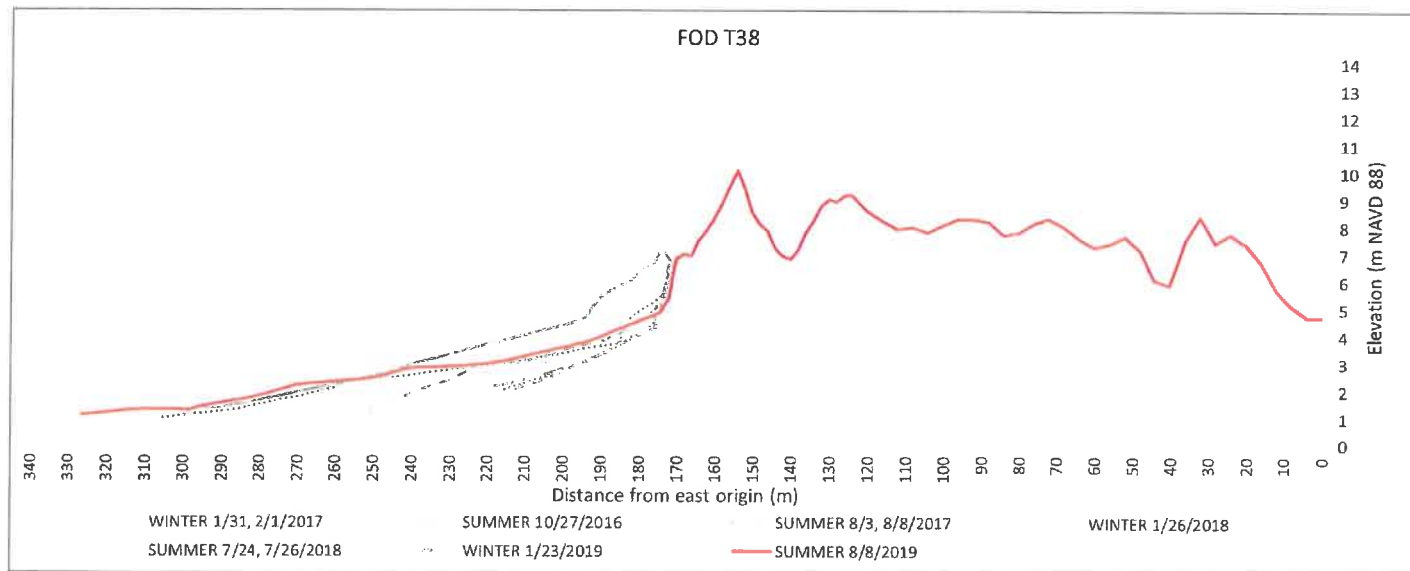
Notes: The broad, native established foredune at this site sloped gradually to the backshore in winter 2016, and in summer 2016 an incipient foredune formed with the deposition of 0.5 m on the backshore. The incipient foredune was then eroded during winter 2017 leaving a 1.0 m scarp and the loss of 0.5 m of upper beach. The deep incision in the profile is caused by the oblique transect crossing two sides of an eroded cusp in the incipient foredune. Additional scarping and beach lowering occurred after the survey during winter 2017. This shows up in the summer 2017 profile as a 3.0 m scarp and 12.0 m of horizontal retreat. The beach remained low during the summer, with high tides in August reaching the bottom of the scarp. However, by summer 2018 a scarp fill ramp had formed and over 1 m of deposition occurred on the upper beach, returning the profile to a condition similar to 2016. In 2019 the incipient foredune increased 0.3 m in elevation, translating inland.





View southeast along transect at 180 m from upper beach showing incipient foredune

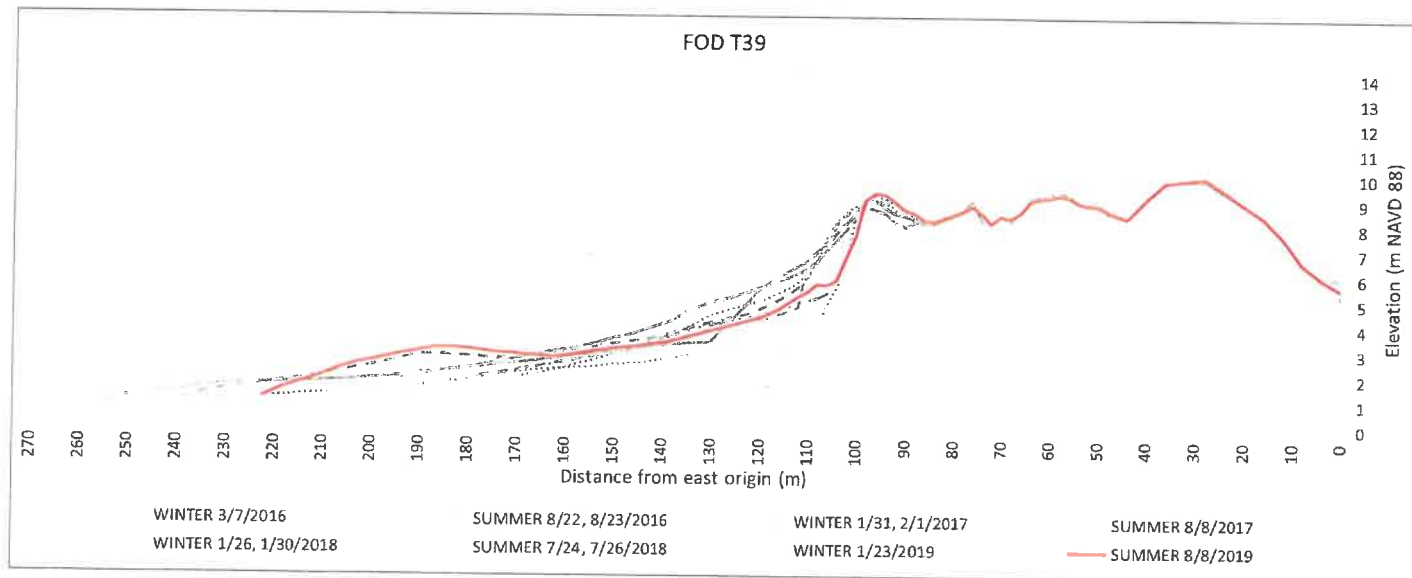
Notes: The profile describes a stable, peaked *Ammophila* foredune seaward of an older, formerly native foredune, with a dynamic incipient foredune. Data are not available for winter 2016 but summer 2016 shows a well developed incipient *Ammophila* foredune that was significantly scarped (2.0 m elevation loss and 20 m horizontal retreat) in winter 2017, effectively removing the incipient foredune. Beach deposition occurred in summer 2017 but no scarp-fill ramping occurred, just minor slumping. By summer 2018 a loss of 0.5 m vertically had occurred on the upper beach at the toe of the incipient foredune (see photos above). Additional erosion of the upper beach occurred in 2019.





View southeast along transect at 114 m (upper beach) with view of scarped established foredune

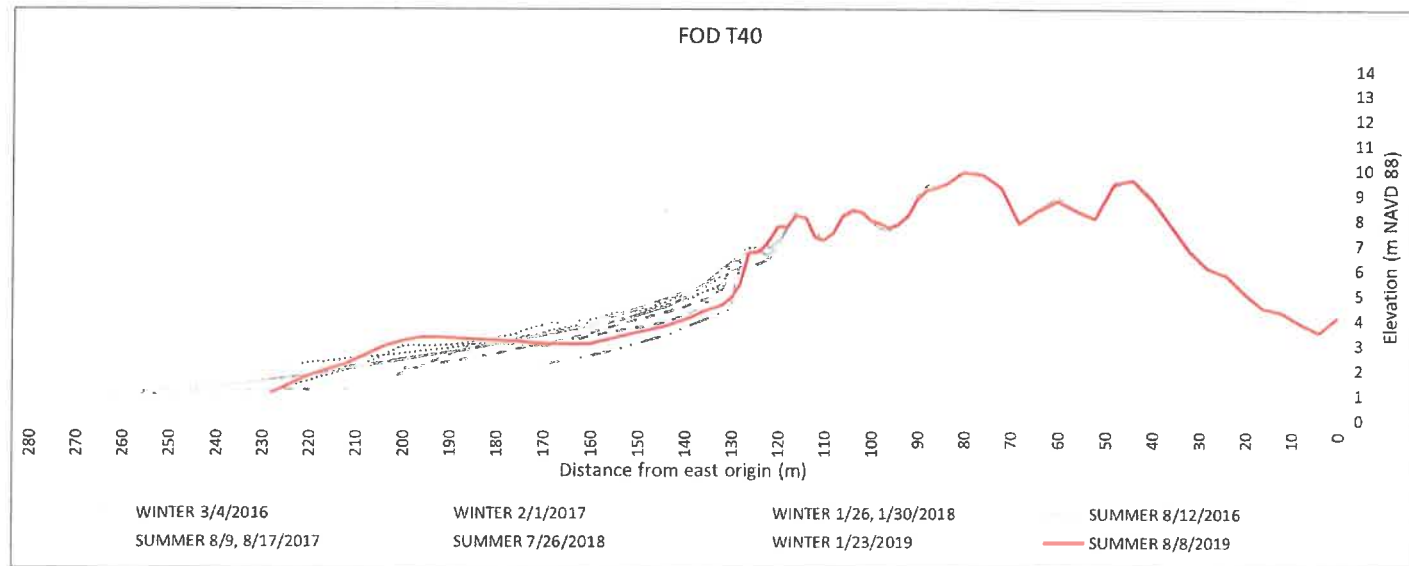
Notes: The profile extends through a manual restoration area, although *Ammophila* was not removed on the outer incipient foredune until October 2017. Scarping of the upper beach occurred at some point between the winter 2016 and summer 2016 surveys, allowing the mobilization of sand in the summer such that deposition of 0.1-0.3 m occurred on the incipient foredune stoss, crest and lee faces. In winter 2017 the upper beach again underwent significant lowering and scarping (1.6 m elevation loss, 30 m horizontal retreat along the transect). Deposition on the beach, slumping of the scarp, and scarp-fill ramping occurred in summer 2017, creating a smoothly sloping upper beach (see photograph for view looking inland along transect from upper beach). Between the winter and summer 2018 surveys, the established foredune was scarped, with the stoss face retreating up to 10 m midway up the stoss face (see photos above). A scarp fill ramp was partially built during winter and summer 2019.





View southeast at 134 m showing incipient foredune

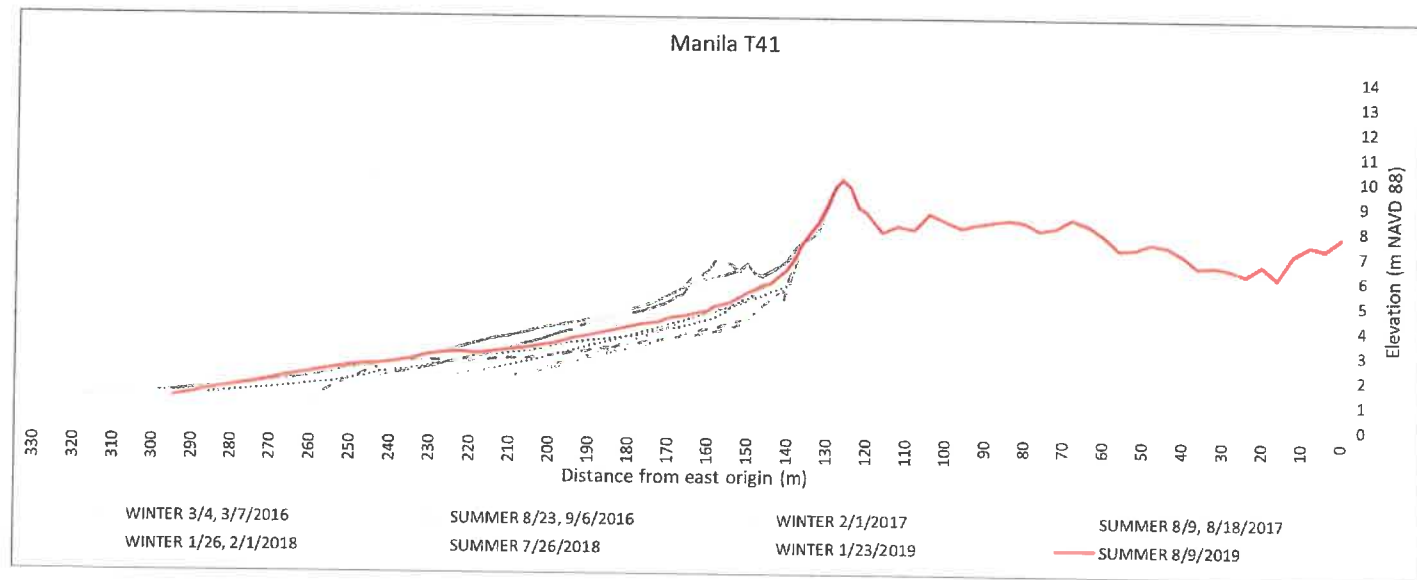
Notes: The profile depicts multiple incipient and established foredunes built by *Ammophila*, although the area behind the first persistent incipient foredune (crest at 115 m) has undergone *Ammophila* removal. Between winter 2016 and summer 2016 deposition of 0.5 m occurred on the upper beach, creating a new sparsely vegetated *Ammophila* incipient foredune (crest at 125 m). This incipient foredune was then scarp-ed in winter 2017 and the beach eroded, emphasizing the incipient foredune topography although its crest elevation was unchanged. Some slumping had occurred by summer 2017 (see left photograph above looking inland along transect from base of scarp) but the incipient foredune profile did not change. By summer 2018 a scarp-fill ramp had formed (right photo above). The feature was again scarp-ed in winter 2019, with some recovery in summer 2019.





View southeast along transect at 152 m, showing incipient foredune from upper beach.

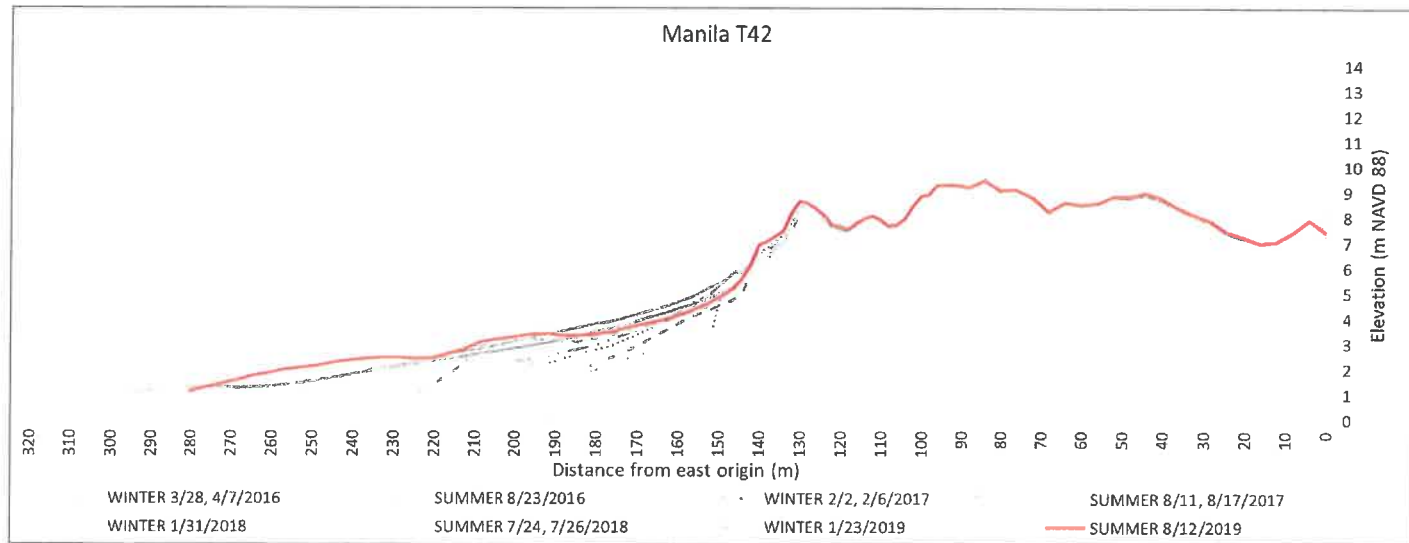
Notes: The transect is located in an unrestored portion of property owned by the Manila Community Services District. The profile depicts a dynamic incipient foredune and a stable peaked *Ammophila* foredune fronting a backdune area stabilized by *Ammophila* and *Carpobrotus*. The incipient *Ammophila* foredune saw deposition of up to 0.6 m between winter and summer 2016. It was then almost entirely scarped in winter 2017 (loss of 2.4 m vertically and 24 m horizontally). By summer 2017 there was minimal recovery, although some upper beach deposition occurred, as can be seen in the photograph at left above, taken at the upper beach looking southeast. Between winter 2018 and summer 2018 a scarp fill ramp formed, with deposition of up to 0.7 m on the upper beach. By summer 2019 vegetation was colonizing the upper beach (photo right).





View southeast along transect at 156 m (upper beach) showing beach

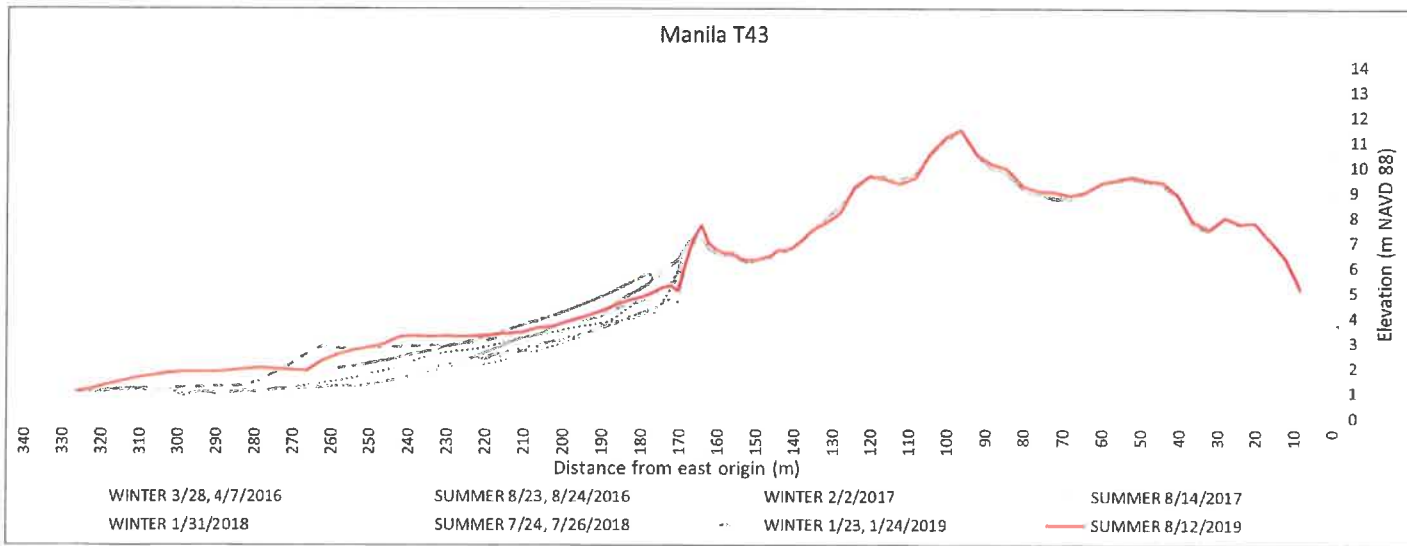
Notes: The transect is located in the Manila Dunes Recreation Area. The area was restored in the 1990s-2000s, but was not maintained, and *Ammophila* has reinvaded the foredune zone. An incipient foredune was forming in summer 2016, but was scarped in the high water events of winter 2017, losing 1 m vertically and retreating 10 m horizontally along the oblique transect. While scarp-fill ramping smoothed the upper beach profile by summer 2017, elevation of the upper beach was still 0.8 m below the previous year's elevation and the incipient foredune had not rebuilt. Between winter and summer 2018 surveys the lower beach scarped dramatically, resulting in the loss of up to 1.0 m elevation (see photos above). By summer 2019 a new scarp fill ramp had established (see photo at right).





View north at 172m of foredune base

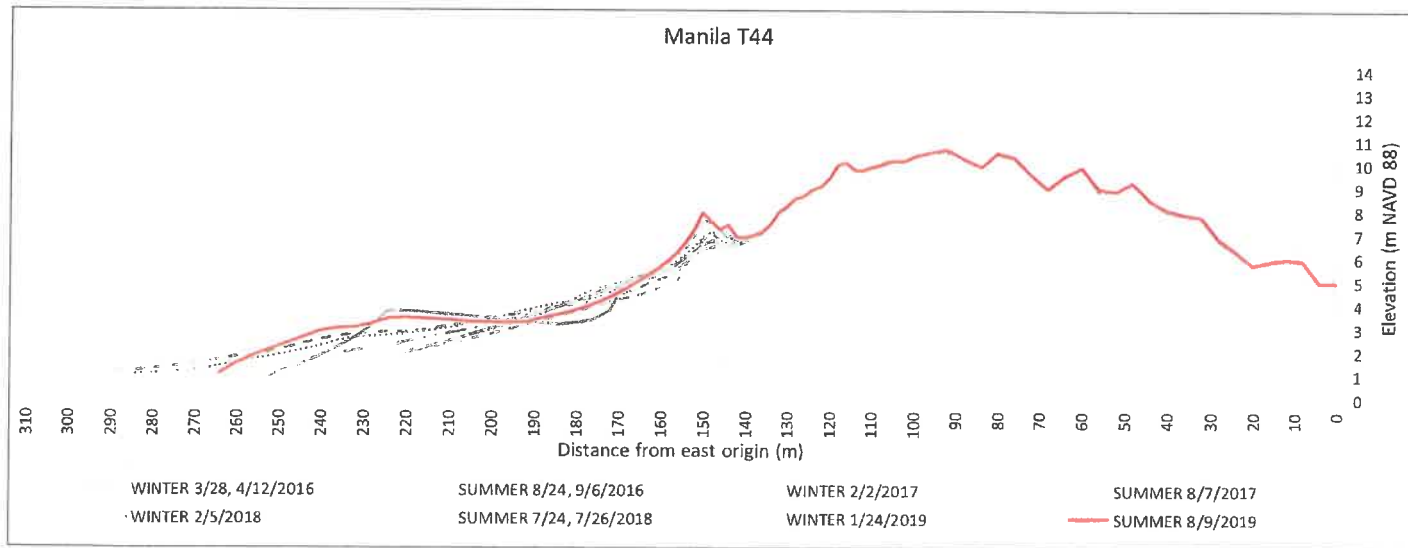
Notes: The transect is located in the Manila Dunes Recreation Area. The area was restored in the 1990s-2000s, but was not maintained, and *Ammophila* has reinvaded the foredune zone. The profile describes a dynamic incipient *Ammophila* foredune, behind which a formerly erosional area slopes up to a now stable (per the three year monitoring period), native, established foredune. The incipient *Ammophila* foredune was scarped 1.4 m vertically in winter 2017, retreating 16 m along the transect. By the summer 2017 survey, a scarp-fill ramp had formed and partially filled the scarp (photo upper left). Between the winter 2018 and summer 2018 surveys the ramp was eroded and the beach lowered. By summer 2019 a scarp fill ramp had reformed (photo right).





View northwest along transect taken at foredune base (140 m) showing incipient foredune

Notes: The transect is located in the Manila Dunes Recreation Area. The area was restored in the 1990s-2000s, but was not maintained, and *Ammophila* has reinvaded the foredune zone. The profile describes a dynamic incipient *Ammophila* foredune in front of a broad, restored (but reinvading) stable, established foredune that slopes down to the deflation plain. The back-shore and incipient *Ammophila* foredune was scarped (approximately 0.8 m vertical loss and 15 m horizontal loss along the transect) during high water events in winter 2017. By the summer 2017 survey, a scarp-fill ramp had formed, raising the backshore elevation and partially filling the scarp. In addition, new deposition (0.5 m) occurred at the crest of the incipient foredune following scarping. Between summer 2017 and summer 2018 the incipient foredune grew in elevation by an additional 0.5 m (see photos above, note burial of wood by sand deposition on left photo). In summer 2019 the incipient foredune increased in height by 0.5 m.

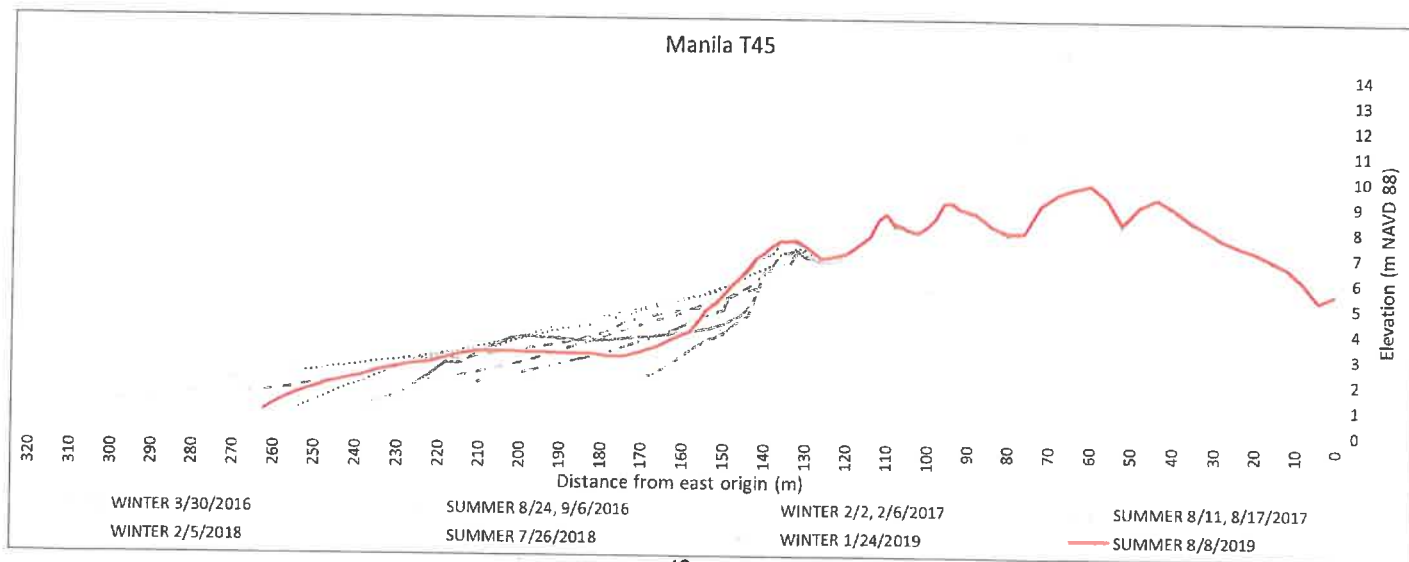




View north west at 144 m (incipient foredune)



Notes: The transect is located in the Manila Dunes Recreation Area. The area was restored in the 1990s-2000s, but was not maintained, and *Ammophila* has reinvaded the foredune zone. The profile describes a dynamic incipient *Ammophila* foredune (crest 130 m) in front of an older, now established *Ammophila* foredune (crest 110m). Behind that are relict native foredune peaks at 94 and 60 m. The incipient foredune scarped in winter 2016 prior to the survey, creating a more defined incipient foredune topography in summer 2016. By the following winter a scarp-fill ramp had filled the scarp, creating a gently sloping backshore. From winter 2017 to summer 2017, sand mobilized by the scarp deposited 0.5 m on the incipient foredune crest. Between summer 2017 and summer 2018 the incipient foredune increased in elevation by an additional 0.5 m. Deposition occurred on the upper beach in winter 2019, This profile began with scarping followed by steadily increasing volumes in the backshore and incipient foredune over the three year monitoring period.



ACWA

9:00 AM-5:00 PM Harbor Ballroom G/2nd Level/Harbor Tower
ACWA Legal Briefing & CLE Workshop

Separate registration required for this workshop. MCLE credits available. See the ACWA Onsite Registration Desk for information.

8:00 AM-6:00 PM Grand Hall Foyer/Lobby Level
Exhibitor Registration

8:00 AM-6:00 PM Grand Hall Foyer/Lobby Level
ACWA Registration

8:00 AM-9:45 AM Harbor Ballroom AB/2nd Level/Harbor Tower
ACWA JPIA Seminar: Steady As She Goes for Stable Board Meetings

When board members share a common commitment to democratic meetings, their meetings are effective. This interactive and entertaining presentation demonstrates how to establish a steady and stable meeting process. Learn how to disagree productively, whether you like each other or not. Surprising principles and guidelines from Robert's Rules of Order will get everyone on board so your organization can thrive.

Speaker:
Ann Macfarlane, Jurassic Parliament

10:00 AM-11:30 AM Harbor Ballroom AB/2nd Level/Harbor Tower
ACWA JPIA Seminar: Building Tomorrow's Water District: Customer Engagement & Life Cycle Replacement

Is your agency challenged with aging infrastructure and assets? In this session, Citrus Heights Water District will share how they approached wide-sweeping and high-cost life cycle replacements with advanced planning, customer engagement and community leadership development.

Speakers:
Citrus Heights WD Representatives

8:00 AM-9:45 AM Harbor Ballroom DE/2nd Level/Harbor Tower
Agriculture Committee Business Meeting - Bill Diedrich, Chair

SECTION 62 PAGE NO. 1

OUTREACH
 HANDBOOK

SUMMARY OF
 LEGISLATION
 2019

SUMMARY OF
 APPELLATE CASES
 2019

NEW RESOURCES FOR ACWA MEMBERS

Summary of Appellate Cases 2019

Summary of Legislation 2019

Outreach Handbook



Access at www.acwa.com

Member login required

- 10:00 AM-11:45 AM Harbor Ballroom DE/2nd Level/Harbor Tower
Groundwater Committee
 Business Meeting - John Woodling, Chair
- 10:00 AM-11:45 AM Harbor Ballroom F/2nd Level/ Harbor Tower
Local Government Committee
 Business Meeting - Terri Daly, Chair
- 11:00 AM-12:00 PM Bankers Hill/3rd Level/Seaport Tower
Outreach Task Force
- 12:00 PM-2:00 PM Grand Hall D/Lobby Level
Committee Lunch Break

Lunch co-sponsored by:
INTERA Incorporated
Todd Groundwater



- 12:00 PM-2:00 PM Ocean Beach/3rd Level/Seaport Tower
Luncheon: ACWA 101
 Learn how to maximize your membership at the ACWA 101 Luncheon. ACWA works diligently with our members to drive advocacy efforts, develop member toolkits, provide networking opportunities and create educational content at ACWA conferences. ACWA JPIA will also be on hand to highlight its services to ACWA members. Whether you're new to ACWA, or you would like to get more involved, you're sure to discover something new.

- 1:00 PM-2:45 PM Harbor Ballroom HI/2nd Level/Harbor Tower
Energy Committee
 Business Meeting - Charley Wilson, Chair

- 1:00 PM-2:45 PM Bankers Hill/3rd Level/Seaport Tower
Scholarship & Awards Subcommittee

- 1:00 PM-2:45 PM Harbor Ballroom DE/2nd Level/Harbor Tower
Water Management Committee
 Business Meeting - Paul Shoenberger, Chair

- 1:00 PM-3:00 PM Mission Beach ABC/3rd Level/Seaport Tower
ACWA JPIA Sexual Harassment Prevention for Board Members & Managers (AB 1825)

The world is constantly changing and the impact of these changes filters into workplaces on a daily basis. This course will take a new look at the issue of sexual harassment, particularly in light of new protected classes, technological advances, acceptable workplace behavior, and the age-old issue of respect for anyone associated with a district's business.

Other points covered by this course are understanding the California and federal sexual harassment laws, recognizing early signs of sexual harassment, and dealing with incidents of harassment.

Speaker:

Robert Greenfield, JPIA General Counsel



To receive credit for this class, attendees must arrive on time and attend the entire two-hour session. HR professionals may count these session hours as electives towards JPIA's HR Certification Program. This course complies with AB1825 sexual harassment training for "managers."

SECTION L2 PAGE NO. 2

3:00 PM-4:45 PM Harbor Ballroom F/2nd Level/Harbor Tower
Communications Committee
 Business Meeting - Sue Stephenson, Chair

3:00 PM-4:45 PM Harbor Ballroom H/2nd Level/Harbor Tower
Federal Affairs Committee
 Business Meeting - Patrick O'Dowd, Chair

3:00 PM-4:45 PM Bankers Hill/3rd Level/Seaport Tower
Membership Committee
 Business Meeting - Joone Lopez, Chair

3:00 PM-4:45 PM Harbor Ballroom DE/2nd Level/Harbor Tower
Water Quality Committee
 Business Meeting - Edgar Dymally, Chair

5:00 PM-6:30 PM Grand Hall ABC/Lobby Level
Welcome Reception in the Exhibit Hall
 Enjoy an evening with vendors from across the United States as they welcome ACWA conference attendees.

NEW THIS YEAR!! Visit with exhibitors to receive ACWA Scratchers to win cash and fun prizes. Any non-winning ACWA Scratcher is your chance to be included in ACWA raffles and the Grand Prize drawing! Make sure you fill out the back of your non-winning ACWA Scratcher and turn it into the raffle drum located at The ACWA Lounge before the prize drawing times on Wednesday and Thursday.
YOU MUST BE PRESENT TO WIN! Spouses/guests are not permitted to participate and will be disqualified.

Welcome Reception Exclusive Bar Sponsor:
San Diego County Water Authority
 Welcome Reception Appetizers sponsored by:
Western Municipal Water District

5:00 PM-6:30 PM Grand Hall ABC/Lobby Level
ACWA's Membership Committee Meet & Greet
 Please join the Membership Committee for a meet & greet at the ACWA Lounge in the Exhibit Hall during the Welcome Reception. If you're new to ACWA, or just want to learn more about ACWA, this is a great opportunity to interact with other members in an engaging activity.

Meet & Greet sponsored by:
Faibel Public Affairs
AlvaradoSmith
Atkinson, Andelson, Loya, Ruud & Romo
Best, Best & Krieger
Rachio



2019 FINALISTS

Citrus Heights Water District
 Project 2030 Water Main Replacement Study

City of Redding
 Water Utility Public Education and Outreach Program

Irvine Ranch Water District
 Tap Water 101 Campaign

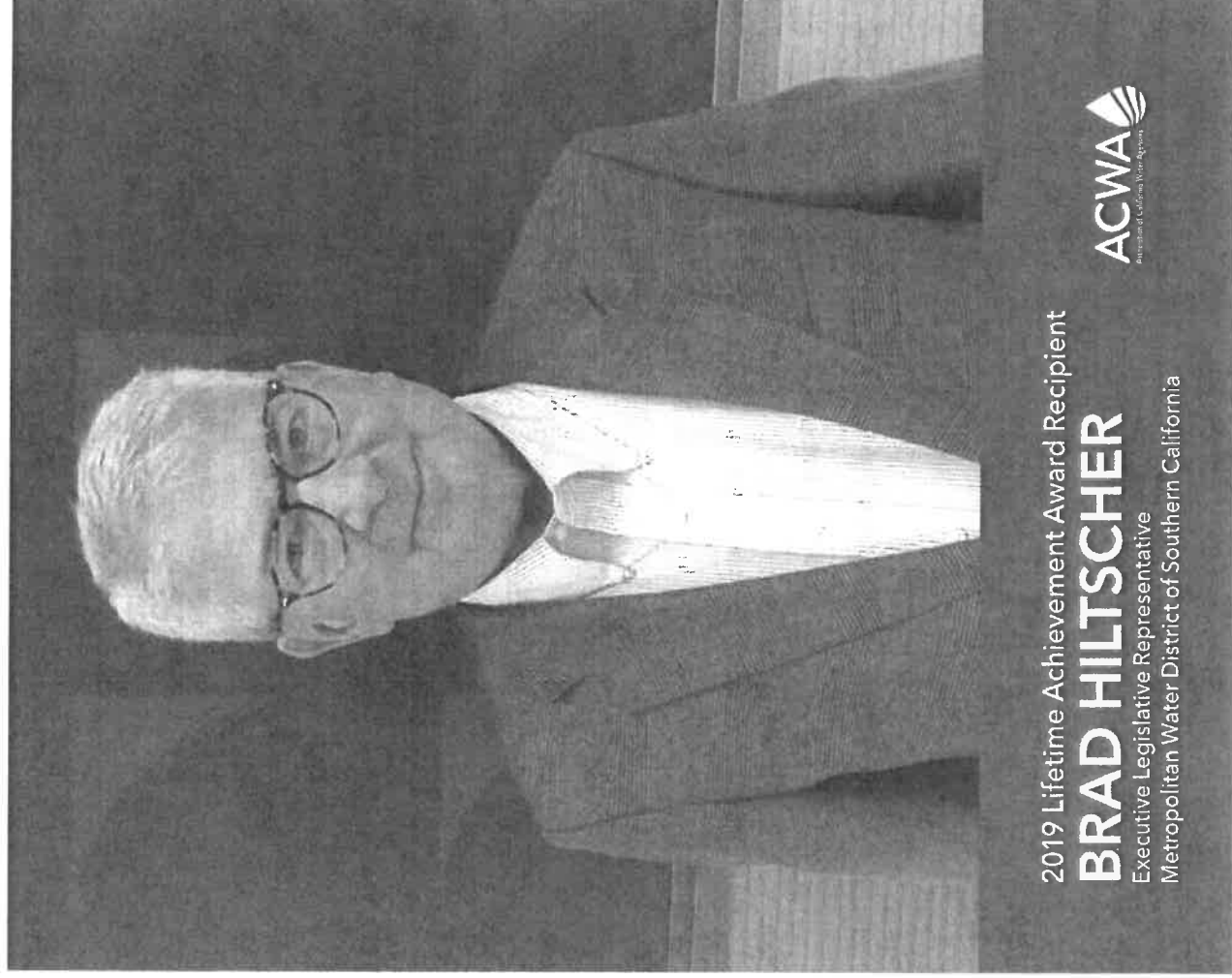
Kings River Conservation District
 GSA 218 Election Campaign

San Diego County Water Authority
 Brought to You by Water Outreach and Education Program

The 2019 ACWA Huell Howser
 Best in Blue Award recipient
 will be announced at the
 Wednesday breakfast.

Lifetime Achievement

The award will be presented during the breakfast program on Wednesday.



7:30 AM-5:00 PM
ACWA Registration

Grand Hall Foyer/Lobby Level

7:30 AM-5:00 PM
Exhibitor Registration

Grand Hall Foyer/Lobby Level

8:00 AM-9:45 AM
Opening Breakfast

Harbor Ballroom A-F/2nd Level/Harbor Tower

Presentation of 2019 Steve Hall Scholarship Award

Presentation of 2019 Lifetime Achievement Award

Presentation of 2019 Huell Howser Best in Blue Award

Keynote Presentation

An Israeli-American water industry leader, Sivan Cohen is CEO of Noria Water Technologies and will provide an international perspective on water resiliency. She will share the story of Israel's inspiring success, along with lessons learned, in her country's management of water and how that might translate to our pursuit of greater water resiliency here in California.

Keynote Speaker:

Sivan Cohen, CEO, Noria Water Technologies

Breakfast co-sponsored by:

Black & Veatch Corporation

Eastern Municipal Water District

Irvine Ranch Water District

SCV Water Agency (Santa Clarita Valley)

Water Replenishment District of Southern California

Yuba Water Agency

Ticket required for breakfast. No breakfast service after 8:30 AM.

8:30 AM-6:00 PM

Grand Hall ABC/Lobby Level

Exhibit Hall (Closed for lunch NOON-1:30 PM)

Visit with vendors from around the United States whose products and services may offer you just the right solutions.

Be sure to join us in the evening for the Fiesta Prize Drawing Reception in the Exhibit Hall from 5:00 to 6:00 PM. All raffle prizes will be drawn except for the Grand Prize.

10:00 AM-11:30 AM Harbor Ballroom G/2nd Level/Harbor Tower
Attorneys Program – After the Fire: Navigating Post-Wildfire Water Contamination Challenges

Following recent catastrophic wildfires in California, public water systems that survived those disasters are now facing a new challenge in the form of water supply contamination and discharge water quality issues resulting from those deadly fires. In Paradise, CA, where the historic Camp Fire claimed many lives and caused unprecedented property damage in November 2018, there have been reports of cancer-causing benzene, arsenic, and other volatile organic compounds found in the town's water distribution system. In Santa Rosa, CA, where the massive Tubbs Fire caused major death and destruction in October 2017, the city faced similar issues and had to spend \$8 million replacing hydrants, valves, and other water system components. This panel discussion will examine the experiences of those and other water agencies facing post-wildfire water contamination issues and discuss public health risks, strategies for remediation, and important regulatory considerations for re-establishing safe drinking water service, including compliance with CEQA and other relevant environmental review laws and safe drinking water standards.

Moderator:

Willis Hon, Associate, Nossaman LLP

Panelists:

Jennifer Burke, Director of Santa Rosa Water, City of Santa Rosa
Kevin Phillips, District Manager, Paradise Irrigation District
Chris Stransky, Toxicology & Aquatic Sciences Group Manager, Wood Environment and Infrastructure Solutions Inc.



This program has been approved by the California State Bar for attorneys to receive 1.5 hours of general MCLE credits. To receive this credit you must sign in at this program on the ACWA sign-in sheet.

This program qualifies for 1.5 hours of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

10:00 AM-11:30 AM Harbor Ballroom I/2nd Level/Harbor Tower
Energy Committee Program – How to Keep the Water Flowing When the Lights Go Out

Increasing frequency and intensity of wildfires have brought a new stark reality to water agencies and managers... "I may have to run my system without grid power." In the aftermath of 2018 and the horrifically devastating wildfires (Paradise, Camp, Woolsey, Mendocino Complex) the prospect of Pre-emptive Safety Power Shutoff is real, especially with recently adopted CPUC rules and guidelines to be implemented by the state's Major IOUs.

Today's panel will cover the new CPUC Rules and Guidelines, what ACWA member retail agencies have done, along with what financial resources might

be available to help water and wastewater agencies prepare, and what are water agencies' exposure under current inverse condemnation laws.

Moderator:

Charley Wilson, Chair, ACWA Energy Committee

Panelists:

Gary Arant, General Manager, Valley Center Municipal Water District
Ryan Baron, Counsel, Best, Best & Krieger
Chelsea Haines, Senior Regulatory Advocate, Association of California Water Agencies



This program may count as 1.5 hours towards the Certified Energy Manager (CEM) continuing education credit. To receive this credit you must sign in at this program on the ACWA sign-in sheet.

10:00 AM-10:40 AM Torrey Hills AB/3rd Level/Seaport Tower
Exhibitor Demo by Lincoln Financial - Be Prepared: Fiduciary Considerations for Government Plans

Defined contribution plans are becoming increasingly important for millions of public workers, and the responsibilities of being a plan sponsor are considerable. But none may be quite as important as the responsibilities that come with being a fiduciary. This presentation provides insight into fiduciary considerations for your 457(b) plan, shares best practices and helps answer questions like: Am I a plan fiduciary? What does a plan fiduciary need to do? And how do I manage my fiduciary liability.

Presenters:

Dennis Williams, MSBA, CFP®

Maureen Peer, MBA, CFP®, AIF, CRPS of Lincoln Financial Advisors

Securities and investment advisory services offered through Lincoln Financial Advisors, a broker-dealer (member SIPC) and registered investment advisor. CRN2792035-102419

10:50 AM-11:30 AM Torrey Hills AB/3rd Level/Seaport Tower
Exhibitor Demo by Sensus, A Xylem Brand: Creating Data Driven Maintenance Practices with Pressure Monitoring

As technologies become more economical a utility is able to extend its distribution system visibility further. Pressure and Water Quality monitoring stations at price points below \$1000 are able to send data to collectors over the air via RF telemetry in remote locations where historically power and Ethernet backhauled were cost prohibitive. This demo will show how a few water utilities have deployed these technologies and added the monitoring of system pressure to their daily tasks. These utilities audit the existing pressure profile for an asset prior to and after a maintenance task. This has allowed the water distribution system team to ensure the work orders were executed correctly as well as the change in settings is having the desired effect. Issues such as failing PRVs, Boundary Valves left Open, and erratic tank fill operations have been identified and the root cause corrected.

10:00 AM-11:30 AM

Finance Program: Lessons Learned, How to Hold a Successful 218 Hearing

The environment surrounding Proposition 218 Hearings has increasingly become more confrontational and challenging. Increasing water rates is not a pleasant topic. Unfortunately, as agencies struggle with declining water demand and increasing regulatory and repair and replacement needs, a further increase in water rates will be required. In addition to this, agencies have an intensifying lack of trust with governing bodies which has fueled litigation on water rates. Given future water rates will be required to rise, the question is how can we alleviate conflict, or even make the Public Hearing a positive experience for the agency? This panel will discuss the simple steps that can reduce the tension in a Public Hearing and assist your utility in making an unpleasant discussion tolerable, and potentially even constructive for your community.

Moderator:

Sanjay Gaur, Vice President, Rafelis Financial Consultants

Panelists:

Jack Bebee, General Manager, Fallbrook PUD

Ron Duncan, General Manager, Soquel Creek WD

Robert Shaver, General Manager, Alameda County WD

 **CPAs may receive continuing education credit by attending this program. To receive this credit you must sign in at this program on the ACWA sign-in sheet.**

10:00 AM-11:30 AM

Mission Beach ABC/3rd Level/Seaport Tower Region (4) Issue Forum - Habitat Restoration: Overcoming Challenges and Creating a New Partnership Approach

ACWA Region 4 invites you to a program highlighting the challenges of delta habitat restoration and a new partnership approach balancing the needs of both agriculture and environmental stewardship. These partnerships are utilized to best manage the development and implementation of multi-benefit water management programs in the Yolo Bypass and Cache Slough Region. This program will also feature an overview of the current research and habitat restoration projects in the Cache Slough Complex.

Moderator:

Rob Roscoe P.E., Managing Director, Water Planning and Policy Interwest Consulting Group

Panelists:

Jon Burau, Hydrodynamics Project Chief, US Geological Survey

Mike Hardesty, General Manager, Emeritus, Reclamation District #2068

Tim Washburn, Director of Planning (Retired), Sacramento Area Flood Control Agency

 **This program qualifies for 1.5 hours of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.**

10:00 AM-11:30 AM

**Grand Hall D/Lobby Level
Statewide Issue Forum - Achieving Groundwater Sustainability: A Toolbox Approach**

Five years has rapidly flown by since the passage of the Sustainable Groundwater Management Act (SGMA) in 2014. Groundwater Sustainability Agencies (GSAs) in critically overdrafted basins are close to the deadline for developing their Groundwater Sustainability Plans (GSPs). The focus is now shifting to the implementation of projects and management actions contained in the GSPs to achieve groundwater sustainability.

With diverse regional challenges needing to be met in SGMA's 20-year planning horizon, a toolbox approach is necessary for successful implementation. The state is providing tools such as streamlined water rights permits for groundwater replenishment and strategies such as a flood managed aquifer recharge (Flood-MAR). How are these tools being incorporated into GSPs and implemented at a local level? What other tools are needed to increase groundwater replenishment and achieve groundwater sustainability? The panelists will cast a vision for managing the near-term challenges and meeting the long-term goal of SGMA.

Moderator:

John Woodling, Vice President, Principal Geologist, GEI Consultants

Panelists:

Eric Averett, General Manager, Rosedale-Rio Bravo Water Storage District

Erik Ekdahl, Deputy Director, Division of Water Rights, State Water Resources Control Board

Taryn Ravazzini, Deputy Director of Statewide Groundwater Management, California Department of Water Resources

 **This program qualifies for 1.5 hours of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.**

10:00 AM-11:30 AM

Hillcrest ABCD/3rd Level/Seaport Tower
NEW! Technology Program: The Cybersecurity Threat – Risks and Responsibility

In today's digital world, California's public water agencies are vulnerable to various cybersecurity threats. Understanding the very basics associated with exposure and the risk factors is critical to protecting an agency's control systems, data and reputation. In this session, attendees will hear from experts about the importance of understanding cybersecurity and how it relates to water, what is being done by other water agencies, and how they can start with some basics to be more resilient and mitigate risks of cyber attacks.


Moderator:

Jacob Margolis, Chief Information Security Officer, Metropolitan Water District of Southern California

Panelists:

Mario Garcia, Commander of the Cal-CSIC, California Office of Emergency Services, Cybersecurity Task Force
 James Parsons, Lieutenant Colonel, California National Guard Computer Network Defense Team

VOTE FOR SARAH PALMER




ACWA VICE PRESIDENT

- Experienced
- Dedicated
- Knowledgeable
- Science strong
- People oriented

I am a community leader, a teacher, a researcher, a negotiator, a listener.

I serve as a Director of Zone 7 Water Agency, Vice President of Region 5, on four ACWA Committees, and am Chair of the Delta Stakeholder Engagement Advisory Committee for the Delta Conveyance.

I look forward to working for you and with you as an energetic part of the ACWA leadership team.



Vote for the ACWA slate.

Vote for Sarah Palmer, Vice President!

VOTE FOR PAM TOBIN

ACWA VICE PRESIDENT

Join ACWA past Presidents and agencies throughout California and VOTE FOR PAM



Pam Tobin, San Juan Water District Director, will be nominated from the floor for ACWA Vice President during the General Session.

EXPERIENCE & PROVEN LEADERSHIP



10:00 AM-11:30 AM

Harbor Ballroom H/2nd Level/Harbor Tower
Water Industry Trends Program – New Water Storage: Contributions to A More Resilient Water System

In November 2014 Proposition 1 was approved to provide \$2.7 billion for investments in water storage projects. In July 2018 the California Water Commission approved maximum conditional funding for eight projects that are expected to collectively boost California's water storage capacity by 4.3 million acre-feet and make significant contributions to the resiliency of the state's water system in the face of climate change. Public benefits associated with these projects include flood control, ecosystem improvement, water quality improvement, emergency response and recreation. Applicants are now lining up additional funding, completing environmental documents, getting final permits, and working with the state to contract for the administration of the public benefits.

Join ACWA's Executive Director, Dave Egerton as we check in with three representative project proponents for a status update, and with a key state official and a policy thought leader on their observations. How is the State preparing to inventory and guarantee the multiple benefits offered by these projects? To what extent are these benefits enhanced by integration with each other? Come and learn more about how these and other new storage projects might contribute to a more robust and resilient water management system in California.

Moderator:

Dave Egerton, Executive Director, Association of California Water Agencies

Panelists:

Kristal Davis-Fadtko, Environmental Program Manager, California Department of Fish and Wildlife
 Steve Elie, Board Member, Inland Empire Utilities Agency
 Marguerite Patil, Special Assistant to the General Manager, Contra Costa Water District

Paul Weghorst, Executive Director of Water Policy, Irvine Ranch Water District
 Jay Ziegler, Director of External Affairs and Policy, The Nature Conservancy



This program qualifies for 1.5 hours of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

11:30 AM-11:45 AM

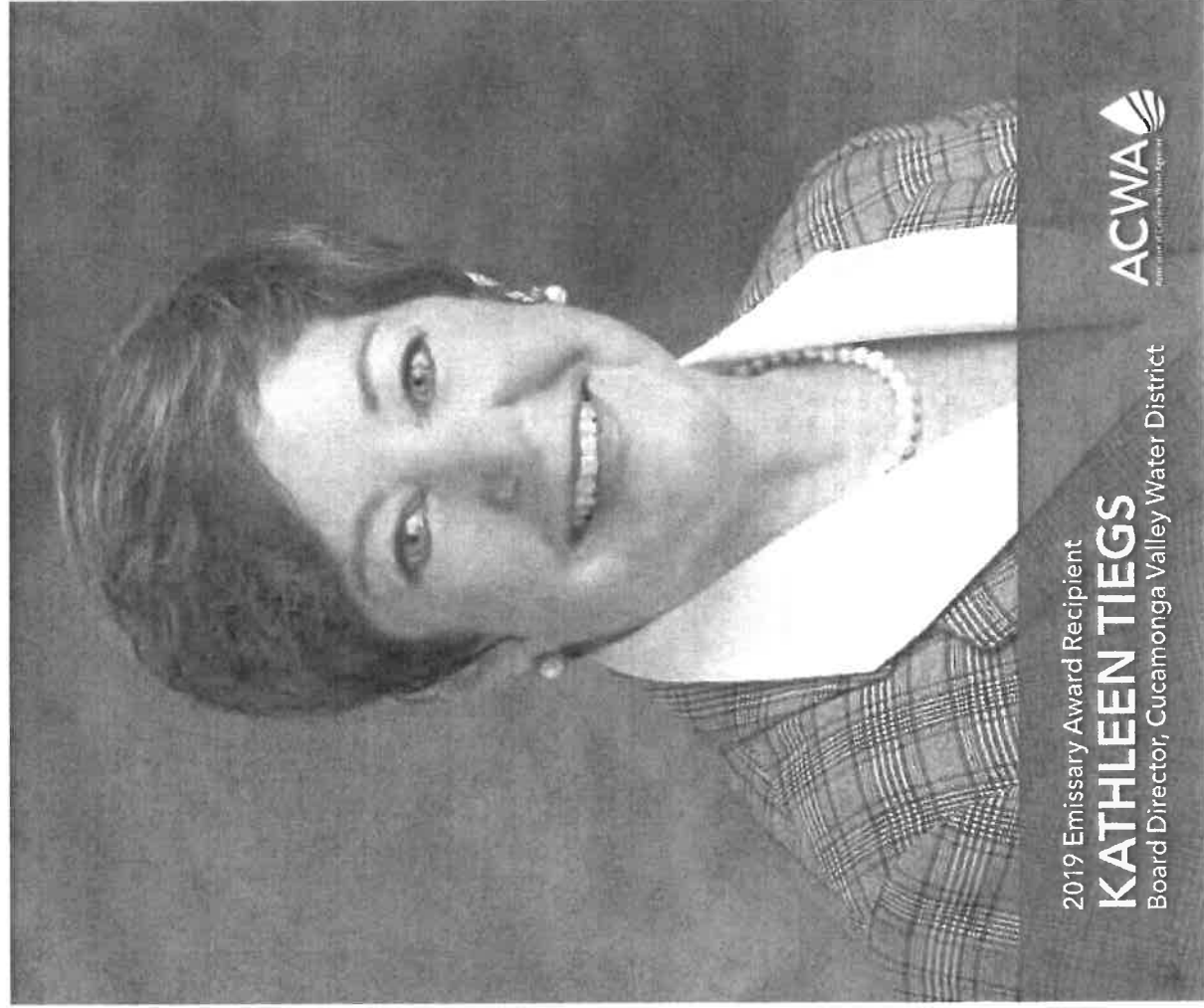
Grand Hall ABC/Lobby Level
Networking in the Exhibit Hall

One-on-one time with vendors from around the United States whose products and services may offer you just the right solutions for your agency. Plus, this is another opportunity to visit exhibitors for ACWA Scratchers!



**Recognizing Remarkable
Contributions Through
Volunteer Service**

The award will be presented during the Wednesday luncheon.



11:45 AM-2:00 PM Harbor Ballroom A-F/2nd Level/Harbor Tower
**General Session Luncheon
Presentation of 2019 Emissary Award**

Keynote Presentation

Water rights law underpins California's complex water system, and the ability to understand its intricacies requires an exceptional legal mind. For the past 29 years, Alan Lilly has practiced water rights law with the Sacramento law firm of Bartkiewicz, Kronick & Shanahan. The State Water Resources Control Board recently recognized his experience by appointing him as the first Presiding Hearing Officer to lead the State Water Board's new Administrative Hearings Office, created by statute last year. Hear from Lilly about what he hopes to accomplish in his new role.

Keynote Speaker:

Alan Lilly, Presiding Hearing Officer, Administrative Hearings Office,
State Water Resources Control Board

Luncheon co-sponsored by:

CDM Smith

Cucamonga Valley Water District

Elsinore Valley Municipal

Water District

Kleinfelder

Mesa Water District

Nossaman LLP

Orange County Water District

Ticket required for lunch. No luncheon service after 12:15 PM.

**DOORS OPEN FOR GENERAL SESSION AT 1:05 PM
GENERAL SESSION & ELECTION BEGIN AT 1:15 PM**

The General Session Desk is located in the Harbor Foyer.

2:15 PM-3:30 PM Harbor Ballroom G/2nd Level/Harbor Tower
Attorneys Program: Groundwater Production Allocations Under SGMA
 As Groundwater Sustainability Agencies (GSAs) prepare their plans to meet the Sustainable Groundwater Management Act's (SGMA) requirements, they may need to utilize a variety of tools to achieve sustainability. For groundwater basins in overdraft, production allocations may be a vital tool for the GSAs. However, SGMA explicitly states that it does not alter water rights, which means the GSAs have to carefully navigate between the confines of water rights and SGMA requirements in developing and implementing their groundwater sustainability plans (GSPs). This program will explain the legal framework, different types of groundwater rights, lessons learned from existing groundwater production allocation programs, potential pitfalls and practical approaches to developing a GSP with production allocations as a component to reaching sustainability goals.

Moderator:
Sarah Christopher Foley, Attorney, Best Best & Krieger LLP

Panelists:
Eric Robinson, Shareholder, Kronick Moskowitz Tiedemann & Girard
Wendy Wang, Of Counsel, Best Best & Krieger LLP
Jill Weinberger, PhD, PG, Principal Hydrogeologist, Dudek

 **This program has been approved by the California State Bar for attorneys to receive 1.25 hours of general MCLE credits. To receive this credit you must sign in at this program on the ACWA sign-in sheet.**

This program qualifies for 1.0 hour of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

2:15 PM-3:30 PM Cortez Hill ABC/3rd Level/Seaport Tower
Communications Committee Program - Communications and HR: Working Together to Successfully Recruit GenZ Into the Water Industry

The Silver Tsunami has crested and water agencies are looking for effective ways to recruit the next generation of water leaders. When Communications and Human Resources professionals join forces, agencies find new and innovative ways to attract younger applicants.

Moderator:
Lisa Sorce, Director of Human Resources, Padre Dam Municipal Water District

Panelists:
Yvonne Hester, Director of Public Outreach and Employee Relations, Mojave Water Agency
Monika Medina, Public Affairs Representative, Metropolitan Water District of Southern California
Melissa McChesney Communications Manager, Padre Dam Municipal Water District

2:15 PM-3:30 PM Torrey Hills AB/3rd Level/Seaport Tower
Exhibitor Case Study by TerraVerde Energy: Best Practices for Managing Solar Renewable Energy Certificates (RECs)


Eastern Municipal Water District has invested in solar PV systems to reduce energy consumption and costs at their treatment plants. In addition to producing 100% renewable energy, these systems also produce RECs, which represent untapped revenue potential. This presentation will review EMWD's motivation for monetizing their solar RECs, and best practices for establishing and managing a solar REC program, including: WREGIS registration AND QRE reporting, system monitoring requirements, reporting requirements, broker negotiations and REC sales contracts.

Speakers:
David Burdick, VP Business Development, TerraVerde Energy
Samuel Robinson, Energy Manager, Eastern Municipal Water District

2:15 PM-3:30 PM Mission Beach ABC/3rd Level/Seaport Tower
Region (8) Issue Forum: The Role of Stormwater in Regional Water Sustainability

Explore the role of stormwater in achieving water sustainability within Region 8 featuring a panel of local water experts. Explore how stormwater projects can offset potable demand, reduce urban stormwater runoff pollution, and contribute to regional water sustainability.

Speakers:
Jonathan Bishop, Chief Deputy Director, State Water Resources Control Board
Matt Hacker, Senior Resource Specialist, Metropolitan Water District of Southern California
Daniel Lafferty, Deputy Director, Los Angeles County Public Works
Delon Kwan, P.E., Assistant Director of Water Resources, Los Angeles Department of Water and Power - Water Resources Division

 **This program qualifies for 1.0 hour of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.**

2:15 PM-3:30 PM

Grand Hall D/Lobby Level

Statewide Issues Forum: The Building Blocks of Success for the Delta

California's Sacramento-San Joaquin Delta (Delta) is the most complex and fragile hub of California's water supply system. The Delta provides water to two-thirds of the state's population and thousands of acres of farmland, and is home to state's largest ecosystem for fish and wildlife. Climate change, a growing population, and aging infrastructure continue to challenge our ability to identify long-term solutions that balance water supply quality and reliability with ecosystem goals. This program will explore what success in the Delta could look like. From innovative partnerships, infrastructure investments, multi-benefit projects, and a robust scientific program, an all hands on deck approach will be critical to ensuring the Delta's resilience beyond the 21st century.

Moderator:

Ellen Hanak, Director of the PPIC Water Policy Center, Public Policy Institute of California

Panelists:

*Dorene D'Adamo, Vice Chair, State Water Resources Control Board
Karla Nemeth, Director, California Department of Water Resources
Susan Tatayon, Chair, Delta Stewardship Council*



This program qualifies for 1.0 hour of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

3:15 PM-3:30 PM

Hillcrest ABCD/3rd Level/Seaport Tower

NEW! Technology Program: Take It To The Cloud!

Cloud computing has become the future for IT organizations. It provides a whole new world of opportunities for data management and information storing. It appears to be beneficial in reducing IT costs, and provides flexibility, scalability, collaboration and accessibility. But does it do all of this?

How will we manage access, security and integration across existing data centers and the cloud? How does it benefit water agencies and is it an effective model for managing technology to deliver water in California? In this session, attendees will hear from experts who understand cloud computing and water agency professionals who have experienced migrating to the cloud. They will share their experiences and lessons learned.

Moderator:

Charles Eckstrom, Information Technology, Metropolitan Water District of Southern California

Panelists:

*Darren Bennett, Deputy Director - CISSP, City of San Diego
Andrew Levine, Manager of Information Services, East Bay Municipal Utility District
Steven Reese, Account Technology Strategist - State & Local Government, Microsoft*

2:15 PM-3:30 PM

Harbor Ballroom H/2nd Level/Harbor Tower

Water Industry Trends - ACWA Talks: Inspirational Ideas Worth Sharing

Have you heard of the internationally-acclaimed TED Talks? TED is devoted to spreading ideas, usually in the form of short, powerful talks. TED began in 1984 as a conference where Technology, Entertainment and Design converged, and today covers almost all topics - from science to business to global issues - in more than 110 languages. ACWA is hosting its first conference program in the form of a TED Talk - branded as an ACWA Talk. Come hear these short water-related ideas worth sharing! The theme of this inspirational ACWA Talk will focus on developing partnerships, engaging diverse interest groups, and aligning government.

Moderator:

Melissa Sparks-Kranz, Regulatory Advocate, Association of California Water Agencies

Panelists:

*Anecita Agustinez, Tribal Policy Advisor, California Department of Water Resources
Danielle Coats, Senior Legislative Manager, Eastern Municipal Water District
Lana Haddad, Legislative Services Section Manager, Metropolitan Water District of Southern California
Wes Miliband, Partner, Atkinson, Andelson, Loya, Ruud, & Romo*

3:30 PM-3:45 PM

Grand Hall ABC/Lobby Level

Ice Cream Break in the Exhibit Hall

Grab a snack to get through your day (while supplies last).



Ice cream break sponsored by:

Helix Water District

3:45 PM-5:00 PM **Torrey Hills AB/3rd Level/Seaport Tower Exhibitor Case Study by GEI Consultants, Inc.: Implementing Managed Aquifer Recharge at the Local Level**

The Sustainable Groundwater Management Act (SGMA), passed in 2014, brought new urgency to the need to enhance groundwater recharge in basins throughout the state.

Groundwater Sustainability Agencies must develop Groundwater Sustainability Plans as early as January 2020 (for critically overdrafted basins), and then implement the plans to achieve sustainability by 2040. In many basins, increasing the recharge of groundwater, along with reducing groundwater demand will define the path to success. A panel of local agency representatives will discuss their approaches to implementing groundwater recharge projects, identify lessons learned along the way, discuss innovative approaches, and comment on what actions are needed at the local, state and federal level to overcome some of the obstacles to groundwater recharge.

Moderator:

John Woodling, GEI Consultants, Inc., ACWA Groundwater Committee Chair

Panelists:

*Julia Barfield, The Nature Conservancy - Colusa County Multi-benefit MAR
Dick Diamond, North Kern WSD - North Kern Recharge
Trevor Joseph, City of Roseville - Roseville ASR Program
Bob Kelley, Stevinson Water District - Merced Subbasin Recharge*

3:45 PM-5:00 PM **Harbor Ballroom 1/2nd Level/Harbor Tower Local Government Committee - Regional Governance: Solving California's Complex Water Challenges**

As water management progresses into the 21st Century, regional partnerships are becoming more and more critical to solving many of California's complex water challenges. Building on the positive work of local agencies, integrated regional water management efforts, and the authorities of groundwater sustainability agencies, how can partnerships and integration strengthen regional governance? This panel will explore how regional water management governance can be re-framed and aligned to support an integrated approach for a water resilient future.

Moderator:

Larry McKenney, Director, Municipal Water District of Orange County Executive Council, Santa Ana Watershed Project Authority

Panelists:

*Denise England, Water Resources Program Director, Tulare County
Arthur Hinojosa, Division Chief, Regional Assistance, California Department of Water Resources
Mark Stadler, IRWM Program Manager, San Diego County Water Authority*

3:45 PM-5:00 PM **Cortez Hill ABC/3rd Level/Seaport Tower**

Finance Program: Purposeful Positioning for Positive Debt Issuance Results

Public agencies that issue debt for infrastructure improvements or to refinance existing debt must ensure that they are securing the lowest costs and best terms. Successful debt issuance is a result of many factors, including ensuring your agency is in top fiscal shape. Have you reviewed your financial policies, such as debt management, continuing disclosure, reserve and investment, and do they follow best practices and meet current regulatory requirements? Are your audits up to date and do they provide the information a rating agency or lender is looking for? Are your revenues sufficient to fund the debt service? Learn how you can positively position yourself from leaders in the field of debt issuance. The presenters include bond counsel with over twenty years of experience, a twenty-year veteran in the underwriting sector, and a long-time finance administrator from a water district. All three have been involved in numerous debt issuances, and will share strategies and provide examples of infrastructure and pension obligation financing that will put you on a path of successful debt issuance.

Moderator:

Mark Monin, Director, El Toro Water District

Panelists:

*Jeffrey Meyer, Director of Administrative Services, Calaveras CWD
Todd Smith, SVP, Managing Director, Hilltop Securities Inc.
Cameron Weist, Attorney, The Weist Law Firm*



CPAs may receive continuing education credit by attending this program. To receive this credit you must sign in at this program on the ACWA sign-in sheet.

3:45 PM-5:00 PM **Grand Hall D/Lobby Level Town Hall: The Governor's Water Resilience Portfolio**

The Newsom Administration is developing a comprehensive water resources management strategy to build a climate-resilient water system and ensure healthy waterways through the 21st century. ACWA and many other entities have submitted policy recommendations to inform this initiative.

This Town Hall Forum will feature a description of the scope and policy focus of the Water Resilience Portfolio, and outline the suite of recommended actions currently proposed to ensure safe and resilient water supplies, flood protection and healthy waterways for the state's communities, economy and environment.

The Town Hall will also provide an opportunity to hear answers to moderated questions about the proposed recommendations and how the Administration intends to proceed with final recommendations to Governor Gavin Newsom.

Moderator: *Steve LaMar, Vice President, Association of California Water Agencies and Agriculture*



Featuring: *The Honorable Karen Ross, Secretary, California Department of Food Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.*

SECTION 12 PAGE NO. 11

3:45 PM-5:00 PM Harbor Ballroom H/2nd Level/Harbor Tower
Water Industry Trends Program: Boil, Toil and Trouble: How to Prepare to Communicate Critical Water Quality Information During an Emergency

When a disaster strikes, it can affect water quality and trigger the need for public notifications. Hosted jointly by ACWA's Water Quality and Communications committees, this program will provide an overview of what might be required and what you can do now to prepare your agency as much as possible in distributing those notices and other water quality information to customers.

Moderator:

Edgar Dymally, Sr. Environmental Specialist, Metropolitan Water District of Southern California

Panelists:

Craig Jones, Management Analyst II, City of Ventura

Sean Sterchi, South Coast Drinking Water Field Operations Branch Manager, Division of Drinking Water, State Water Resources Control Board



This program qualifies for 1.0 hour of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

3:45 PM-5:30 PM

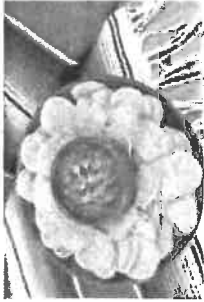
Legal Affairs Committee

Business Meeting - Jennifer Buckman, Chair

Golden Hill AB/3rd Level/Seaport Tower

5:00 PM-6:00 PM

**Grand Hall ABC/Lobby Level
 Prize Drawing Fiesta Reception
 in the Exhibit Hall**



Enjoy a Fiesta-themed no-host reception in the Exhibit Hall. Mingle with your peers and exhibitors and win great prizes! All raffle prizes will be drawn on Wednesday night except for the Grand Prize.

NEW!! Be sure to visit with exhibitors to receive ACWA Scratchers for a chance to win cash and fun prizes. Any non-winning ACWA Scratcher is your chance to be included in ACWA raffles and the Grand Prize drawing! Make sure you fill out the back of your non-winning ACWA Scratcher and turn it into the raffle drum located at the ACWA Lounge before the prize drawing time. **YOU MUST BE PRESENT TO WIN!** Spouses/guests are not permitted to participate and will be disqualified.

Fiesta Reception sponsored by:
**HELIX Environmental Planning, Inc.
 MUELLER**

JACOBS

welcomes you to the
**ACWA 2019 Fall
 Conference & Exhibition**

**Please join us for a
 hosted reception**

on

**Wednesday, December 4th
 5:30 – 7:00 pm**

at



Inside the Manchester Grand Hyatt
 ~on the water side~

Find out more at www.jacobs.com
 or follow us @jacobsconnects



5:30 PM-7:00 PM

CalDesal Hosted Mixer

Please join CalDesal for a hosted mixer. All ACWA Conference attendees are welcome.

Vista ABC/32nd Floor

5:30 PM-7:00 PM

Jacobs Hosted Reception

Please join Jacobs for a hosted reception. All ACWA Conference attendees are welcome.

Sally's Fish House and Bar

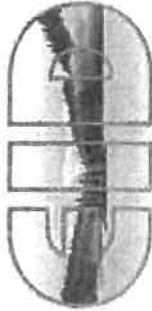
NEW! 3 MATCHES TO WIN!

BE SURE TO VISIT WITH EXHIBITORS TO RECEIVE ACWA SCRATCHERS FOR A CHANCE TO WIN CASH AND FUN PRIZES. ANY NON-WINNING ACWA SCRATCHER IS YOUR CHANCE TO BE INCLUDED IN ACWA RAFFLES AND THE GRAND PRIZE DRAWING!

SEE SCRATCHERS FOR DETAILS.

RAFFLES TO WIN!
 • \$1000 Cash
 • \$500 Cash
 • \$250 Cash
 • \$100 Cash
 • \$50 Cash
 • \$25 Cash
 • \$10 Cash
 • \$5 Cash
 • \$2 Cash
 • \$1 Cash
 • \$0.50 Cash
 • \$0.25 Cash
 • \$0.10 Cash
 • \$0.05 Cash
 • \$0.01 Cash

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7:30 AM-4:00 PM

ACWA Registration

Grand Hall Foyer/Lobby Level

7:30 AM-12:00 PM

Exhibitor Registration

Grand Hall Foyer/Lobby Level

7:45 AM-9:15 AM

Business Meetings

- Region 1** Hillcrest A/3rd Level/Seaport Tower
- Region 2** Hillcrest B/3rd Level/Seaport Tower
- Region 3** Hillcrest C/3rd Level/Seaport Tower
- Region 4** Hillcrest D/3rd Level/Seaport Tower
- Region 5** Cortez Hill C/3rd Level/Seaport Tower

8:00 AM-9:15 AM

Grand Hall ABC/Lobby Level

Networking Continental Breakfast in Exhibit Hall

Grab a cup of coffee and a bite and see what is new in the water industry.

Continental breakfast co-sponsored by:
Wells Fargo Bank

Ticket required for continental breakfast.

8:00 AM-12:00 PM

Grand Hall ABC/Lobby Level

Exhibit Hall

Exhibit Hall closes at noon today. Don't miss your chance to visit with vendors from around the United States whose products and services may offer you just the right solutions.

9:00 AM-9:30 AM

Grand Hall ABC/Lobby Level

Legislative Coffee Break



Come meet with members of ACWA's State Legislative Committee and get your questions answered about what's happening in the State Capitol! Whether it's water quality, wildfires, or water bonds, ACWA's State Legislative Committee deliberates a wide-range of issues that impact public water agencies. Come meet some of the members that tackle these tough issues and who take action on behalf of ACWA.

6:30 AM-10:45 AM

Cortez Hill AB/3rd Level/Seaport Tower
**Ethics Training - Conduct and Ethics Training for Water Agency Officials:
 A Primer on AB1234**

Seating is limited.

Presenters:

Austin Cho, Associate, Downey Brand LLP
 Jessica Diaz, Associate, Brownstein Hyatt Farber Schreck



By attending this course, attendees will have met all the state-mandated requirements of AB 1234. To receive this credit you must sign in on the ACWA sign-in sheet. Anyone arriving more than 10 minutes after the session begins will NOT be admitted.

9:30 AM-11:00 AM

Harbor Ballroom G/2nd Level/Harbor Tower
**Attorneys Program - Beyond 72 Hours: Getting Into the Weeds with the
 Brown Act**

The program will discuss the intricacies of the Brown Act's requirements concerning the interaction of boards and their committees, who can attend various meetings, how meetings and special meetings can be set and noticed and various other detailed matters under the Brown Act.

Moderator:

Ryan Bezerra, Attorney, Bartkiewicz, Kronick & Shanahan

Panelists:

Kerry Fuller, Attorney, Churchwell White
 Dan Kelly, Counsel, Placer County Water Agency
 Lauren Layne, Partner, Baker Manock & Jensen PC
 Brian Poulsen, General Counsel, El Dorado Irrigation District



This program has been approved by the California State Bar for attorneys to receive 1.5 hours of general MCLE credits. To receive this credit you must sign in at this program on the ACWA sign-in sheet.

This program qualifies for 1.5 hours of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

9:30 AM-11:00 AM

Torrey Hills AB/3rd Level/Seaport Tower
**Exhibitor Case Study - Xylem Digital Solutions: Use Cases for Data, Analytics,
 and Other Advanced Technologies**

The water industry is managing a number of high cost investments in our infrastructure, systems, and people. The Environmental Protection Agency estimates this to be \$655B over the next 20 years. However, this calculation is based on traditional approaches to civil work. By leveraging the computational power available to us today, utilities across the U.S. are leveraging technology, data, and other techniques to utilize their existing assets to the maximum extent possible. This panel discussion will explore what these capabilities really mean, and practical use cases from technologists and utility leaders.

Speaker:

Richard Loeffler IV, Client Solutions Architect, Xylem Digital Solutions

9:30 AM-11:00 AM

Harbor Ballroom I/2nd Level/Harbor Tower
**Finance Program: Addressing Growing Retirement Costs - Pension Financing
 Solutions and How to Use a 115 Trust**

Rising Pension and Retiree Medical Costs (OPEB) are impacting the finances of government agencies across the nation. In California, most water agencies are facing growing fixed dollar payments to CalPERS to pay off their unfunded liabilities (UAL) over the next 10-12 years, which will be the most significant financial issue that most municipal employees and elected officials will face in their careers. The session will focus on tackling agencies' growing pension and OPEB (retiree medical) liabilities. We will explain the key drivers and reasons why our retirement liabilities have grown so much; and, explain the underlying elements of these liabilities so you can better understand how to address them. We will discuss three financing solutions that each agency should consider: Leveraged Refunding, Synthetic (soft) Fresh Start, Tax-Exempt Exchange; and, how to use "Bootstrapping" to accelerate repayment. We will also discuss using 115 Trusts and, specifically, how CalPERS' CERBT (OPEB) and new CEPPT (Pension) trusts can help you achieve your funding goals. Finally, we will explore the analysis and steps taken by any agency to address their issues.

Moderator:

Mark Monin, Director, El Toro Water District

Panelists:

Mark Emmerson, Director, Carmichael Water District
 Matt Goss, Customer Outreach and Support Manager, CalPERS CERBT Program

Julio Morales, Director, UFI Financial Solutions



CPAs may receive continuing education credit by attending this program. To receive this credit you must sign in at this program on the ACWA sign-in sheet.

SECTION 12 PAGE NO. 14

9:30 AM-11:00 AM

**Golden Hill AB/3rd Level/Seaport Tower
Human Resource Program – Employee Engagement: Your Agency's Success Depends on It!**

Recent surveys confirm engagement rates among public employees is not good – less than 50%. That means every other person in your organization or agency is not engaged. This condition costs public entities millions of dollars each year, yet there is no concerted effort to correct it. When employers do not uphold a culture that promotes employee well-being, respect and professional development, engagement and productivity slips. This session will help you understand why staff engagement is critical to your agency's mission, how you can measure that engagement and then what you can do to increase it.

During this engaging and informative session you will:

- Understand why organizations need to focus on employee engagement, not just employee satisfaction
- Learn the key drivers of employee engagement
- Utilize a simple tool to measure employee engagement
- Learn what can be done to increase employee engagement

Speaker:

Patricia Slaven, Director of Human Resources and Administration, ACWA JPIA

Program presented in cooperation with:

ACWA JPIA

9:30 AM-11:00 AM

**Mission Beach ABC/3rd Level/Seaport Tower
Region (10) Issue Forum: A Lively Dialogue - Retail Agency Challenges**

Join ACWA Region 10 for a panel discussion focusing on the challenges currently facing water retailers. Hear from a panel of water managers from water districts and city departments discuss current topics challenging retail agencies. Topics include water quality, regulatory compliance, infrastructure, water rates, consolidation, emergencies, city vs. district, and public vs. private.

Moderator:

Paul Shoenberger, General Manager, Mesa Water District

Panelists:

Gary Arant, General Manager, Valley Center Municipal Water District
Joone Lopez, General Manager, Moulton Niguel Water District
Shauna Lorraine, Director of Public Utilities, City of San Diego
Marc Marcantonio, General Manager, Yorba Linda Water District



This program qualifies for 1.5 hours of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

9:30 AM-11:00 AM

Grand Hall D/Lobby Level

Statewide Issues Forum: Implementation of Drinking Water Solutions

The passage of Senate Bill 200 set in motion the Safe and Affordable Drinking Water Fund to help implement drinking water solutions. The State Water Resources Control Board recently adopted a policy handbook related to supporting the administration of water systems that lack technical, managerial and financial capacity. Additionally, the statewide drinking water needs assessment is underway. All of these efforts point towards solutions. However, what are the implementation challenges that lie ahead? Where can the state and local agencies continue to partner to ensure safe drinking water statewide? Join these expert panelists to hear their vision on safe drinking water and learn about these anticipated next steps.

Moderator:

Cindy Tuck, Deputy Executive Director for Government Relations, Association of California Water Agencies

Panelists:

E. Joaquin Esquivel, Chair, State Water Resources Control Board
Paul Jones, General Manager, Eastern Municipal Water District

Daniel Lafferty, Deputy Director of Water Resources, Los Angeles Department of Public Works

Adam W. Robin, State Legislative Director, Northern California Water Association



This program qualifies for 1.5 hours of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

9:30 AM-11:00 AM

Harbor Ballroom H/2nd Level/Harbor Tower
Water Industry Trends Program: On Target for Urban Water Use Efficiency Targets?

Continuing implementation of the state's recently enacted urban water use efficiency laws (SB 606 and AB 1668) is a fundamental element of a comprehensive approach to making California's water system more resilient in the face of increasing water supply demands, environmental needs, and a changing climate. The state is currently working with water stakeholders to develop urban water use efficiency objectives (aka "targets") according to statutory timelines, taking into consideration outdoor water use associated with service area climate and landscape area, and incorporating indoor water use state standards, and system-specific leak loss performance standards. What is the status of this process, and what are the current challenges that need to be navigated?

Moderator:

Elizabeth Lovsted, Water Resources Manager, San Diego County Water Authority; Chair, ACWA Urban Water Use Efficiency Subcommittee

Panelists:

Danielle Blacet-Hyden, Director of Water, California Municipal Utilities Association

Peter Brostrom, Chief of the Water Use and Efficiency Branch, California Department of Water Resources

Eric Oppenheimer, Chief Deputy Director, State Water Resources Control Board (invited)

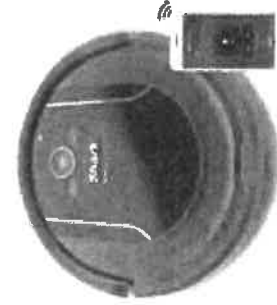
Fiona Sanchez, Director of Water Resources, Irvine Ranch Water District



This program qualifies for 1.5 hours of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

11:00 AM-11:30 AM

Grand Hall ABC/Lobby Level
Grand Prize Drawing in the Exhibit Hall



See if your ACWA Scratcher is a winner of the **Grand Prize - SHARK ION Robot Vacuum (Value: \$200)**. This year, visit with exhibitors to receive ACWA Scratchers to win cash and fun prizes. Any non-winning ACWA Scratcher is your chance to win the Grand Prize! Make sure you fill out the back of your non-winning ACWA Scratcher and turn into the raffle drum located at the ACWA Lounge by Thursday at 11:30 AM. **YOU MUST BE PRESENT TO WIN!** Spouses/guests are not permitted to participate and will be disqualified.

11:45 AM-2:30 PM

Harbor Ballroom A-F/2nd Level/Harbor Tower

General Session Luncheon Presentation of 2019 Sponsorship Awards

Keynote Presentation

Forecast Informed Reservoir Operations, or FIRO, is a hot topic in California because of its exciting potential to revolutionize water resiliency in the age of climate change. Cary Talbot, who manages the U.S. Army Corps of Engineers FIRO program, will share a national perspective on FIRO implementation. As partners in California water management, the Corps will play an essential role in utilizing FIRO to benefit the environment, our state's water industry and all Californians.

Keynote Speaker:

Cary Talbot, Chief, Flood & Storm Protection Division, Coastal & Hydraulics Laboratory, U.S. Army Engineer Research & Development Center

Luncheon co-sponsored by:

Eastern Municipal Water District

Mesa Water District

Ticket required for lunch. No luncheon service after 12:15 PM.

2019 OUTREACH AWARD WINNERS

Winners of the Overall Outreach Award and special outreach awards will be announced at the Thursday luncheon.

REGION 1 Bozega Bay Public Utilities District and Hidden Valley Lake Community Services District (Tie)	REGION 2 Western Canal Water District	REGION 3 Georgetown Divide Public Utilities District	REGION 4 San Juan Water District
REGION 5 Scotts Valley Water District	ACWA OUTREACH GRASSROOTS SUPPORT TO ACHIEVE RESULTS		REGION 10 Kings River Conservation District
REGION 7 Indian Wells Valley Water District	REGION 8 Three Valleys Municipal Water District	REGION 9 Cucamonga Valley Water District	REGION 11 Municipal Water District of Orange County

SECTION 42 PAGE NO. 16

2:15 PM-3:15 PM

**Harbor Ballroom G/2nd Level/Harbor Tower
Attorneys Program: What's the Big Deal about PFAS and Why Should You Care**

The federal government, California Legislature and regulators, and courts are responding to rising concerns about health risks from a group of chemicals called PFAS (per- and polyfluoroalkyl substances). PFAS are water soluble, resistant to biodegradation, persistent and widespread in the environment. These chemicals present compliance issues and litigation exposure.

Moderator:

Gene Tanaka, Partner, Best Best & Krieger LLP

Panelists:

Richard Head, Of Counsel, SL Environmental Law Group

Dr. Alex Revchuk, Managing Engineer, Exponent



This program has been approved by the California State Bar for attorneys to receive 1.0 hours of general MCLE credits. To receive this credit you must sign in at this program on the ACWA sign-in sheet.

This program qualifies for 1.0 hour of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

2:15 PM-3:15 PM

**Torrey Hills AB/3rd Level/Seaport Tower
Exhibitor Case Study by U.S. Geological Survey (USGS): Monitoring and modeling for Sustainable Groundwater Management Planning in the Los Angeles Coastal Plain**

Groundwater is an essential resource for the greater Los Angeles area. Nearly 40% of LA's water supply comes from groundwater and in times of drought that percentage increases. Over the past 25 years, The U.S. Geological Survey (USGS) has established a comprehensive portfolio of geohydrologic data and models that aid our cooperative partners, including the Water Replenishment District of Southern California (WRD) and the City of Santa Monica, in managing the area's groundwater basins. This case study will review the science that has contributed to science-based hydrologic management and decision-making, and discuss the relevance to Sustainable Groundwater Management Plans throughout the State

Speakers:

Michael Land, Hydrologist, USGS

Claudia Faunt, Hydrologist, USGS

2:15 PM-3:15 PM

**Cortez Hill AB/3rd Level/Seaport Tower
Exhibitor Case Study by Advisian: How Groundwater Modeling Helped Remedial Design For Contaminant Plumes Impacting Los Angeles' Municipal Supply Wells**

Groundwater in the San Fernando Basin (SFB) is a critical local water resource capable of providing 14 to 30% of drinking water supplies for the City of Los Angeles. However, groundwater contamination has resulted in the shut-down of more than 50% of the Los Angeles Department of Water and Power's (LADWP's) production wells in the SFB. In response, LADWP is undertaking a 10-year program to evaluate and implement groundwater remediation. To tackle this complex, large-scale problem, groundwater modeling has been used to provide key inputs for decision making and to support the design and construction of three groundwater treatment facilities that will treat various contaminants to restore the beneficial use of groundwater in the SFB and deliver sustainable water supplies for the City.

Speakers:

Martin Hendrie, Senior Hydrogeologist, Advisian

Mark Trudell, Principal Hydrogeologist, Advisian

2:15 PM-3:15 PM

**Harbor Ballroom I/2nd Level/Harbor Tower
Federal Issues Forum**

Learn about the latest biological opinions from the officials that wrote them! Come hear from the U.S. Bureau of Reclamation, U.S. Army Corps of Engineers, and - for the first time at a Federal Issues Forum - the Fish & Wildlife Service. Everything from the status of the Delta Smelt and Chinook Salmon to flood control measures will be on the table for this can't-miss panel!

Moderator:

Patrick O'Dowd, Federal Affairs Committee Chair, ACWA

Panelists:

Karen Berresford, Regional Project and Funding Lead, U.S. Army Corps of Engineers

Ernest Conant, Mid-Pacific Regional Director, U.S. Bureau of Reclamation

Terry Fulp, Lower Colorado Regional Director, U.S. Bureau of Reclamation

Paul Souza, Pacific Southwest Regional Director, U.S. Fish & Wildlife Service

SECTION 12 PAGE NO. 17

2:15 PM-3:15 PM

**Golden Hill AB/3rd Level/Seaport Tower
Human Resource Program: Onboarding to Success - Improving the New
Employee Experience**

It's one thing to recruit talent; it's another to retain and inspire them from their first day on the job. A structured onboarding process has long-term benefits for organizations, including greater employee engagement. Employee onboarding should go beyond an employee learning the specifics of their role's duties. It takes time for a new employee to become part of the organization and feel truly integrated. Leadership's role in helping new hires feel at home, valued, and valuable can make or break an employee's decision to stay long term.

During this session, a panel will discuss:

- *Why onboarding is critical to a District's success*
- *How culture and values fit into the onboarding experience*
- *The critical steps of onboarding and how to implement them*
- *How to adapt your onboarding focus*

Panelists:

Patricia Slaven, Director of Human Resources and Administration, ACWA JPIA
Roberta M. Perez, Human Resources Manager, Cucamonga Valley Water District

Eileen Dienzo, Director of Human Resources, Rancho California Water District

2:15 PM-3:15 PM

Grand Hall D/Lobby Level

**Statewide Issues Forum: Everything Water Agencies Need To Know About
the State's Energy Policies - Wildfires, Climate Change & More**

Water agencies' primary mission is to provide clean and reliable water supply. Just as our customers have come to expect water to flow when they turn on the faucet, we expect the same from our electric utilities when we flip the switch. California is embarking on the development of a roadmap to achieve the newly enacted goal of 100% renewable energy and zero carbon resources by 2045. In addition, wildfire de-energization effects and possible resource shortages beginning next summer challenge near-term reliability. As the state considers the technologies available, investments required, and how to maintain safety, reliability and affordability, we must ask ourselves: "What do these policies mean to the water community?"

Moderator:

Charley Wilson, Chair, ACWA Energy Committee

Panelists:

Michael Boccadoro, President, West Coast Advisors

Mary McDonald, Chief Consultant, Assembly Committee on Utilities and Energy

Michael Wara, Director of Climate and Energy Policy Program, Woods Institute for the Environment, Stanford University



This program may count as 1.0 hour towards the Certified Energy Manager (CEM) continuing education credit. To receive this credit you must sign in at this program on the ACWA sign-in sheet.

2:15 PM-3:15 PM

**Mission Beach A-C/3rd Level/Seaport Tower
Water Industry Trends Program: Capturing the Benefits of Water Recycling:
Successes, Challenges, and Goals for the Future**

Earlier this year the State Water Resources Control Board adopted an updated Recycled Water Policy setting a new goal for water recycling of at least 1.5 million acre feet per year by 2020 and at least 2.5 million acre feet per year by 2030. The most recent wastewater recycling survey completed in 2015 showed that California had reused 714,000 acre feet of municipal recycled water. Increasing water recycling can have a multi-benefit impact by providing a stable, locally controlled water supply, reducing pollution, and preventing diversion of water from sensitive ecosystems. While many water agencies have already implemented projects and continue to explore the possibilities for increasing water recycling, there are still a number of technical and practical barriers to greater scalability. In this program, you will hear from a wide array of voices including representatives from state and local agencies, environmental organizations, and other advocacy groups on current recycled water projects in the state and the challenges and goals that remain.

Moderator:

Dennis O'Connor, Principal Consultant, Senate Committee on Natural Resources and Water

Panelists:

Sean Bothwell, Executive Director, California Coastkeeper Alliance
Erik Ekdahl, Deputy Director, Division of Water Rights, State Water Resources Control Board

Jennifer West, Managing Director, WasteReuse California

Deven Upadhyay, Assistant General Manager, Chief Operations Officer, Metropolitan Water District of Southern California



This program qualifies for 1.0 hour of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

2:15 PM-3:15 PM Harbor Ballroom H/2nd Level/Harbor Tower
 Water Industry Trends Program – California Drinking Water: Getting the Lead Out 2.0

As a sequel to ACWA's 2017 Fall Conference program, this Water Industry Trends panel will provide an update on efforts across the state to combat the presence of lead in California's drinking water infrastructure – from daycare facilities, K-12 schools, and water systems' user service lines.

Moderator:

Edgar Dymally, Sr. Environmental Specialist, Metropolitan Water District of Southern California, Chair, ACWA Water Quality Committee

Panelists:

Diane Jones, Manager of Regulatory Compliance and Consumer Protection, Los Angeles Department of Water and Power
 Kurt Souza, Assistant Deputy Director, Southern California Drinking Water Field Operations Branch, Division of Drinking Water, State Water Resources Control Board



This program qualifies for 1.0 hour of drinking water credit approved by the State Water Resources Control Board. To receive this credit you must sign in and sign out at this program on the ACWA sign-in sheet.

3:30 PM-5:00 PM

Business Meetings

Region 6/7 Hillcrest AB/3rd Level/Seaport Tower

Region 8 Hillcrest C/3rd Level/Seaport Tower

Region 9 Hillcrest D/3rd Level/Seaport Tower

Region 10 Cortez Hill AB/3rd Level/Seaport Tower

6:00 PM-7:00 PM

No-Host Outreach Reception

Harbor Foyer/2nd Level/Harbor Tower

7:00 PM-10:00 PM

Harbor Ballroom A-F/2nd Level/Harbor Tower

Dinner & Entertainment – Killer Dueling Pianos!

The Killer Dueling Pianos are the #1 all request, crowd interactive, sing-a-long, dueling pianos show in the nation. Pianist/Singers Liz Fohl and John King have performed internationally from Anchorage to Barcelona, for sitting dignitaries and major corporations such as Nationwide, Toyota, the NBA, and the PGA tour just to name a few. So be prepared to sing, dance, clap and laugh during this fun filled evening.

Dinner ticket required. Attire is casual.

No dinner service after 7:30 PM

8:00 AM-9:30 AM Harbor Foyer /2nd Level/Harbor Tower
 ACWA Registration

8:30 AM-10:00 AM Harbor Ballroom A-F/2nd Level/Harbor Tower
 Hans Doe Past Presidents' Breakfast in Partnership with ACWA JPIA

ACWA JPIA Update

Walter "Andy" Sells, Chief Executive Officer, ACWA JPIA

KEYNOTE PRESENTATION

Political decisions coming out of Sacramento affect every California water agency no matter what size. Journalist John Myers is often cited by state and national news organizations as one of the California Capital's top political journalists. Myers joined the Los Angeles Times as Sacramento Bureau Chief in 2015 after more than two decades in radio and television news. He also moderated gubernatorial debates in 2014 and 2010. Hear his thoughts on covering the California capital as one of the state's leading journalists.

Keynote Speaker:

John Myers, Sacramento Bureau Chief, Los Angeles Times

Ticket required for breakfast.

No breakfast service after 9:00 AM.

OTHER GROUPS

OTHER GROUP MEETINGS SCHEDULED

SECTION L2, PAGE NO. 19

Monday, December 2
 9:00 AM-6:00 PM Mission Beach ABC/3rd Level/Seaport Tower
 Water Education Foundation Board of Directors Meeting

Thursday, December 5
 8:45 AM-8:30 AM Coronado Ballroom A/4th Level
 San Joaquin Valley Agricultural Water Committee

ACWA MEMBERS ELECT STEVEN LAMAR AS ASSOCIATION PRESIDENT

- BY WILL HOLBERT
- DEC 4, 2019
- NEWS RELEASES

SAN DIEGO – Members of the Association of California Water Agencies (ACWA) today announced the election of Steven LaMar, an Irvine Ranch Water District Board of Directors member, to a two-year term as president of the statewide association. Pamela Tobin, who serves on San Juan Water Board of Directors, was elected vice president.

The election was held Dec. 4 at ACWA's 2019 Fall Conference & Exhibition in San Diego. LaMar and Tobin will take office in January.

LaMar has served on Orange County's Irvine Ranch Water District (IRWD) Board of Directors since 2009 and is currently IRWD Board President. ACWA members elected him as association Vice President in 2017 for the 2018-'19 term. LaMar is past chair of ACWA's Federal Affairs and Headwaters Task Force, and has also served on the board of several other water-related organizations, including the National Water Resources Association (representing 17 Western states), the Southern California Water Coalition, CalDesal, and the National Water Research Institute.

He succeeds outgoing ACWA President Brent Hastey, who serves on the Yuba Water Agency Board of Directors.

Replacing LaMar as ACWA Vice President, Tobin has served on the Sacramento area's San Juan Water District Board of Directors and on the Regional Water Authority/Sacramento Groundwater Authority Board of Directors since 2004. She has been active in ACWA as a Board member and Region 4 Chair, belonging to the Federal Affairs and Local Government committees, as well as on the ACWA-Joint Powers Authority Board of Directors and Liability Committee. Tobin works as a Realtor and property developer with more than 30 years of experience as a business owner.

ACWA is the largest statewide coalition of public water agencies in the country. The remainder of the association's 37-member Board of Directors is comprised of the chair and vice chair of each of ACWA's 10 regions, the chair of each of ACWA's 13 standing committees, the immediate past president, and the vice president of the ACWA / Joint Powers Insurance Authority.

RREDC/RCEA



BOARD OF DIRECTORS MEETING AGENDA

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

**November 21, 2019
Thursday, 3:30 p.m.**

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Clerk of the Board at the phone number, email or physical address listed above at least 72 hours in advance.

Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Board of Directors, including those received less than 72 hours prior to the RCEA Board meeting, will be made available to the public in the agenda binder located in the RCEA lobby during normal business hours, and at <https://redwoodenergy.org/about/board-of-directors/>.

PLEASE NOTE: Speakers wishing to distribute materials to the Board at the meeting are asked to provide 12 copies to the Clerk of the Board.

OPEN SESSION Call to Order

1. REPORTS FROM MEMBER ENTITIES

2. ORAL COMMUNICATIONS

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

3. CONSENT CALENDAR

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

3.1 Approve Minutes of October 24, 2019, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

5. OLD BUSINESS

5.1 Electric Vehicle Charging Network Upgrades

Authorize staff to solicit bids and secure construction at all listed sites as appropriate, for a total aggregate budget not to exceed \$144,000, and to seek reimbursement through the CALeVIP program.

5.2 Airport Microgrid Project Site Preparation Coordination and Reimbursement

1) Authorize reimbursement to County for: a) brush removal and site work in preparation for fence installation; and/or b) fence installation; and/or c) tree removal.

2) Authorize RCEA Executive Director to sign an Access and Reimbursement Agreement with County.

5.3 Humboldt County Islanding During Public Safety Power Shutoffs – Information only

5.4 Review Updated RePower Humboldt/Comprehensive Action Plan for Energy Planning Document Draft

Provide staff with input on final draft of 2019 CAPE.

6. NEW BUSINESS

6.1 Letter to California Public Utilities Commission Regarding PG&E Ownership

Discuss and potentially take action to have RCEA sign on to a letter calling on the California Public Utilities Commission to make PG&E a customer-owned utility.

6.2 PG&E Energy Watch 2020 Contract Work Authorization

Approve Draft PG&E Energy Watch Contract Work Authorization and authorize the Executive Director to execute the final agreement and any associated documents contingent on final review and approval of any revisions by RCEA legal counsel.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighted voting as established in the RCEA joint powers agreement.

7. OLD CCE BUSINESS

7.1. Renewable Long-Term Power Purchase Agreement Negotiation

Authorize staff to negotiate a power purchase agreement with EDP Renewables North America LLC for 50 MW of solar, to present to the Board for final approval.

8. NEW CCE BUSINESS

8.1. Customer Rate Update – Information only

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS – None.

10. FUTURE AGENDA ITEMS

Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

11. CLOSED SESSION

11.1. Public Employee Performance Evaluation, pursuant to Government Code Section 54957(b)(1): Executive Director.

12. RECONVENE TO OPEN SESSION

13. CLOSED SESSION REPORT

14. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, December 19, 2019, 3:30 p.m.
Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501



Redwood Coast Energy Authority
633 3rd Street, Eureka, CA 95501
Phone: (707) 269-1700 Toll-Free (800) 931-7232 Fax: (707) 269-1777
E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

SECTION L4, PAGE NO. 4

DRAFT BOARD OF DIRECTORS MEETING MINUTES

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

October 24, 2019
Thursday, 3:30 p.m.

Chair Michael Winkler called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:30 p.m. Notice of this meeting was posted on October 18, 2019. PRESENT: Vice Chair Austin Allison, Alternate Director Chris Curran, Estelle Fennell, Dean Glaser, Dwight Miller, Robin Smith, Frank Wilson, Chair Michael Winkler, Sheri Woo. ABSENT: None. STAFF PRESENT: General Counsel Nancy Diamond, Power Resources Director Richard Engel, The Energy Authority Client Services Specialist Jaelyn Harr, Executive Director Matthew Marshall, Clerk of the Board Lori Taketa.

Staff Director Engel stated there was a need for an emergency item requiring immediate action to be placed on this agenda, that staff was made aware of the need after agenda posting, and that a 2/3 vote of the Board is required to place the item on the agenda.

M/S: Fennell, Miller: Add emergency power procurement item to the meeting agenda.

The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: None.

REPORTS FROM MEMBER ENTITIES

Director Fennell stated that PG&E's Public Safety Power Shutoff raised questions for Humboldt County regarding future energy resilience.

Director Woo reported that Humboldt Bay Municipal Water District and the municipal agencies addressed water supply and pressure issues well during the power shutoff.

ORAL COMMUNICATIONS

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

CONSENT CALENDAR

- 3.1 Approve Minutes of September 26, 2019, Board Meeting.
- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.
- 3.4 Approve Transaction by The Energy Authority, Inc. with NRG Power Marketing, LLC, for an Amount Above the Authorized Staff Transaction Execution Limit of \$2 Million for 2020 Resource Adequacy.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

M/S: Allison, Fennell: Approve consent calendar items.

The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: None.

EMERGENCY AGENDA ITEM – Resource Adequacy Transactions

Power Resources Director Engel reported that the California Public Utilities Commission recently changed rules to require Community Choice Aggregators to purchase resource adequacy for the next three years by October 31. The Energy Authority, which procures resource adequacy (RA) on RCEA's behalf, informed staff after the October 18 agenda publication date that RA has become increasingly expensive and difficult to procure, and that RA purchases above staff price authorization and term length limits must be approved by the Board prior to the next regular meeting. Failure to obtain the required RA would result in substantial financial penalties and bolster the argument for a central buyer, undermining Community Choice Aggregator and ratepayer interests.

The directors discussed current RA procurement methods; the timing of determining compliance requirements; and the new, difficult requirement to procure local RA outside of Humboldt County.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

M/S: Miller, Allison: 1) Authorize Executive Director to approve resource adequacy transactions with The Energy Authority, Inc. for amounts above the authorized staff transaction value, term, and maturity limits until the 2020 compliance deadline of October 31, 2019, and 2) Require Board Finance Subcommittee authorization should the transaction amount exceed 125% of the CPUC fine for RCEA's non-compliance.

The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: None.

OLD BUSINESS

5.1 Comprehensive Action Plan for Energy Update – Information only

Executive Director Marshall reported on Comprehensive Action Plan for Energy public workshop progress, presented draft goals from RePower Humboldt, the revised title of RCEA's planning document, and summarized public comment to date. The Board will have the opportunity to do a final draft review at the November meeting and may consider plan approval in December.

The Directors described the public engagement process as thorough, inquired whether agency resources were adequate to fulfil the goals, stated how Community Choice Energy

enables more public engagement, and the need for resiliency and goals that can be accomplished.

Chair Winkler invited public comment.

Member of the public Daniel Chandler stated that biomass produces more greenhouse gas (GHG) emissions than coal and requested the Board not commit RCEA to long biomass contracts and do a life cycle analysis for alternative uses of mill waste.

Member of the public Rick Pelren described the 2025 goal as potentially dangerous because it forces acceptance of Terra Gen's wind farm as the first option presented. Mr. Pelren stated the project would produce 40% less energy than advertised due to line loss.

Member of the public Anna stated that biomass is not carbon neutral and that Humboldt County redwoods should be used as a carbon sink.

Member of the public Ken Miller requested electric vehicle promotion through home solar panel installation and stated that vehicle to grid electricity could provide mobile energy storage and supply.

Pat Kanzlen of Move to Amend and National Nurses United stated her opposition to biomass due to negative health impacts, requested that RCEA focus on solar energy and stated that solar panels should be put onto rental units.

Member of the public and Schatz Energy Research Center Managing Research Engineer Jim Zoellick stated his support for biomass, onshore and offshore wind, and aggressive solar energy increase plans. He requested a study on islanding Humboldt County, energy storage target additions and public energy education for informed decision-making engagement.

Member of the public Nancy Ihara presented a petition to the Board signed by Humboldt county residents who consider biomass to be unclean.

Member of the public Wendy Ring stated that if this CAPE revision does not lessen biomass' GHG impacts, there will be no time to correct impacts before the 2030 point of no return.

Member of the public Walt Paniak stated his opposition to biomass due to higher costs than solar and wind energy and that RCEA should not subsidize timber industry waste disposal.

Trinidad resident Ellen Golla stated that burning wood releases more carbon than burning gas, that EPA Title V plant energy use goes against what RCEA stands for, and expressed disappointment that the revised plan does not include residential wood burning limits.

HSU student and Arcata resident Noel requested a biomass GHG emission study and reduction of biomass energy use. Noel expressed support for energy education, local ownership of renewable energy projects, respect for local tribes and opposition for the Terra Gen project.

Fifth District Humboldt County Supervisor Steve Madrone stated the need for updated equipment if biomass power purchase agreements continue and for distributed biomass

development. Supervisor Madrone expressed that large companies leave when profits drop, and that new facilities with overhead lines through high fire risk areas are not good.

Member of the public Jesse Noelle stated that RCEA's biomass energy and Terra Gen's solar energy are too expensive compared to solar and that GHG emissions by wind farm construction and biomass burning sets off destructive positive feedback loops.

Humboldt State University student Portia Herger read a letter signed by national health organizations stating that biomass' small particle air pollution harms people's health. Ms. Herger stated that Humboldt County should set a positive example for the state.

Arcata resident Olivia Brock stated her support for CAPE targets other than biomass and requested solar on every house. Ms. Brock stated her opposition to the Terra Gen wind farm's continued colonization of indigenous lands and to biomass.

Arcata resident John Schaefer praised RCEA's public process, opposed long term biomass contracts given current plant conditions, requested GHG research on the biomass plants, expressed support of the Terra Gen project and stated that offshore wind would never be successful. Mr. Schaefer stated that PG&E's natural gas-powered plant produces less pollution than current biomass plants and inquired whether RCEA could support economical battery storage.

Arcata resident Diane Ryerson thanked RCEA for a public process enabling more public control of energy and requested that RCEA offer a biomass-free energy option. Ms. Ryerson expressed support for offshore wind, solar energy, vehicle to grid, islanding and use of ratepayer funds to leverage microgrid loans.

McKinleyville resident Fhyre Phoenix requested that every dollar and man hour currently used to pursue biomass energy be used to obtain solar or other cleaner energy forms.

Manila resident Linda Lee stated that with education and incentives Humboldt County residents can become part of a new energy movement and asked RCEA not to expend more than transitional energy for biomass.

Chair Winkler closed public comment.

The directors expressed appreciation for the public's participation and discussed battery manufacturing's environmental impacts, storing wood in homes as a carbon sink while fulfilling California Housing Authority building goals, partnering with Humboldt County Association of Governments on solar and electric vehicle initiatives, the need for agency focus on energy storage and supporting biomass workers' transition to alternative energy industries to lessen economic dependence on biomass.

5.2 Long-Term Renewable Energy Solicitation Update

Vice Chair Allison left at 5:34 p.m. Director Woo recused herself from discussion of agenda item 5.2 due to a remote conflict of interest and left the room at 5:35 p.m. Director Woo's conflict arises from her employment at SHN Engineers and Geologists, which performed work for Terra-Gen, of which Humboldt Wind, LLC is a subsidiary.

Power Resources Director Engel presented a staff report on suspension of negotiations with Candela Renewables due to project slowdowns. RCEA staff continue power purchase negotiations with Terra Gen/Humboldt Wind, LLC, and the project is moving through the County conditional use permit and environmental impact statement processes.

The Board agreed by consensus to have RCEA staff attend Humboldt County Planning Commission public hearings and provide information if asked about matters regarding the Humboldt Wind Project that are within the agency's scope of work and expertise.

Chair Winkler invited public comment.

Wiyot Tribal Botanist, GIS and Cultural Assistant Adam Cantor read a letter opposing the Terra Gen Wind Project for its negative impacts on Tsakiyuwit, or Bear River Ridge, and the Cape Mendocino ecological transect.

Rio Dell resident Suzanne Nesson expressed opposition to the Humboldt Wind Project and her desire to see Humboldt County's character preserved for her children.

Elk River resident Jesse Noell opposed the Humboldt Wind Project because of its persistent GHG emission development impacts, for which RCEA has a fiduciary responsibility.

Member of the public Rick Pelren stated his opposition to the Humboldt Wind Project because the production of 72 MW after line loss does not justify the destruction of 1,000 forest acres. Mr. Pelren expressed support for ocean wind farms.

Member of the public Ken Miller requested disclosure of the Terra Gen power purchase agreement terms and stated the importance of informing the County Planning Commission of public opposition to the project during the Comprehensive Action Plan for Energy meetings.

Chair Winkler closed public comment.

Director Fennell left at 6 p.m. Director Woo returned to the dais at 6:02 p.m.

5.3 RCEA Office Space Update – Information only

Staff reported that the search for suitable office space continues. The directors expressed willingness to consider building purchase and partnering with another agency in a larger building should these options prove to be fiscally prudent.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

NEW BUSINESS

6.1. PG&E Public Safety Power Shutoff Event

Chair Winkler explained that he requested this agenda item because PG&E tried to operate Humboldt Bay Power Station during the recent public safety power shutoffs and disconnect Humboldt County from the grid but was unable to do so.

The directors discussed subcommittee formation, quarterly subcommittee reports, and a report from a technically-knowledgeable PG&E representative to the full Board during the January 2020 Board meeting on why PG&E was unable to island Humboldt County.

Chair Winkler invited public comment.

A member of the public advised using the historic Midwest to East Coast blackout as a possible islanding solution source.

Member of the public Ken Miller requested that RCEA promote solar generators to counter greenhouse gas (GHG) emissions from fossil fuel generators purchased and operated during the public safety power shutoff. Dr. Miller proposed promotion of local energy self-sufficiency through distributed energy rather than relying on PG&E or the grid.

Member of the public Walt Paniak advised recruiting allies with technical expertise to ensure productive interactions with PG&E.

Member of the public Ellen Golla expressed appreciation for acknowledging medically vulnerable peoples' needs during future power shutoffs.

Chair Winkler closed public comment.

M/S: Wilson, Glaser: Form an ad hoc Public Safety Power Shutoff Subcommittee comprised of Directors Fennell, Miller, Wilson and Chair Winkler to work with staff and PG&E to pursue a process to develop, test, and execute a plan to provide more advance notice and provisions for people with medical needs and to investigate whether it is possible by September 2020 for Humboldt County to operate as a mini-grid disconnected from the greater grid and continue electrical service if there is no fire danger within Humboldt County.

The motion passed. Ayes: Curran, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: Allison, Fennell.

6.2. Redwood Coast Airport Microgrid Project Site Tree Removal Request for Proposals

Executive Director Marshall reported on the airport solar energy storage microgrid project construction, which will be four times larger than the Blue Lake Rancheria microgrid. A row of trees that will significantly shade the panels is slated for removal.

Chair Winkler invited public comment.

Member of the public Ellen Golla requested finding a use for the wood other than donating it to low-income seniors as wood burning increases the entire community's medical expenses.

Another member of the public requested planting 100 trees for each tree removed.

Chair Winkler closed public comment.

M/S: Glaser, Woo: Authorize staff, after securing authorization of site control from the County, to issue a request for proposals for removing trees along the southern boundary of the microgrid project site at the California Redwood Coast-Humboldt County Airport.

The motion passed on a unanimous voice vote. Ayes: Curran, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: Allison, Fennell.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

A quorum was not present to conduct Community Choice Energy business.

M/S: Woo, Glaser: Move agenda item 7.1 – Energy Risk Management Quarterly Report to the Non-CCE New Business portion of the agenda.

The motion passed. Ayes: Curran, Glaser, Miller, Smith, Wilson, Winkler, Woo. Absent: Allison, Fennell.

NEW BUSINESS (continued)

6.3. Energy Risk Management Quarterly Report (Information only)

The Energy Authority Client Services Specialist Jaclyn Harr presented the Energy Risk Management Quarterly report. Ms. Harr warned that TEA may not be able to buy enough affordable carbon free energy to meet the CCE program's targets in 2020 and beyond and stated that renewable solar and wind cost less than current Pacific Northwest carbon-free large hydropower. TEA asked the Board to consider alternatives, including new, green, potentially local, power sources that can be added to the grid, displacing some natural gas. Staff will bring some choices for 2020 back to the Board for consideration in November.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

CLOSED SESSION

Counsel Diamond stated there were no action items for the closed session meeting with legal counsel per Government Code Section 54956.9(d)(4), in re PG&E, Bankruptcy Court, 19-30088, Northern District of California, and that, due to the late hour, discussion could be postponed until the following meeting.

Chair Winkler adjourned the meeting at 6:56 p.m.

Respectfully submitted,

Lori Taketa
Clerk of the Board



Redwood Region Economic Development Commission
Prosperity Center 520 E Street, Eureka, California 95501
Phone 707.445.9651 Fax 707.445.9652 www.rredc.com

REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION
Regular meeting of the Board of Directors
At the Prosperity Center 520 E Street, Eureka
November 25, 2019 at 6:30 pm
AGENDA

**This meeting has been cancelled
due to lack of quorum.**

The Redwood Region Economic Development Commission will, on request, make agendas available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the Board Secretary at (707) 445-9651. Notification 48 hours prior to the meeting will enable the Commission to make reasonable arrangements for accommodations.

**RREDC
Member
Agencies**

Cities Arcata · Blue Lake · Eureka · Ferndale · Fortuna · Rio Dell · Trinidad
Community Services Districts Humboldt · Manila · McKinleyville · Orick · Orleans · Redway · Willow Creek
Humboldt Bay Harbor, Recreation and Conservation District · Humboldt Bay Municipal Water District
County of Humboldt · Hoopa Valley Tribe · Redwoods Community College District