



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Board of Directors Meeting

June 2018



Ruth Lake

MINUTES



Minutes for Meeting of Board of Directors
NOTE DATE CHANGE

May 15, 2018

A. **ROLL CALL**

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

B. **FLAG SALUTE**

President Woo led the flag salute.

C. **ACCEPT AGENDA**

Under the Ralph M. Brown Act, a legitimate immediate need can be acted upon even though it is not on the posted agenda. The Board must determine that there is an immediate need to take action and the need arose after the agenda was posted. Under the Ralph M. Brown Act, in order to add a qualified item to the agenda, it must be publicly identified so that interested members of the public can monitor or participate in the consideration of the item in question. Also, the Board must agree by consensus to discuss the item.

Based on the above-mentioned criteria, Mr. Friedenbach stated he would like the Board to consider two additions to the agenda under New Business. At the ACWA conference he learned of ACWA's request to submit a letter to the SWRCB expressing opposition the new requirements of content to be added to the 2017 electronic Annual Report (eAR). This is due by May 25th. The other addition requested is for Closed Session to discuss potential litigation. This is result of actions taken last week by the Board of Supervisors regarding a change in the cannabis ordinance. The Board agreed by consensus to add the additional items as there was an immediate need to take action and it occurred after the agenda was posted. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to accept the agenda as modified.

D. **MINUTES**

President Woo and Director Latt requested changes to better clarify the minutes. President Woo's changes were in reference to the RCEA off shore energy project and Director Latt's were related the Lazzar subdivision. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the minutes of April 12, 2018 as amended and the minutes of April 20, 2018.

E. **PUBLIC COMMENT**

No public comment was received.

F. **CONSENT AGENDA**

Director Latt pulled Item 1 and Director Rupp pulled Item 2. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to accept the Consent Agenda, less Items 1 and 2.

Director Latt pulled Item 1: Email from Mr. Edrich re: Manila Dunes. He stated he is not familiar with the topic and requested more information. Mr. Friedenbach stated the email is from Dan Edrich who is a proponent of not removing European Beach Grass from the dunes. Mr. Edrich believes that removal of the European Beach Grass causes destabilization of the dunes and has presented his information to the Board on several occasions. The District wanted to get science backed information on the dunes and is a participant in a Dunes Climate Ready Study. This is a five-year study that began in 2015 to improve understanding of sediment movement along a 32- mile unit of coastline in the Eureka area. One of the transects being studied is the location of the District's pipeline which has



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been uncovered in the past (approximately every 7 to 10 years) due to shifting dunes, however has not been a problem historically.

Director Rupp pulled Item 2: ACOE Public Notice re: Schneider Dock Maintenance Dredging. He stated he believes this is where the cruise ship will be docking. He was curious if the work was being done as part of the scheduled maintenance or in response to a cruise ship arriving.

On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 5-0 to approve Consent Items 1 and 2.

G. CORRESPONDENCE

Letter from LAFCo re: nomination results

Mr. Friedenbach shared the letter from LAFCo regarding the Special District nominations for their Board. Only one nomination was received for regular member and alternate member so there is no need for an election. Troy Nicolini will serve as regular member and David Couch as alternate member.

Letter from District to Rural County Representatives of California re: SB 623 Water Tax

Mr. Friedenbach shared the letter the District sent expressing opposition to SB 623 unless amended. Rex Bohn is the chair of executive committee of the Rural County Representatives. Mr. Friedenbach noted that the Board of Supervisors is scheduled to discuss SB 623 at their meeting today.

USFS request for public comment re: PG&E Special Uses

The District received notice from the USFS requesting comments during the 30-day public scoping period regarding the proposed continued use and occupancy of USFS lands to Pacific Gas and Electric Company for existing electric systems. Mr. Friedenbach inquired if the Board would like to provide comments. Director Rupp stated he would like a general comment made to request they manage the forest in a way to protect it against fire, including proper installation of PGE equipment, lines etc. and timber management. He noted that the Consolidated Appropriations Act of 2018 also known as the "omnibus" bill, now separates funding for fire suppression and timber management. Previously the funding was not separated and most of the funding was spent on fire suppression. The Board concurred to provide the suggested comments.

H. CONTINUING BUSINESS

Water Resource Planning - status report and discussion re: water-use options under consideration

Local Sales

Nothing to report.

Transport

The Transport Committee (Directors Latt and Rupp, and Mr. Friedenbach) met with Erico Tavares via Skype to discuss Mr. Tavares ocean transport proposal. The committee shared the term sheet and made it clear the preferred end customer is a municipal agency. The District has water to sell if Mr. Tavares achieves a viable transport method and customer. They recommended Mr. Tavares contact the Harbor District for additional logistical information.

Instream Flow

Mr. Friedenbach stated the District is still waiting on the grant agreement from the Wildlife Conservation Board. President Woo noted that Mad River Alliance (MRA) is a grant partner and they are preparing to do temperature monitoring of the Mad River. She is concerned they may



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believe the costs will be covered by the grant. We do not have an agreement yet so they cannot be reimbursed with grant funds for the monitoring. Director Fuller stated the MRA conducts this monitoring every year.

Cannabis Grows

Last month, the Board requested staff bring back information on possible funding opportunities to assist local law enforcement with illegal cannabis grows within the Mad River watershed. Mr. Friedenbach met with Scott Bauer of the CDFW's Watershed Enforcement Team to discuss the issue. Mr. Bauer reiterated the most effective assistance would be to help fund overtime to enhance their operations. Mr. Friedenbach reaffirmed that if funding is provided, it would be dedicated to enforcement activities in the Mad River watershed and the District would like to receive metrics on the effectiveness of funded enforcement activities. Mr. Bauer provided assurance that metrics could be communicated should funding be provided.

Mr. Friedenbach stated he was originally going to request authorization from the Board to provide funding for enforcement of illegal cannabis grows in the Mad River watershed, however, one of the Municipal Customers requested the topic be discussed with the Municipal Customer Group or Water Task Force. Given this, he recommends tabling the discussion until later. He stated the topic was shared at the Municipal Customer meeting yesterday, unfortunately, the person who requested the topic did not attend the meeting.

Planning Commission Appeal

Director Latt recused himself from discussion and left the dais. As a member of the public, he stated he was supportive of the District sending a letter to the Planning Commission, then left the room. District legal counsel Leslie Walker of the Thomas Law Group participated in the discussion via phone. She stated the letter was still being drafted at the time the Board packet was published. She inquired if they all had a copy now. Mr. Friedenbach stated copies were provided to all and are also in the public review packets. The Board discussed the response letter from the Thomas Law Group to the Humboldt County Planning Department regarding the MCMP letter regarding Withdrawal of SP - 16-015 and ZR-16-001. The letter is necessary to clear up some misstatements by MCMP in their permit and zoning application withdrawal letter and reiterate the District's position. The Board reviewed the letter and suggested minor edits. Director Rupp stated the letter was very good and commended Ms. Walker for the great job with letter.

Lazzar Subdivision

Last month the Board requested staff send a letter to the City of Arcata Planning Department opposing the Lazzar subdivision as proposed given concern regarding the District's easements interests. Mr. Friedenbach shared the letter sent opposing the project and he shared the response received from the City of Arcata. Mr. Mateer of Arcata Planning Department stated Mr. Lazzar has been notified that there are deficiencies with the project that must be resolved before the project can be approved. Mr. Friedenbach noted the District has not been contacted by Mr. Lazzar. Director Latt noted that legally, the District's position with the 45' easement is very strong.

District Facebook

The Social Media Committee (Directors Woo and Fuller and Ms. Harris) met and decided to keep the District's Facebook page. There were actually three Facebook pages and the committee made significant progress in eliminating the two inactive and older versions. President Woo noted that Facebook is a good mechanism for getting information out and can link to the District website. Director Rupp stated if the District is going to keep an active Facebook page, there should be a



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policy. Ms. Harris agreed and noted it is already on the list of items to do. The draft policy will be brought to the Board for consideration in the near future.

Joint Board Meeting with Ruth Lake CSD

Mr. Friedenbach shared the draft agenda for the Joint Board meeting with Ruth Lake CSD. The agenda is consistent with previous ones. He did call out the departure time of 6:00 am given the road construction on Highway 36. The Board stated the agenda looked good.

I. NEW BUSINESS

LAFCo Ballot for Humboldt County Consolidated Redevelopment Agency (RDA) Oversight Board

The District received the official ballot from LAFCo for the Special District Appointment to Humboldt County Consolidated Redevelopment Agency (RDA) Oversight Board. On motion by Director Latt, seconded by Director Hecathorn, the Board voted 5-0 to cast the District's vote for J. Bruce Rupp.

District Timber Management Plan/Timber Harvest Plan

The District owns approximately 3,000 acres of property around Ruth Lake. Much of this land is producing timber and not actively managed by the District. The last active Timber Harvest Plan was in the 1990s. Currently, the District utilizes exemptions such as the Drought Mortality; Dead, Dying and Diseased Tree Removal; or Public Agency, Public and Private Utility Right-of-Way to remove dead and dying trees. Using these exemptions means there is little to no value in the trees and the District may actually incur costs to have the hazardous trees removed. If the District takes a more active role in Timber Management there can be other benefits in addition to increased timber value such as improving headwaters ecosystem for water sustainability, reducing fuel hazards and fire risks improving overall aesthetics, and allowing for timberland goals to meet with wildlife goals. Director Rupp inquired if the intent is to find trees to harvest that have value. Mr. Friedenbach stated yes to some extent. The goal regarding timber value is to have a zero-net cost to the District for tree removal and to have a healthy timber environment for the headwaters watershed, wildlife, fuel reduction and recreation. Director Rupp stated he is supportive of managing resources, however, inquired what kind of costs are involved. Mr. Friedenbach replied that if the Board approves moving forward with a Timber Management Plan, staff will pursue grant funding opportunities and explore partnering with the US Forest Service. The purpose of partnering with the US Forest Service is to continue to enhance 1) timber management in the headwaters ecosystem, 2) the long-term good working relationship and 3) improve grant opportunities. Director Hecathorn stated it sounds like staff is viewing Timber Management as an enhancement and not a money maker. Mr. Friedenbach confirmed this was correct. A Timber Management Plan for the District would be for enhancement of the environment, including the watershed. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to pursue grant funding for a Timber Management Plan and to work with the US Forest Service.

Mad River Watershed Zoning

Mr. Friedenbach shared the Mad River Watershed Zoning maps provided by the County Planning and Building Department. He requested direction from the Board on how to proceed with the information. Director Fuller requested staff keep the maps in mind while working with Mad River Alliance, (MRA) on water quality and note any "hot spots" that may benefit from monitoring. It is also important to be aware of any projects going on so we know what to ask for regarding sampling by MRA. Director Latt stated an important first step is a formal request to the County Planning and Building Department for notification of any projects or zoning changes. The



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Directors provided additional input on verbiage to include in the letter. The Board requested staff submit a letter and include a copy to the Board of Supervisors.

eAR 2017 New Reporting Requirements

Mr. Friedenbach stated at the ACWA Conference he learned that ACWA is requesting member agencies protest the new requirements being imposed on the 2017 electronic Annual Report (eAR) to the State Water Resources Control Board. The new requirements were included in the 2017 eAR without the benefit of an open and transparent stakeholder process. New data is now being requested without the advance notice necessary to allow water agencies to collect and report accurate information. A coalition of water utilities have come together to express comments related to the new 2017 eAR requirements. Mr. Friedenbach stated the electronic Annual Report is a water quality report, not a venue for collecting data. ACWA is requesting responses by May 25th. He inquired if the Board would like to protest the new requirements and if so, would they like to sign on to the coalition letter or draft their own. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to join the coalition letter expressing concerns and protesting the new requirements for the 2017 eAR.

CLOSED SESSION- Public Employee Personnel Matter: General Manager (pursuant to Section 54957(b)(1))

President Woo announced the Board was going to enter into Closed Session to discuss a Personnel Matter. No public comment was received and the Board entered into Closed Session at 5:10 pm. The Board returned to Open Session at 5:31 pm. There was no reportable action.

J. REPORTS (from Staff)

1. Engineering

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

Mr. Kaspari shared the signed Notice to Proceed. He stated the kick off meeting was held May 14th and was a good, productive meeting. The contractor provided a schedule and September 12, 2018 is the scheduled project completion date. Mr. Friedenbach stated now that we have a schedule, he and Nate Stevens of GHD will attend the Fieldbrook Glendale CSD meeting and City of Blue Lake meeting to share the schedule, the draft letters to be sent to customers notifying them of the project and discuss the project in general. President Woo stated she will attend the Fieldbrook meeting and Director Fuller stated she would attend the Blue Lake meeting. Mr. Kaspari added that the emergency agencies will also be notified in advance via letter of road closures on Warren Creek Road.

Surge Tower Replacement/12kV Replacement

NEPA has been completed and the Surge Tower Replacement project will likely go out to bid at the end of the year.

The 12kV Replacement project has not cleared NEPA yet.

Collector Mainline Redundancy Hazard Mitigation Grants

The District is still waiting to hear the grant was received.

Reservoir Structural Retrofit Hazard Mitigation Grant Application



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Although the grant is not approved yet, CalOES is requesting the District submit a Project Maintenance Letter, Local Match Fund Commitment Letter and Project Conditions. The grant portion is \$2,686,500 and the Local match is \$895,500. On motion by Director Latt, seconded by Director Hecathorn, the Board voted 5-0 to approve submittal of the Maintenance Letter, Local Match Fund Commitment Letter and the Project Conditions.

Single Line Industrial Slough Crossing Hazard Mitigation Grant Notice of Interest

Mr. Kaspari stated the NOI was approved and the District is invited to submit a full application. He also noted that CalOES encouraged him to discuss environmental impacts in the application. Mr. Kaspari state it costs about \$20,000 to submit the grant. The current arrangement is GHD initially invoices for incurred costs up to \$10,000 for grant preparation and any remaining balance up to a total of \$20,000 if the grant is awarded. The cost of the project is \$3 million. Mr. Friedenbach added that since the project is for the industrial line, we can't advance charge our Municipal Customers so funds would likely come from ReMAT revenue. Mr. Kaspari estimated a 51% chance of receiving the grant and shared why he feels the District should go for the grant. President Woo stated she is in favor of moving forward with the grant and the Board concurred. They requested the item come back to the Board for final approval before submitting the grant application.

Dam Spillway Specific PFMA PowerPoint presentation

Mr. Kaspari provided an overview of the Dam Spillway PFMA presentation. The purpose of the PFMA is to assess scenarios of ways the dam's spillway can fail and how to prevent or monitor them. He shared historic photos of the construction of the dam and discussed the preventative maintenance and inspections done currently.

Status report re: other engineering work in progress

Mr. Kaspari stated he received notification that the NOI period for the Hazard Mitigation grant is re-opening. He inquired if the District is interested in doing a submittal and if yes, suggested some potential dam work projects. After a brief discussion, the Board concurred to pursue a NOI for investigations related to possible re-enforcement of the spillway.

2. **Financial**

Financial Report

Ms. Harris provided the April 2018 financial report. She noted that the Ruth Lake Bunkhouse will be a carryover project. Director Hecathorn reviewed bills and stated all was good. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the April 2018 financial report and vendor statement in the amount of \$238,229.09.

Letter from County Treasurer summarizing interest earned report for quarter ending December 2017

Ms. Harris shared the letter from the County Treasurer. The County's interest rate on District funds was 1.32%. The LAIF rate was up to 1.2% at the end of the December 2017.

Project Budget 2018/19

Mr. Friedenbach stated the item was listed just as a reminder that the Project Budget meeting is scheduled for May 30th at 9:00 am at Essex. He reminded the Directors that if they have specific items they'd like in the budget to email them to him or Ms. Harris.



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Budget presentation -Salary and Employee Benefits (SEB) & Service and Supply (S&S)

Ms. Harris provided an overview of the budget schedule process and stated today she will be discussing the SEB and S&S budgets.

Changes to this year's S&S budget include some account separations to allow for increased detail and budget monitoring. The Maintenance and Repairs-General account is now broken out into four separate accounts. The four new accounts are: Maintenance and Repairs; Materials and Supplies; Tools and Equipment; and Safety Equipment and Training.

The Maintenance and Repairs – TRF account is now broken out into three accounts: Maintenance and Repairs- TRF; Materials and Supplies- TRF; and Safety Equipment and Training- TRF.

The Office Expense account is now two accounts: Office Expense; and IT and Software Maintenance.

The total proposed S&S Budget with power costs is \$1,508,200. This is 1.74% higher than last year. The largest factor in this is power purchased.

Each year management consults employees to find out what is important to them. Feedback from employees this year included the need for an additional O& M Tech; a new position description for "Operator-in-Training" given new requirements; expansion of cell phone stipend to all employees; incentive pay for additional licenses and certifications; COLA increase; AirMedCare Medical Flight Insurance and gym membership for employees.

The Salary and Employee Benefits (SEB) topics included Employee Feedback, "Operator-in-Training" job description, Additional Operations & Maintenance (O&M) Tech Position, CPI and COLA and AirMedCare Medical Flight Insurance.

Ms. Harris stated the District has the highest certification requirements (T-4) in area. T-4 certification is required for the Chief Operator and T-3 Certification is required for Shift Supervisors. Given recent regulatory requirement changes for the T-3 certification process, having sufficiently certified operators becomes an increasing concern as current staff begins considering retirement. A new O & M Tech position as well as a new position description for an "Operator-in-Training" is requested by staff and supported by management. She provided specific examples how and why this is important. President Woo commented it sounds like this would improve moral and retention as well as safety by reducing overtime. She discussed the new position description and its impact on the workforce. On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 5-0 to approve the new position description for the "Operator-in-Training" effective immediately.

Ms. Harris presented four CPI's ranging from the US City Average to San Francisco-Oakland-San Jose. CPI indices have been used historically to help establish the basis for a COLA. The purpose of a COLA to help employees address inflation over time and maintain compensation parity with local agencies. She provided FY 19 costs for COLA ranging from 2.1% up to 3.6%, as well as the COLA's for the four larger Municipal Customers. She recommended a 3% COLA based on the local comparison and CPI's indices. Director Latt stated he would like to see the costs for a 2% COLA at the next presentation.



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Ms. Harris discussed the AirMedCare Medical Flight Insurance requested by employees. This is America's largest medical membership network and includes: REACH, Cal-Ore Life Flight, CALSTAR, Sierra Lifeflight, CareConnect, Woman's Air Care and Mad River Ambulance. Annual membership covers the entire household, including full time college students up to age twenty-six. The total annual cost for employees and directors is \$2,200 or \$65 per household.

Ms. Harris discussed known increases in the Employee Benefits budget. CalPERS employee contributions will be going up .783% and the Unfunded Liability will increase 17.65%. Health insurance is estimated to increase between 4%-9% and for budget purposes, she selected the percentage in the middle. Worker's Comp Insurance will see an X-Mod increase due to recent claims history.

Ms. Harris stated the proposed S&EB budget, including a new O&M Tech position, COLA at 3%, healthcare premium increases and the new Medical Flight Insurance is \$3,930,475. This is 5.03% higher than last year.

The S&S budget and SEB budget combined are 4.10% greater than the previous budget. Ms. Harris noted that the Municipal Customers were provided projected costs three months ago and we are within the projected range provided.

Director Rupp stated it was a very good presentation and the District is doing a good job managing costs. Director Hecathorn agreed and thanked Ms. Harris for a thorough job with the presentation.

3. Operations

Mr. Davidsen provided the April Operational Report. He stated that an employee moved from the maintenance worker position to O&M Tech given Carol McKibben's retirement and Ryan Schneider was hired as the new maintenance worker. Staff conducted the required 90-day truck inspections per DOT regulations. He and Mr. Chairez attended a Dam Safety Training seminar in Sacramento. This was a very informative seminar, was geared towards regulators, and covered all types of dams and problems associated with each type and early warning signs of potential problems. Staff participated in the annual Confined Space and Heat Illness Prevention training. He noted that staff removed graffiti from the IW Reservoir. Graffiti is becoming a bigger issue and only getting worse. The SCADA Project is complete and he shared the letter of completion. The Ruth Bunkhouse project went out for bid. He met with a contractor for a walk-thru of the project at Ruth. The contractor inquired if we could postpone the bid opening given that he had a conflict with the timing and he was told no, it was not possible at this time. No bids were received on bid day. Mr. Davidsen shared some options on how to proceed. The Board suggested Mr. Davidsen contact the contractor who did the walk thru to see if he is interested still and if he could provide a bid.

K. MANAGEMENT

This section was not discussed due to lack of time. The topics will be included on the next regular agenda.

1. CSDA
 - a) Welcome Humboldt Chapter -discuss
 - b) Take Action May 2018-discuss
2. ACWA Spring Conference-report out on attendance



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L. DIRECTOR REPORTS & DISCUSSION

1. General

No general comments received.

2. ACWA – JPIA

3. ACWA

General

Director Rupp announced that he is on the Region 1 membership committee.

Region 1 Tour

On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to authorize the Board and appropriate staff to attend the Region 1 if they wished to attend.

Spring Conference report out

This was not discussed due to lack of time. It will be included on the next regular agenda.

4. Organizations on which HBMWD Serves: RCEA, RREDC

This was not discussed due to lack of time. It will be on the next regular agenda.

ADJOURNMENT

The meeting adjourned at 5:35 pm.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Minutes for Special Meeting of Board of Directors

Location: Essex Control- 7270 West End Road, Arcata



May 30, 2018

A. ROLL CALL

President Woo called the meeting to order at 9:00 am. Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Latt, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen and Business Manager Chris Harris were also present. Operations Supervisor Mario Palmero, Maintenance Supervisor Ryan Chairez, Assistant Maintenance Supervisor Chris Merz and Maintenance Worker Ryan Schneider was present for a portion of the meeting.

B. ACCEPTANCE OF AGENDA

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

C. PUBLIC COMMENT

No public comment was received.

D. CONTINUING BUSINESS

FY 2018/19 Project Budget

Staff presented and the Board discussed the proposed Project Budget in line-item detail. The Board asked several detailed questions about various proposed projects which staff responded too. The Board toured the Chlorine facility, Pump Station 6 and new vehicle lift.

E. NEW BUSINESS

Mad River Policy Committee

The Board discussed possibly forming a Mad River Policy Committee and reviewed a proposed Committee Purpose Statement. President Woo inquired if the Purpose Statement should be more specific and detailed. The Board agreed to keep it as is, however requested a change to the committee composition to read the committee is comprised of the Board President and another Board member OR two Board members and the General Manager. On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 5-0 to approve the Mad River Policy Committee Purpose Statement as amended. President Woo and Director Fuller expressed interest in serving on the committee. On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 5-0 to approve President Woo and Director Fuller as the new committee members.

Presentation of H.R. LaBounty Safety Award

Director Rupp presented the H.R. LaBounty Safety Award to Ryan Chairez and Chris Merz on behalf of the maintenance department. Director Rupp stated this is the second year in row staff has received the award and commended them on their forward thinking, especially in regards to safety and efficiency. Mr. Friedenbach presented them with the \$100 cash prize.

Presentation of Jacket to Ryan Schneider

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

F. ADJOURNMENT

President Woo adjourned the meeting and 1:04 pm and the employee barbeque began.

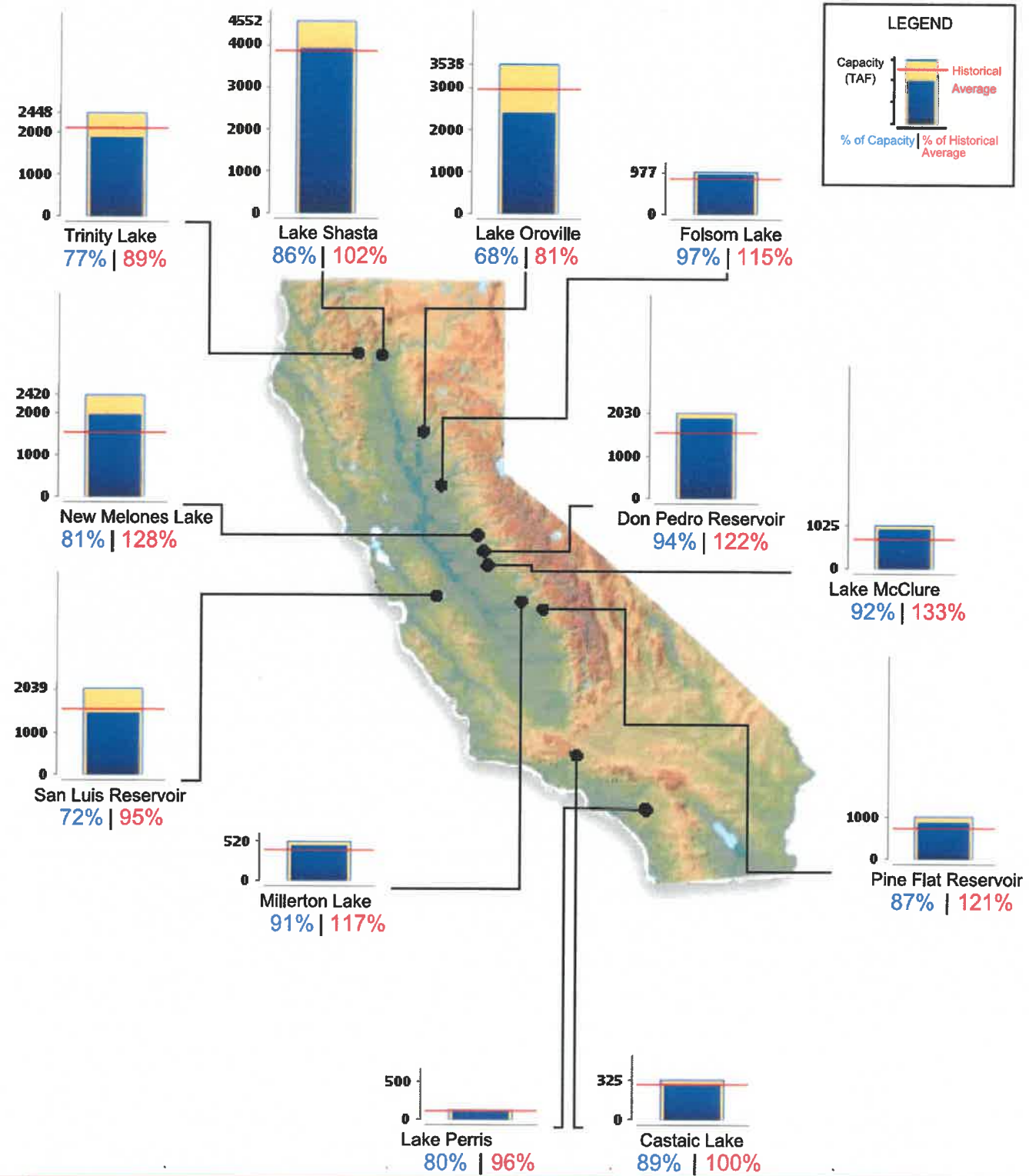
CONSENT



Reservoir Conditions

Ending At Midnight - June 6, 2018

CURRENT RESERVOIR CONDITIONS



Mussel-infested boat stopped at Lake Mendocino

MARY CALLAHAN

THE PRESS DEMOCRAT | June 3, 2018, 9:03PM

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THIS JUST IN ... Governor Brown Signs Legislation Establishing Statewide Water Efficiency Goals

May 31, 2018 [Maven](#) [Breaking News](#)

From the Office of the Governor:



Governor Edmund G. Brown Jr. today signed SB 606 by Senator Robert Hertzberg (D-Van Nuys) and AB 1668 by Assemblymember Laura Friedman (D-Glendale) to help the state better prepare for droughts and climate change by establishing statewide water efficiency standards.

“In preparation for the next drought and our changing environment, we must use our precious resources wisely. We have efficiency goals for energy and cars – and now we have them for water,” said Governor Brown.

SB 606 and AB 1668 establish guidelines for efficient water use and a framework for the implementation and oversight of the new standards, which must be in place by 2022. The two bills strengthen the state’s water resiliency in the face of future droughts with provisions that include:

- Establishing an indoor, per person water use goal of 55 gallons per day until 2025, 52.5 gallons from 2025 to 2030 and 50 gallons beginning in 2030.
- Creating incentives for water suppliers to recycle water.
- Requiring both urban and agricultural water suppliers to set annual water budgets and prepare for drought.

“This is another important step in the Legislature’s focused effort to reengineer water policy away from crisis management and toward a 21st century approach. I want to thank the Governor and his staff for their creative vision, and my colleagues in both houses for their hard work to bring this across the finish line,” said Senator Hertzberg.

“Governor Brown challenged every Californian to embrace water efficiency during the drought, and with his signature on AB 1668, we’ll have the state working collaboratively with local governments and urban water suppliers to put in place water efficiency standards that will help every community focus on sustainability. It’s a balanced approach that puts efficiency first and gives water agencies the flexibility to embrace innovation and tailor their policies to meet the unique needs of their community,” said Assemblymember Friedman.

Today’s legislative action builds on Governor Brown’s ongoing efforts to make water conservation a way of life in California. The state responded to the most recent drought with emergency actions and investments and the advancement of the California Water Action Plan, the Administration’s five-year blueprint for more reliable, resilient water systems to prepare for climate change and population growth.

Humboldt County, state water officials talk new laws that mandate water conservation

Local, state officials discuss new water laws

By Paul Rogers, Bay Area News Group

Tuesday, June 5, 2018



Although he declared an end to California's historic five-year drought last year, Gov. Jerry Brown has signed two new laws that will require cities and water districts across the state to set permanent water conservation rules, even in non-drought years.

"In preparation for the next drought and our changing environment, we must use our precious resources wisely," Brown said in a statement. "We have efficiency goals for energy and cars — and now we have them for water."

On Thursday, Brown signed two bills, SB 606 by Sen. Robert

Hertzberg (D-Van Nuys) and AB 1668 by Assemblywoman Laura Friedman (D-Glendale), that require cities, water districts and large agricultural water districts to set strict annual water budgets, potentially facing fines of \$1,000 per day if they don't meet them, and \$10,000 a day during drought emergencies.

Under the bills, each urban water provider will be required to come up with a target for water use by 2022. Fines for agencies failing to meet their goals can begin in 2027.

The targets must be approved by the State Water Resources Control Board between now and then, and will vary by city and county.

Standards will be based on a formula that is made up of three main factors: an allowance of 55 gallons per person per day for indoor water use — dropping to 50 gallons by 2030; a yet-to-be determined amount for residential outdoor use that will vary depending on regional climates; and a standard for water loss due to leak rates in water system pipes.

The new laws make it likely that water agencies will need to offer more rebates for home owners and business owners who replace lawns with drought-tolerant plants and who purchase water-efficient appliances. The agencies could also limit the hours and days of lawn watering, even when droughts are not occurring.

The laws are a response to complaints from some water agencies that the mandatory water targets the Brown administration put in place during the drought were too inflexible and didn't take into account local water supplies, population growth and other factors. Those limits ranged from an 8 percent reduction in water use to a 36 percent reduction, based on each community's per-capita water use.

The months-long debate over the new laws split the water community, environmental groups and business groups.

Humboldt County

The Humboldt Bay Municipal Water District — which serves approximately two-thirds of county residents across several municipalities and community services districts — initially opposed the legislation unless it was

amended.

"We just have to wait and see how they get implemented in the regulations and we'll be watching these closely to see how it develops," District general manager John Friedenbach told the Times-Standard on Monday.

Organizations who supported the new laws say it makes sense to reduce demand as the state's population grows, and allow each local area the flexibility for devising their own plan while California continues to develop new supplies, from recycled water to storm water capture to new reservoirs.

"They are definitely a step in the right direction," said Tracy Quinn, water conservation director for the Natural Resources Defense Council, of the new laws. "The framework strikes the right balance between local control and necessary state oversight."

Quinn said that most cities and water districts in California already are close to, or under, a standard of 55 gallons per person per day for indoor use.

Last year, urban Californians used an average of 90 gallons of water per person per day for indoor and outdoor use combined, down from 109 gallons in 2013, according to the state water board. Most communities using more were located in hot places in Southern California and the Sacramento area, while cities with smaller yards and coastal areas with cooler climates used less. In the summer, at least half of residential water use in most communities goes to watering lawns and landscaping.

Environmentalists like Sierra Club California said the rules didn't go far enough. Of particular concern was a compromise inserted in the bill that allowed cities and water districts to get 15 percent credit on their water use totals if they produce certain types of recycled water.

"All water should be valued," said Sara Aminzadeh, executive director of the California Coastkeeper Alliance, which opposed the bills. "With energy we wouldn't want to offer incentives for the wasteful use of solar or wind energy. Likewise, we want to make sure all water is used efficiently."

Some of the state's major water agencies also opposed it, many on the general argument that Sacramento shouldn't be telling local government what to do. Among the opponents were the Alameda County Water District, Kern County Water Agency, San Diego County Water Authority, and the Zone 7 Water Agency in Livermore.

"Every local water agency supports conservation and has a responsibility to make sure its water users use water efficiently," said Tim Quinn, executive director of the Association of California Water Agencies, which opposed the bill. "This was never about whether we should be pursuing conservation. It was about how."

McKinleyville Community Services District board member and Association of California Water Agencies Region 1 vice chairman Dennis Mayo said he also supports water conservation, but said that placing a blanket conservation mandate on residents without enough flexibility is not the way to approach it.

Mayo said Humboldt County is unlike many regions in the state it has a water supply at Ruth Lake Reservoir that can supply up to four years worth of water. The reservoir refilled multiple times during the worst of the drought years.

"It just doesn't work to do the blanket deal," Mayo said. "It's so arbitrary."

Mayo said he would prefer if the state considered focusing more on improving water infrastructure to allow for better catchment of water during high flow periods.

Times-Standard reporter Will Houston contributed to this article.

Eureka Times-Standard (<http://www.times-standard.com>)

SECTION F2, PAGE NO. 7

Capitol Tracker: State proposal would tax drinking water; supes to weigh in Tuesday

Several local water agencies oppose plan

By Ruth Schneider, Eureka Times-Standard

Monday, May 14, 2018



During its Tuesday board meeting, the Humboldt County Board of Supervisors plan to discuss a legislative proposal that would tax drinking water.

The proposal is being advanced both as a bill, SB 623, which was authored by state Sen. Bill Monning (D-Carmel) and as a trailer bill that is part of Gov. Jerry Brown's budget.

The proposal would essentially tax drinking water — most water district customers would see water bills increase about 95 cents per month — and use that to fund both long- and short-term water

infrastructure improvements.

Monning lauded the governor's move to include the bill in the budget.

"We all applaud the governor's support for the communities throughout California that do not have access to safe drinking water," Monning said in a statement earlier this year. "These Californians deserve better and I will continue to urge my colleagues in the Legislature to work together with the governor to finally achieve the guarantee of safe and affordable drinking water to all Californians."

Third District Supervisor Mike Wilson, who brought the issue to the board, said it's important to have a conversation about the proposed tax and what it could mean for the county.

"The problem is real," he said. "There is no easy answer to this."

But he expressed concern about passing the tax on to water users.

"I'm pretty conflicted, mostly because clean water and providing clean water to communities that need it most is very important and we should do everything we can to make that happen," he said. "But taxing drinking water is a significant threshold to cross. ...It will be very, very difficult to come back from that."

Locally, there is some opposition to the bill from local water districts.

"We think that taxing water — something essential for human life — is just wrong and there are other ways to do this," said David Hull, general manager for the Humboldt Community Services District, which sent a letter of opposition to the proposal.

Additionally, Hull voiced concerns that while the fee now proposed sounds relatively insubstantial, there are no safeguards in place to keep it from increasing.

"Yeah, it's 95 cents now, but what's it going to be in three years?" he asked.

In the district's official letter of opposition, he voiced concerns about passing on the costs to customers.

"We already have our hands full complying with the plethora of other well-intentioned state mandates that do very little to ensure a safe and reliable water supply," the letter signed by Hull states. "As the majority of our community is designated disadvantaged, it goes without saying that the district's customers have limited resources to support additional mandates."

The McKinleyville Community Services District and the Humboldt Bay Municipal Water District also oppose the proposal, according to the Board of Supervisors agenda packet. Neither agency returned a call for comment from this reporter before the publishing deadline.

The Rural County Representatives of California, of which 1st District Supervisors Rex Bohn is currently chairman, has come out in favor of the proposal.

"Things like this will help with well solutions," Bohn said Monday afternoon. "It will fill a gap of covering unmet drinking water needs."

When asked whether it was problematic to ask those who are not affected by a lack of clean drinking water to pay for clean drinking water for others, Bohn said it was a matter of everyone doing their part.

"We are paying taxes for a train that doesn't come within 400 miles of our county," he said. "... We share the wealth of the other parts of the state, considering California is the world's fifth largest economy, but we also share the burdens."

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

URL: <http://www.times-standard.com/general-news/20180514/capitol-tracker-state-proposal-would-tax-drinking-water-supes-to-weigh-in-tuesday>

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- KIEM News Channel 3

State Proposes Tax on Drinking Water

May 15, 2018

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Eureka, Ca., (KIEM)- It's an essential element of life, and that's the problem. Senate Bill 623 proposes a tax on drinking water. The goal is to mitigate the impacts of drinking water use on watersheds. The concept being that those who pollute should also pay.

The trouble is, local agencies think the tax will only exacerbate what is already a high cost of living in the golden state.

In a letter to the Humboldt County Board of Supervisors, the Humboldt Bay Municipal Water District General Manager writes, "We wholeheartedly support the goal of ensuring safe drinking water for all Californians, especially those in disadvantaged communities. However, taxing Californians for something that is essential to life does not make sense, especially at a time when some are raising concerns about the cost of living in the state."

The Board of Supervisors did discuss the bill, and hear from the water district today.

Humboldt County supes question state water tax proposal; waste franchise changes advanced

Southern Humboldt waste franchise changes advance

By Will Houston, Eureka Times-Standard

Tuesday, May 15, 2018



The Humboldt County Board of Supervisors and community members were divided Tuesday over a state plan to tax drinking water in order to fund clean drinking water projects throughout California.

While board took no stance, some supervisors voiced their personal views. Board Chairman and 5th District Supervisor Ryan Sundberg and 2nd District Supervisor Estelle Fennell said they were opposed to the measure, while 3rd District Supervisor Mike Wilson said he was split on the benefits and costs of imposing the tax.

“What next, are we going to tax air? I mean, come on. So I think we have to come up with a different solution to providing clean water and I’m sure there are many, many out there,” Fennell said.

The proposal is being advanced both as a bill, SB 623, which was authored by state Sen. Bill Monning (D-Carmel) and as a trailer bill that is part of Gov. Jerry Brown’s budget.

The proposal would essentially tax drinking water — most water district customers would see water bills increase about 95 cents per month — and use that to fund both long- and short-term water infrastructure improvements, especially in disadvantaged communities. Revenue would also come from taxing dairy product and fertilizer producers.

Wilson said there are still unanswered questions on how the state will determine what is a disadvantaged community and what entity would what communities receive how much of the funding. But Wilson and 1st District Supervisor Rex Bohn also said clean drinking water access, especially in Central Valley and Salinas Valley communities, is a significant issue that needs to be addressed.

“It is a bit of a moral question as to whether taxing drinking water is a threshold we want to cross,” Wilson said.

Bohn also chairs the 35-county Rural County Representatives of California, which supports the tax, though Bohn said it was not unanimous support. Fourth District Supervisor Virginia Bass is the second vice president of the California State Association of Counties, which represents all 58 counties. She said the association’s staff are recommending support of the tax.

The Western United Dairymen’s Association’s Humboldt and Del Norte counties representatives Melissa Lima said their organization is supporting the proposal, even though it is a hard pill to swallow because it would add another \$100-\$130 in monthly costs to dairy farmers because of a tax on dairy products.

McKinleyville Community Services District board member and Association of California Water Agencies Region 1 Vice Chairman Dennis Mayo said they are opposing the tax. He said there are other funding sources

that could be used such as from the state's cap and trade program, creation of a trust fund, and federal funding sources.

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Mayo's district along with other local water districts are opposing the tax measure.

Southern Humboldt waste changes

The board voted 4-0, with Bass absent, to advance plans to consolidate waste services for the unincorporated Garberville, Holmes/Redcrest, Fortuna/Ferndale and Weott/Myers Flat waste franchise areas.

Public Works Director Tom Mattson said Recology Humboldt County currently provides waste collection services in all four areas, but under separate contracts which he said unnecessarily increases workload on county staff. By combining these regions into one service area, Mattson said they will be able to provide the same services to all areas.

The plan advanced by the board on Tuesday will have lower overall rates and adds the 20-gallon senior service option to the Garberville and Holmes/Redcrest areas, according to the county staff report.

"In addition, the Fortuna/Ferndale and Weott/Myers Flat franchise areas will also include the senior service option as well as automated weekly recycling, garbage and bulky item pick-up," the staff report states.

The new agreement with Recology Humboldt, if approved by the board at a future meeting, would end in June 2030.

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

URL: <http://www.times-standard.com/general-news/20180515/humboldt-county-supes-question-state-water-tax-proposal-waste-franchise-changes-advanced>

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Rex Bohn: All of us should pitch in for clean water

By Rex Bohn

Thursday, May 17, 2018

Farmworkers plant and harvest the California fruits and vegetables that feed our families. But when they turn the faucets in their own homes, they too often encounter something unthinkable — contaminated water, infused with unsafe levels of arsenic or nitrates from fertilizer.

The presence of dangerous, undrinkable water in the homes of nearly a million Californians needs to be fixed. The contaminated water supplies tend to be located in rural, disadvantaged communities throughout the state of California.

Too often, California residents who help produce our food can't drink their own local water without getting sick and fearing serious illness. In over 300 communities across the state, contaminated water has forced schools to turn off faucets and residents to buy bottled water for drinking, cooking and washing.

A similar situation impacting families in our large cities or suburbs would ignite political upheaval. Emergencies would be declared. Solutions would be quickly forthcoming, regardless of the cost.

But in poorer, less populated regions of California, where water customers often rely on small water systems and private wells, the problem persists. Many smaller systems can't afford to treat contaminated water.

Even without access to clean water from the tap, customers still pay their monthly utility bill. They add to their troubles and expenses by having to buy bottled for drinking and cooking.

Some families in these disadvantaged communities pay up to 10 percent of their income for water when one accounts for both monthly bills and purchased water. If they can't afford bottled water and instead drink from their taps, they run the risk of exposure to chemicals that cause birth defects, diabetes, heart disease and cancer.

But a solution is on the horizon. Thanks to a collaborative effort among the agricultural industry, environmental groups, social and economic justice advocates and elected officials, a bill is moving through the state legislature to bring clean, safe, affordable water to everyone in California.

The creation of a Safe and Affordable Drinking Water Fund would secure an ongoing funding source that would allow smaller systems to deliver clean, safe and affordable water to customers, no matter their location or size.

Gov. Jerry Brown has helped lead the way, allocating \$5 million for startup funds in his state budget proposal this year.

The permanent solution would require Californians to all come together and pitch in — a truly collective effort.

The cost would be minimal, about 95 cents per month, less than a cup of coffee, with the lowest income residents of our state exempted. The rewards would be substantial. Every water system in California would soon deliver clean, safe and affordable drinking water to consumers.

The coalition to support the creation of this fund is impressive, with more than 100 backers to date. The Agricultural Council of California, Western Growers Association, California Citrus Mutual, California Rice

Commission and the Western United Dairymen have all stepped up with support, as has the Rural County Representatives of California (RCRC), of which I serve as chair as a supervisor from Humboldt County.

Also leading this effort has been representatives of social justice and environmental groups like the Community Water Center, Leadership Counsel for Justice and Accountability and Clean Water Action. They are determined to work together to make the universal right of safe drinking water a reality in every California community.

Many Central Valley communities and water agencies have also taken a support position in recognition of the desperate need and the potentially transformative impact the new Safe and Affordable Drinking Water Fund would have on the Valley.

In addition to the governor's startup contribution, the agricultural industry has agreed to contribute \$30 million a year to the fund.

At the State Capitol in Sacramento, a bipartisan alignment of legislators has been working to make the fund a reality. But success is not guaranteed. Despite bipartisan political support and the governor's leadership, the legislation will need public pressure to reach approval.

Voters must let their legislators know it's time to stop the shameful practice of forcing nearly one million of our fellow Californians to haul clean water home.

Rex Bohn is chairman of Rural County Representatives of California and 1st District Humboldt County Supervisor.

URL: <http://www.times-standard.com/opinion/20180517/rex-bohn-all-of-us-should-pitch-in-for-clean-water>

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A new tax to fund drinking water? Try the old ones

Friday, May 18, 2018

The Times-Standard

Three hundred miles to the south, our society rewards the makers of tech trinkets with the greatest fortunes ever amassed in history — largely, infamously untaxed.

Meanwhile, a coalition of government officials here and in Sacramento is asking you to pay a little more to ensure that everyone in the state has access to clean drinking water.

It's true, clean drinking water is an admirable goal for all and a sad memory for some. Just ask the residents of Flint.

But why should our leaders be inventing new taxes to ensure the delivery of the most basic of services when there are plenty of old taxes laying around, endlessly abused or ignored outright by a long line of corporations that are by no means in any danger whatsoever of experiencing a moment of thirst?

Let the gloriously untaxed among us pick up the canteen and walk to a well, for once, for the betterment of the society that shelters them from any of the great responsibility that should by all rights and the wisdom of Stan Lee come with the great power they've managed to accumulate.

The proposal currently trickling through the halls of power in Sacramento, if adopted, would take effect in July 2020. It looks to charge most of us 95 cents a month, with heavy business and industry paying \$4 to \$10 a month. Additional taxes on fertilizers and dairy products would swell the pool of revenue collected each year to around \$140 million.

Color us skeptical.

If it seems petty of us to object to a proposed 95 cent a month tax, if that's so insignificant an amount to ask of mere mortals so that we may all slake our thirst, than what a trifle of a trifle it would be to the lords of the Silicon or the Central or the San Fernando Valley to pick up the whole tab and see to it that all of us peasants are well watered.

Look away for a moment from the vast untapped reservoirs of wealth carefully guarded by legions of corporate accountants. Turn your gaze instead to the relatively modest lake of budget surplus funds built up by the governor: a mere \$6.1 billion.

Yet between these two deep lakes of fortune, we, somehow, find some of us parched.

How many of us?

Proponents of the proposed new tax tell us that 1 million Californians each year go without access to safe drinking water, and that nearly 2 million Californians lack service from a public water system.

It's hard to argue with thirst of that magnitude.

But.

What guarantee would we have, once we give into the idea of this 95 cent tax, that it would not grow larger, and leave us ever more at the mercy of distant and unresponsive powers to the south?

Who's going to pick up the tab when smaller water districts — the same districts that are too small to successfully match funds awarded by state or federal grants — have to adjust their operations to funnel this tax revenue to Sacramento?

What safeguards would we have to rely upon to see that revenue collected by this new tax reaches its intended recipients?

Finally, what other fundamental necessities of life are we going to tax? Oxygen? Sunlight?

Don't let the perfect be the enemy of the good, they say.

Is this good? The best they can do?

Can't they do better?

Supervisors split on proposed drinking water tax

Daniel Mintz

MAD RIVER UNION

HUMBOLDT - A state bill that proposes to tax drinking water has supporters but Humboldt County's larger water districts and some county supervisors oppose it.

Senate Bill 623 aims to improve drinking water systems and quality in what are considered "disadvantaged communities," mostly through a tax on drinking water.

Supervisor Mike Wilson sponsored a discussion of the bill at the May 15 Board of Supervisors meeting. Wilson said the bill's intent is to address "significant water quality issues" associated with agricultural groundwater pollution and use, mostly in the Central

Valley and Salinas Valley areas.

The bill directs the creation of a fund to upgrade agriculturally-impacted drinking water systems and water quality in the disadvantaged communities. Wilson described how that would be done, saying the proposed method enters new territory of taxation.

"There's a tax on drinking water, which is a pretty big deal," he said. "Taxing drinking water is a threshold we haven't crossed before."

He noted that bottled water and soda aren't targeted for new taxes, which he attributed to "the lobbying efforts of those industries at the state and federal levels."

The bill's proposed funding mechanisms



Mike Wilson

also includes taxes on fertilizer products and dairy products.

Dennis Mayo, a McKinleyville Community Services District (MCSD) board member, represented the Association of California Water Agencies and said there are alternatives to the SB 623 taxes, such as using federal and bond funds, and creating a state trust fund.

The water tax would amount to 95 cents per monthly bill, but Mayo warned against "crossing over this philosophical barrier of taxing the essentials of life," saying that the taxation "is gonna keep growing and growing."

In a letter to the county, MCSD General Manager Greg Orsini described water



Rex Bohn

SB 623 has particular relevance for two supervisors - Supervisor Rex Bohn and Supervisor Estelle Fennell.

Bohn is chair of the Rural Counties Representatives of California, which supports the bill. Fennell was preparing to represent the county at a May 16 legislative conference of the California State Association of

TAX ♦ A6

A6 MAD RIVER UNION MAY 23, 2018

Tax | 'We can't go down this road'

♦ **FROM A1**
Counties (CSAC), which proposes a position of support for the bill.

Although Bohn has reservations about taxing water, he described it as a means of paying for water treatment upgrades that Hispanic communities in

the Central Valley can't afford.

"And we pay for water now, I pay for it every month," he said.

Fennell dismissed the concept of water taxation, however. "We can't go down this road of taxing the necessities of life," she

said. "We don't tax food, let's not tax water, that's even more important than food - what next, are we going to tax air? I mean, come on."

Board Chair Ryan Sundberg agreed with Fennell's comments and Wilson said he's "a bit conflicted."

Wilson said Humboldt also has disadvantaged communities but it's uncertain whether most rural counties would have access to the tax funding because the bill doesn't specify what defines eligibility.

Supervisors took no action on developing a stance on the bill but directed Fennell to summarize the discussion's content to CSAC.

Supervisors split on proposed drinking water tax

News May 26, 2018

**Daniel Mintz
Mad River Union**

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In a letter to the county, MCSD General Manager Greg Orsini described water quality failures as "a social issue for the state" and said the MCSD's stance is that water system fixes should be paid for through the state's General Fund.

The Humboldt Bay Municipal Water District also "strongly opposes" SB 623, according to a letter from John Friedenbach, its general manager.

SB 623 has particular relevance for two supervisors – Supervisor Rex Bohn and Supervisor Estelle Fennell.

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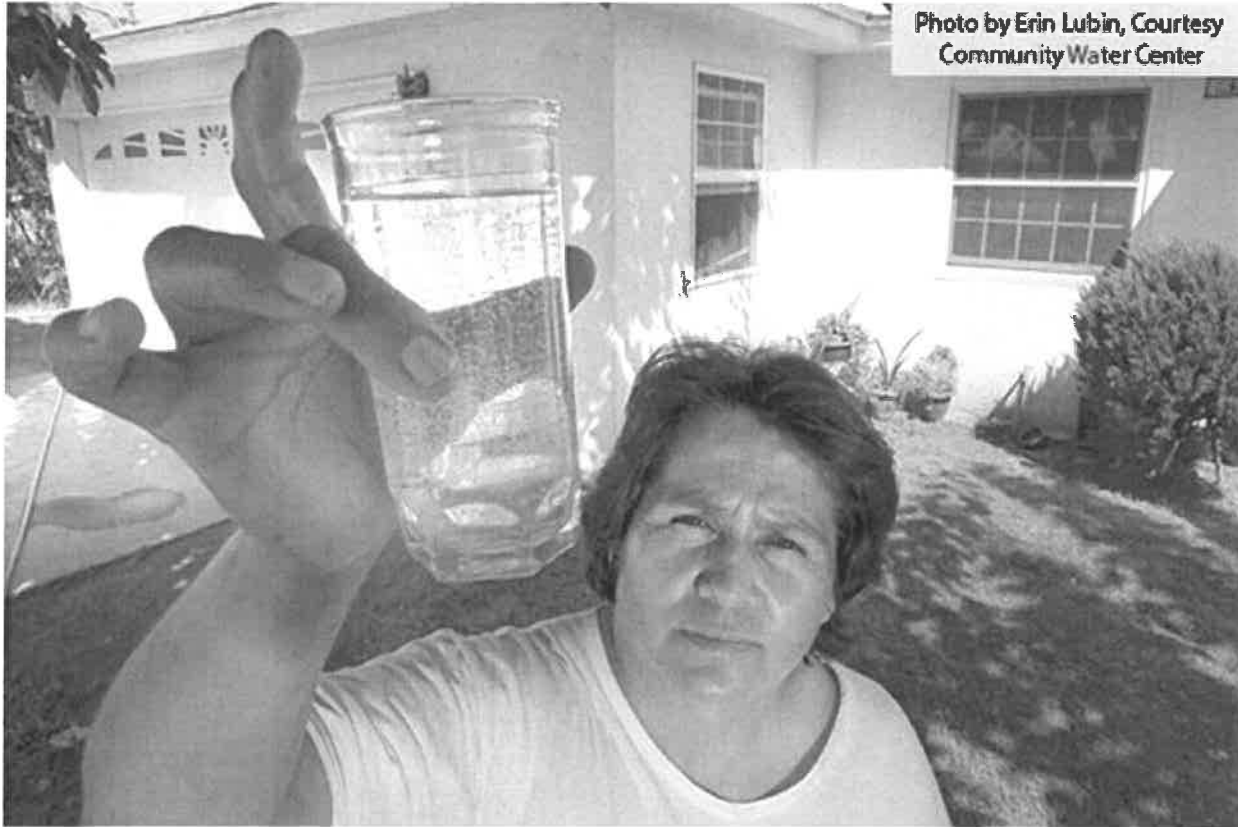
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From: Rural Community Assistance Corporation <swills@rcac.org>
Sent: Wednesday, June 06, 2018 1:31 PM
To: sobol@hbmwd.com
Subject: Help us ensure safe and affordable drinking water for all Californians



Creating vibrant, healthy and enduring rural communities



Dear Supporter,

We are on the brink of helping more than 300 communities and one million Californians that are being exposed to polluted water from taps in their homes, schools and communities each year.

California's groundwater is becoming increasingly contaminated and more difficult and costly to treat. We need to address these issues in a more comprehensive way that goes beyond the resources the Governor can commit from the annual state budget.

The California legislature is getting ready to do just that, by voting to create the Safe and Affordable Drinking Water Fund, which would secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure.

Will you take five minutes today to tell your legislator that you support safe and affordable drinking water for all Californians?

SECTION F2, PAGE NO. 18

More than 140 organizations support this solution, including business, agriculture, environmental groups, health organizations, labor unions and environmental justice groups. Additionally, polling shows that more than two-thirds of Californians support this type of solution to our drinking water crisis.

The Legislature will be voting in the coming days so this request is urgent. Please take a moment to contact your legislator today.

If you need or prefer to contact your legislators directly, find your California representatives here.

Thanks for standing with us!

ACT NOW

Connect with Us



RCAC
3120 Freeboard Drive, Suite 201
West Sacramento, CA 95691

[UNSUBSCRIBE](#)

empowered by  **salsa**



June 6, 2018

Dear No Drinking Water Tax Campaign Contributor:

Thank you for your contribution to ACWA's external affairs campaign to fight the proposed tax on drinking water. ACWA raised more than \$390,000 from member agencies to enhance staff's efforts on this important issue. I want to personally thank you for your involvement and provide you a summary of campaign's progress.

As you already know, ACWA hired a consultant to develop a new website, which was launched in late April. The site – www.WaterTaxFacts.org – is aimed at educating the public about the proposed drinking water tax included in SB 623 by Sen. William Monning (D-Carmel) and the Brown Administration budget trailer bill. As of June 1, the site had more than 8,000 visits and 11,000 page views. To ensure compliance with applicable laws concerning the use of your public funds, the new website takes a balanced approach to presenting information about the proposed tax and has been thoroughly reviewed by our legal counsel.

ACWA members are encouraged to continue promoting the website through their newsletters, websites and social media accounts.

Your support of educational efforts on the proposed water tax is making a real difference. This work complements direct advocacy at the Capitol by ACWA and ACWA member agencies in a very constructive way. This Monday at a meeting of the Budget Conference Committee regarding funding for safe drinking water solutions, the Conferees who spoke all wanted to solve the drinking water problems (as we do). Only one member spoke in favor of SB 623 (without noting a position on the budget trailer bill), and all of the other Legislators who spoke directly opposed the proposed tax. Please note, however, that this is a highly volatile issue. The Budget Conference Committee has not taken action yet. If the budget trailer bill is not approved, Senator Monning may try to move SB 623. The outcome on this issue may not be decided until the end of the Legislative Session in late August.

Other campaign progress includes:

- The No Water Tax landing page on ACWA's website (www.acwa.com/no-water-tax) has been revamped to highlight advocacy messaging that isn't allowed on the educational website.
- A full-scale digital advertising campaign has begun in targeted legislative districts to direct traffic to the website. The advertising campaign includes Google search, Facebook, Twitter, Instagram, Pandora, Rough & Tumble and Capitol Morning Report. For the month of May, these ads resulted in nearly 2 million impressions and more than 7,000 clicks to the website.

- Staff has helped draft numerous op-eds that have been placed in newspapers across the state. To read the latest op-eds opposing the water tax, please visit ACWA's website at: www.acwa.com/our-work/delivering-safe-drinking-water/no-water-tax-op-eds.
- ACWA staff continues to reach out to member agencies to join the growing coalition opposed to the water tax. In addition, the consultant has helped grow the coalition beyond the water industry to include chambers of commerce and other business groups. As of June 4, the coalition has grown to 189 chambers, cities, associations and water agencies. Staff has collaborated with the chambers and business groups to help educate their stakeholders write op-eds and letters to legislators.
- ACWA staff continues to share key messages on its social media channels multiple times per week to ensure strong opposition messaging against the proposed tax on drinking water.
- And, of course, ACWA's government relations team continues to lead the coalition's advocacy efforts at the Capitol with frequent meetings with legislators and their staff.

If you have any questions or concerns, please don't hesitate to contact me directly at timq@acwa.com or ACWA's Director of Communications Heather Engel at heathere@acwa.com.

Best Regards,



Timothy H. Quinn
Executive Director

PROPOSED DRINKING WATER TAX ISSUE HEATING UP WITH STATEWIDE MEDIA COVERAGE

BY TIMOTHY QUINN JUN 4, 2018 VOICES ON WATER



The vast majority of Californians have safe drinking water. But some communities do not. This is unacceptable, and it is an urgent social issue for the state. Beginning last Friday online and published during this past weekend, The Sacramento Bee and four other affiliated newspapers throughout the state published stories that focused on the plight of 360,000 Californians without access to safe drinking water. The stories presented this issue with the depth and seriousness it deserves as an urgent priority for our

state.

Unfortunately, the stories misrepresented the diversity of ACWA's membership and our position on funding solutions. ACWA has 448 agricultural and urban public member agencies that deliver about 90% of the water used by households, farms, and businesses in California. They are local governments; most with Boards of Directors elected by the public. ACWA members have a direct relationship with their rate-paying customers. The vast majority of our members are small and medium-sized agencies; it is simply not accurate to describe ACWA as representing "the big urban suppliers" referred to in the stories. At present, 189 public water agencies and business associations, including many agricultural agencies throughout the state, have taken action to oppose the proposed water tax in the Brown Administration's budget trailer bill, which is based on SB 623 (Monning). They are not trying to "kill" the legislation as alleged in these articles. Instead, they are trying to replace the proposed water tax with a reasonable funding mechanism so that legislation can be passed and the underlying drinking water problem in disadvantaged communities can be solved as soon as possible without an unnecessary tax on drinking water.

So, the controversy is not over whether or not there is a drinking water problem in certain communities. Everyone involved in the legislation agrees that there is a problem that needs to be solved. Everyone agrees that a Safe and Affordable Drinking Water Fund should be created. The issue is what are the appropriate sources of funding, a topic largely ignored by the Bee articles. The budget trailer bill would raise revenues through a new state tax on drinking water, something that is essential to life; a new state tax on a service that local agencies struggle to keep affordable; a new state tax to be paid by local household and business ratepayers that have no nexus whatever to the

problem; a new state tax when the state has an \$8.8 billion budget surplus – nearly 50% more than earlier projections.

SECTION F2, PAGE NO. 22

Such a tax would set a precedent for additional new taxes on drinking water. Two state agencies are already publicly discussing additional taxes on drinking water for various purposes. If those taxes are approved, we would not be talking about 95 cents per household per month, but rather nearly \$20 per month (and likely more) in state taxes added to local water bills. If the Brown Administration succeeds in adding state taxes to local water bills to solve state social issues, they would crowd out the ability of local water agencies to do their job of raising funds to provide safe and reliable water supplies for their customers. That outcome can be avoided because there are credible alternatives to a tax on water.

ACWA is not just asking that the state “explore” alternatives as reported in the recent articles. We are offering concrete proposals that rely on a variety of funding sources, including federal State Revolving Funds designed for this purpose, funds from general obligation bonds passed by the voters, nitrate-related fees on fertilizer sales, dairies and confined animal operations that are proposed in the budget trailer bill and SB 623, and a very modest use of the general fund to cover operation and maintenance costs. The main objection to this alternative has been that the general fund is vulnerable to economic downturns. We question which future Legislatures will not be able to commit \$35 million in the annual budget for operation and maintenance costs if the issue is truly a priority for the state.

As another way to fund safe drinking water without a water tax, we are suggesting taking a small fraction of that \$8.8 billion state budget surplus to create an irrevocable safe and affordable drinking water trust that could fund all or a portion of operation and maintenance costs into the future, including during down economic times. Other alternatives are the use of lease revenue bonds and Cap-and-Trade funds. (See WaterTaxFacts.org for more information.) None of these practical, realistic and doable alternatives are mentioned in the story. Neither is it mentioned that ACWA would like nothing more than to reach an agreement on a funding alternative that ensures safe drinking water for all Californians. The time is now for honest negotiation to develop viable funding alternatives to provide safe water for all Californians.

To learn more, visit ACWA's No Water Tax page.



SAN DIEGO REGION UNITES TO OPPOSE STATE'S \$140 MILLION PER YEAR WATER TAX PROPOSAL

BY WILL HOLBERT JUN 1, 2018 WATER NEWS

Business, civic and water industry officials from across San Diego County recently joined forces to oppose the proposed \$140 million per year tax on drinking water in California that would harm ratepayers and likely result in a flood of additional taxes on the state's most precious natural resource.

During a May 23 news conference, regional leaders offered other funding solutions to improve water quality in low-income, rural areas of California without adding another tax burden to residents in one of the nation's most expensive states.

Encinitas City Council Member Mark Muir, chair of the San Diego County Water Authority's Board of Directors and a member of the San Dieguito Water District Board, was joined at the news conference by officials from several SDCWA member agencies; Supervisor Kristin Gaspar, chairwoman of the County Board of Supervisors; and representatives from the San Diego County Taxpayers Association, the Industrial Environmental Association, and several other organizations. In all, more than 30 agencies and organizations have signed a regional letter to legislative leaders opposing the drinking water tax plan.

The tax proposal is being advanced through SB 623 by state Sen. William Monning (D-Carmel) and a Brown Administration budget trailer bill related to safe drinking water. The drinking water tax would initially raise about \$140 million a year to help provide clean, safe water in disadvantaged communities, mostly in the Central and Salinas valleys, where groundwater has been contaminated by farming operations. In addition, approximately \$22 million a year would be generated by a tax on fertilizer and confined dairy facilities. The local coalition against the drinking water tax has proposed several funding options that would help address clean water concerns in some communities. They include, but are not limited to:

Creating a trust fund from state budget surpluses.

Using funds from existing and future general obligation bonds. Proposition 68 on the June ballot includes \$175 million for safe drinking water.

Tapping the state general fund. (The state uses its general fund to pay for other important programs and social issues that have been identified as state priorities, including public health, education,

housing and disability services. The public supports using the general fund to pay for programs that serve and protect residents and communities in need.)

Applying cap-and-trade funds for localized groundwater contamination cleanup and remediation programs, which would reduce the need to transport water long distances, thereby reducing greenhouse gas emissions.

Wed 5/16/2018

County OK's 'historic' cannabis ordinance

Daniel Mintz
MAD RIVER UNION

HUMBOLDT – Humboldt County's cannabis industry is advancing to its next phase with the Board of Supervisors' adoption of a new commercial production ordinance.

At a May 8 hearing, a majority of supervisors voted to approve inland and coastal versions of the new ordinance along with an Environmental Impact Report.

The ordinance will increase the scale of regulated cannabis production but includes key rule changes and new restrictions. It introduces a 600-foot setback from school bus stops and retroactively applies setbacks to outdoor grows in and near community areas.

It caps the number of additional cultivation permits at 3,500, which covers 1,205 acres. Permit shares are allotted in each of the county's 12 watershed areas but new or expanded grows won't be permitted in watersheds that are considered impacted.

During a public comment period, Stephanie Tidwell of Friends of the Eel River said the county has failed to do adequate watershed analysis and the ordinance's controls aren't strong enough to prevent "localized salmon extinction events on the Eel."

Earlier, Supervisor Mike Wilson, who would cast the only vote



Mike Wilson

ORDINANCE ♦ A3

Ordinance | 'It must be election season'

❖ FROM A1

against approving the ordinance, said more needs to be done beyond setting an overall permitting limit.

Noting that permitted grows near neighborhoods will have to conform to new restrictions, Wilson said the same should be done for grows in and around watersheds.

He added that road standards are higher in the new ordinance and cultivators who were permitted under the county's current ordinance should be held to them to "lessen those impacts on the watersheds."

During public comment, Terra Carver of the Humboldt County Growers Association told supervisors that retroactively applying conditions to cultivation permitted in ag lands near cities and neighborhoods is "unfair, unjust and very impactful."

Carver noted that a main goal of the county's existing ordinance has been to draw growers out of watersheds and into lands zoned for agriculture. Having been directed to ag lands, cultivators must now change their operations or relocate, as residents of nearby neighborhoods have complained about odor.

Fieldbrook Winery co-owner Judy Hodgson, who is publisher of the *North Coast Journal*, supported the retroactive rules. She said cultivators "should be required to minimize the damage that will surely be done to their neighbors' quality of life."

She added that for over a year, she's emailed and phone-messaged Board Chair Ryan Sundberg "to help me with this very issue" but the outreach has been "pretty much ignored."

Hodgson suspects the

reason for the non-response is that Sundberg's uncle, Garth Sundberg, has a permitted grow at the end of Fieldbrook Road where two "huge greenhouses" have been set up near a mobile home park.

She added that Sundberg's uncle "somehow convinced" the Blue Lake School District to move its bus stop from the front of the mobile home park to avoid violation of the setback rule.

"If Garth Sundberg has the money and the power to move a bus stop, he can also build a proper enclosed greenhouse," Hodgson said.

"It must be election season," said Sundberg, whose bid for a third term is being challenged in the June election.

Under the new ordinance, additional grows and those that have already been permitted on agricultural lands in and near municipal spheres of influence, community planning areas and tribal areas will have to meet the new requirements.

Growers who are already in those areas will have 36 months to comply or relocate.

Options for compliance include 600-foot setbacks from houses and installation of odor control. Another option is to get a conditional use permit, which requires Planning Commission review.

Late in the hearing, Wil-

son again questioned why those new conditions aren't also required for watersheds.

"If the fish were lined up here like the people were, I think we would be considering tighter regulations and converting from (the existing ordinance to the new one) in watersheds," he said. "We're considering it in spheres of influences of the cities because people are lined up and fish don't line up - so we're not listening to something that we can't hear, I suppose."

Supervisor Rex Bohn said growers who don't get permits are the ones who need more attention.

"I wish we were putting as much effort as we're doing here in going after the 82 percent (of growers) that haven't even come near the front door of the Planning and Building Department, because those are the people that are creating

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the problems in the watersheds," he said as audience applause sounded.

He added that the cultivators who seek and get permits are operating responsibly and meeting environmental standards.

Some growers told supervisors that the county's permitting rules are limiting investment potential and disproportionately impacting homestead-scale cultivation.

Supervisor Estelle Fennell said that cannabis is undergoing "cultural adaptation" and regulation attempts to balance multiple interests.

"We're hearing it from all sides - we're not going to make everybody happy," she continued.

The new ordinance also includes an eight-acre per person cultivation limit.

Another new aspect is allowing indoor grows of up to 10,000 square feet on

large parcels with prime agricultural soils. Wilson disagreed with that, describing it as an impact on prime farmland.

Wilson indicated he'd vote against approval of the ordinance but credited planning staff for their work on it.

After the majority ap-

proval vote, Fennell also thanked planning staff and described the ordinance as "historic."

Planning Director John Ford said it will take effect next month "at the earliest."

Humboldt County to aid state in marijuana farm inspections through pilot program

Ag Commissioner's Office to be paid about \$75K to help state with cultivation monitoring

By Will Houston, Eureka Times-Standard

Tuesday, May 22, 2018



Humboldt County will become one of several testing grounds the state's CalCannabis division will use this year to determine how best to monitor the thousands of cannabis farms in the state with limited staff and resources.

This pilot project launching this month by the California Department of Agriculture division is testing whether local agricultural inspectors, including those in Humboldt County, can inspect farm compliance with both local and state marijuana laws.

CalCannabis supervising special investigator Tabatha Chavez told the county Board of Supervisors on Tuesday the cannabis industry presents a rare opportunity to build a regulatory program from the ground up.

"You guys are one jurisdiction within about 500 jurisdictions within the state between cities and counties that we have to be cognizant of," Chavez told the Humboldt County Board of Supervisors on Tuesday. "We are trying to develop a program from the start that supports that and integrates us. This contract, I believe, will be a cornerstone to that."

The Humboldt County Board of Supervisors voted unanimously Tuesday to approve a contract with the state to become one of seven counties that will participate in the pilot project. The other participating counties are Alameda, San Mateo, Santa Barbara, Los Angeles, Trinity and Mendocino.

County agricultural inspectors will be tasked with inspecting 375 farms between May and November to ensure the farms are following state laws. At the same time, these inspectors will still be evaluating the farmer's compliance with local laws and pesticide laws, county Agricultural Commissioner Jeff Dolf said last week.

California cannabis businesses must have a permit from their local jurisdiction and a license from the state government to be legal.

The county will be paid about \$74,900 by the state — or about \$200 per inspection — to carry out these inspections, which covers personnel, mileage and supplies, according to the county staff report. Whether or not this reimbursement is enough to actually cover the county's costs will also be tested as part of the pilot program.

Chavez said CalCannabis' compliance and enforcement branch has only seven staff members to oversee 3,700 cultivation licences.

CalCannabis and the two other state departments that oversee cannabis businesses are set to open a Eureka office — located on the first floor of the Times-Standard building — in the future, which Chavez said will eventually include more state staff.

Dolf said it is obvious that there are more than 375 local farms that will need to be inspected for state compliance. Chavez said despite their minute staffing, their branch has been able to inspect about 1,000 farms

throughout the state and will continue doing so in Humboldt County. She said she has also requested Gov. Jerry Brown and the Legislature include another \$750,000 in the state budget to allow the state to continue paying counties to conduct state compliance inspections.

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“I don’t think we can do this in a vacuum,” Chavez said. “I don’t think it would be responsible for us to try to undertake this by ourselves.”

Tracking the industry

Humboldt County Growers Alliance Executive Director Terra Carver, whose organization represents 169 industry members, said that while she supports the inspection program, she also urges the state to launch its track-and-trace program as soon as possible.

Humboldt County was the [first local government in the state to launch a cannabis track-and-trace program](#), which works to ensure legal cannabis products are not diverted to the black market and vice versa.

The statewide track-and-trace system works in a similar fashion, but will only be used on businesses that have obtained year-long licenses.

So far, the state has only issued temporary licenses for cannabis businesses, in part because it has yet to finalize its rules for the industry and does not expect to until near the end of the year. These annual licenses could be issued starting as soon as July, with 150 year-long cultivation license applications currently in the vetting process, Chavez said.

But temporary licenses can also be extended, which Chavez said will likely result in there being businesses operating on temporary licenses — and therefore not participating in the track-and-trace system — through early 2019.

Without a statewide tracking network in place, Carver said it feels like Humboldt County’s cannabis industry dressed up for the party, but no one else did.

“It’s not just the unregulated market, it’s also the regulated market that needs to uphold some integrity through the supply chain,” Carver said to the board. “... We are ready to go and we’re finding that the supply chain downstream is not as ready as we are.”

Fifth District Supervisor and board Chairman Ryan Sundberg also voiced concern about the delay.

“Having nonpermitted farms sell to dispensaries and not holding them accountable for track-and-trace and bumping these timelines out is absolutely devastating to people who have paid all this money to go through compliance and are paying taxes and all the other stuff,” Sundberg said.

Chavez said that it might be comforting to know that the track-and-trace system will likely go online much sooner for dispensaries, testing labs and transportation businesses — which are regulated under the Department of Commerce’s Bureau of Cannabis Control.

The state has issued nearly 3,700 temporary cultivation licenses as of Tuesday. About 700 of these have been issued for Humboldt County businesses, making it the local jurisdiction with the second highest number of licenses in the state, Chavez said.

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

The Environmental Toll of Growing Cannabis, Both Legally and Illegally

In California, both illicit cannabis cultivation and large-scale legal growing can place undue stress on the environment, if growers act without consideration of the long-term ecological consequences of their farms.

By
[Bill Weinberg](#)

Published on May 23, 2018

Last week, a big multi-agency “reclamation” effort on national forest lands in California’s Emerald Triangle brought attention again to the serious environmental impacts of outlaw cannabis cultivation. But while environmental regulators condemn these illicit growers, they often overlook the obvious reality that legal crops also take an ecological toll. After years of breakneck well-drilling, much of California’s best farmland is threatened by drought and seawater intrusion into groundwater aquifers. With many California counties approving large-scale cannabis farms, the environmental impacts of growing cannabis is also an issue for the legal industry in the years ahead.

California Cleans Up Illicit Cannabis Grow Sites

The U.S. Forest Service last week announced the completion of a “marijuana grow site reclamation operation” in the Shasta-Trinity National Forest. Agents cleaned up a big mess apparently left behind by outlaw cannabis growers, including 30 miles of irrigation hose. Helicopters were called in to haul out several thousand pounds of fertilizer and equipment.

A total of 12 grow sites were identified and “reclaimed” in the operation, which included involvement of multiple government agencies and help from two local environmental non-profits.

“These grow sites were in remote locations and were difficult to access, making remediation efforts challenging and costly,” said USFS Patrol Captain Carson Harris in a [press release](#). “The sites are far from roads, and because they contain toxic pesticides and other hazardous materials, HAZMAT protocols must be followed.”

See attached

“We used helicopters to airlift tons of garbage and miles of irrigation piping,” Harris added. “The team removed 950 pounds of fertilizer, 30 pounds of hazardous materials including pesticides, 24 propane tanks, 12 car batteries and 31.38 miles of irrigation hose. The total weight of infrastructure removed from the sites was 21,895 pounds.”

Concerns about the ecological impacts of outlaw cultivation on Northern California’s public lands have been mounting in recent years.

Last summer, a study commissioned by the Forest Service brought back the grim findings that contamination from use of pesticides and petrochemical fertilizers had turned thousands of acres, particularly in the Emerald Triangle, into virtual toxic waste dumps. In some cases, contamination of the sites was so severe that law enforcement officers who touched plants covered in illegal pesticides ended up in the hospital.

Bringing cultivation out from the shadows and under public oversight in order to mitigate such impacts was part of the impetus for Proposition 64, which legalized cannabis in the Golden State. On Jan. 1 of this year, the state’s new adult-use market and temporary regulations went into effect. But there is an increasing fear that outlaw cultivation will continue, due to the burdensome regulations in the legalized sector. In which case, environmental impacts, as well as militarized enforcement, could continue on the north country’s public lands.

The Ecological Impacts of Big Ag in California

Frequently forgotten in the debate around the environmental impacts of illegal cannabis growing is that legal crops also take an ecological toll.

This is becoming a rather inescapable reality in the Salinas and Central valleys, where agri-business now has ambitious plans to bring economies of scale to the legal cannabis market. Recent sobering headlines cast a dubious light on the sustainability of farming practices on the very lands that have for generations been producing much of the nation’s vegetables.

A May 14 report from the News Deeply website provides chilling details on the “groundwater emergency” now facing the Salinas Valley. Seawater is now intruding into freshwater aquifers, a result of runaway well-drilling. Intensive groundwater pumping has drawn in seawater from Monterey Bay, some 30 miles away. The problem isn’t new. Twenty years ago, Monterey County spent some \$70 million to build the Castroville Seawater Intrusion Project, which injects recycled wastewater back into the ground to hold back the intrusive brine from the ocean. But this solution hasn’t been able to keep pace with continued unregulated well-drilling.

Gary Petersen, general manager of the Salinas Valley Basin Groundwater Sustainability Agency and coordinator of the working group, told News Deeply that water in the Salinas Valley was trapped in a “vicious cycle.”

The problem of water in California isn’t limited just to Monterey and Salinas.

In February, many farmers in California’s agricultural Central Valley were told by the federal government to expect 20 percent of the water they had requested for 2018.

A case can be made that cannabis conversion is part of the solution here, as it is less water-intensive than many crops now under cultivation — but not necessarily by much. Casey O’Neill, a small cannabis farmer who serves as the board chair of the California Growers Association, wrote in The Ganjier that it requires 4.5 gallons of water to produce a single joint, as compared to five gallons per head of broccoli.

Clearly, ecological sustainability is an issue the cannabis industry will have to grapple with as it is institutionalized and increasingly regulated. In the push to bring cannabis growers down from the hills of prohibition, it’s worth recognizing and learning from the select cannabis growers who have been developing regenerative farming methods for cannabis for decades.

Shasta Trinity National Forest Press Release

Forest Service restores illegal marijuana grow sites

Release Date: May 15, 2018

REDDING, Calif. — Law Enforcement and Investigations (LEI) on the Shasta-Trinity National Forest completed a marijuana grow site reclamation operation focused on sites in Trinity County that affected the South Fork of the Trinity River. The operation was funded by the Forest Service Pacific Southwest Regional Office with resources set aside strictly for marijuana grow site clean ups.

“These grow sites were in remote locations and were difficult to access, making remediation efforts challenging and costly,” explained Patrol Captain Carson Harris. “The sites are far from roads, and because they contain toxic pesticides and other hazardous materials, HAZMAT protocols must be followed.”

In February 2018, LEI, assisted by Integral Ecology Research Center (IERC) and the Watershed Research and Training Center, were able to collect grow infrastructure into pre-staged sling load sites at eight different marijuana grows for removal with a helicopter at a later date. “To reduce the grow site impacts and discourage illegal growers from returning, we remove all the infrastructure. If we leave it intact, growers will return and reuse the same sites,” said Harris.

From May 7 through May 11, LEI, assisted by IERC, the Watershed Center, Trinity County Resource Conservation District, Trinity County Sheriff’s Office, California Department of Justice (Siskiyou Major Investigation Team and North State Marijuana Investigation Team) and California National Guard performed reclamation on the eight pre-staged marijuana grows. They were able to reclaim four additional marijuana grow sites as well.

“We used helicopters to air-lift tons of garbage and miles of irrigation piping. The team removed 950 pounds of fertilizer, 30 pounds of hazardous materials including pesticides, 24 propane tanks, 12 car batteries and 31.38 miles of irrigation hose. The total weight of infrastructure removed from the sites was 21,895 pounds,” stated Harris.

Law Enforcement and Investigations is pleased to report that this operation restored 95 percent of the 69 acres of land involved in these grow sites. This operation could not have been successful without the support and dedication from our cooperating agencies and partners. LEI on the Shasta-Trinity National Forest is committed to reclaiming our national forest system land and striving to preserve our natural resources for the public and for generations to come.



San Francisco Chronicle

Illegal pot grows spread deadly pesticides, other hazards, despite change in law

By Peter Fimrite

May 29, 2018 Updated: May 30, 2018 8:47am

The legalization of cannabis in California has done almost nothing to halt illegal marijuana growing by Mexican drug cartels, which are laying bare large swaths of national forest in California, poisoning wildlife, and siphoning precious water out of creeks and rivers, U.S. Attorney McGregor Scott said Tuesday.

The situation is so dire that federal, state and local law enforcement officials are using \$2.5 million from the Trump administration this year to crack down on illegal growers, who Scott said have been brazenly setting booby traps, confronting hikers and attacking federal drug-sniffing dogs with knives. Instead of fading away after legal marijuana retail sales went into effect this year, the problem has gotten worse, according to Scott, who was joined in a news conference Tuesday in Sacramento by California Attorney General Xavier Becerra and other federal forestry and law enforcement officials. Most alarming, Scott said, is the increasing use of carbofuran, a federally restricted insecticide so powerful that a teaspoon of it can kill a 600-pound African lion. The insecticide is banned in California. The problem of illegal growing operations and contaminated lands "is biblical in proportion," he said. "The chemicals have gone to a different level."

The cartels, mainly from Mexico, use 760 tons of fertilizer on 400 grows every year hidden on the 20 million acres of national forest land in California, officials said.

The growers clear-cut trees, remove native vegetation, cause erosion, shoot deer and other animals, and litter the landscape with garbage and human waste. They also divert hundreds of millions of gallons of water from streams and creeks, and the runoff is generally contaminated with pesticides, which are also found in the plants, soil and wildlife in the area.

This year, 70 percent of the endangered spotted owls tested near sites that had been used for illegal marijuana cultivation were found to have one rodenticide or more in their systems, officials said. One owl died, leaving a clutch of eggs. Last year, 43 poisoned animals were found, including deer, bears, foxes, coyotes, rabbits and rare Pacific fishers. Another 47 animals had been shot, most likely by illegal growers, authorities said.

Since 2012, 17 Pacific fishers have been killed by pesticides at grow sites, said Mourad Gabriel, the director of the Integral Ecology Research Center, a wildlife and environmental research nonprofit. He said carbofuran was found in 78 percent of the plantations eradicated in 2017. That's compared with 40 percent in 2015 and only 10 to 12 percent in 2012, when he conducted the first scientific study of illegal marijuana grow sites.

"It's concerning, because now when we go into these sites we find contamination in the native vegetation, the soil, the water; and it's increasing," said Gabriel, whose research is funded by state and federal grants. "Those sites are still contaminated two or three years later."

In all, 1.4 million illegally grown marijuana plants were destroyed in raids in national forests in California in 2017.

Bill Ruzzamenti, the former director of the Campaign Against Marijuana Planting, said California supplies 60 to 80 percent of all the marijuana consumed in the nation. In 2016, he said, 11 million pounds left the state, which is illegal under Proposition 64, the initiative that legalized the drug for recreational use in the state.

The people guarding the grow sites are inevitably armed and “a public safety risk to all of us,” said Becerra.

Margaret Mims, the sheriff of Fresno County, said hikers, backpackers and nature lovers have reported running across fishhooks hanging at eye level and trip wires possibly attached to shotguns. “I have grandkids and I like to go fishing, but there are places we will not go because I am afraid for my grandkids,” said Ruzzamenti, who is now director of the federal High Intensity Drug Trafficking Areas program. “That should be unacceptable to everybody.”

The problem isn’t new. Bootleg cannabis has been circulating around Mendocino, Humboldt and Trinity counties — the famed Emerald Triangle — for decades, and backwoods growing is ingrained in the culture.

Ruzzamenti said he has been trying to eradicate black-market growing on public lands since 1983. And Mexican cartels aren’t the only problem. Only a few hundred of the estimated 12,500 retail operators in the state last year have become licensed so far, according to industry officials.

In Mendocino County alone, as many as 75 percent of residents in some remote areas are marijuana growers, and only about 10 percent of the crop is being grown legally.

The issue has taken on a new level of importance as the multibillion-dollar California cannabis industry begins to ramp up. Legal growers and retailers want desperately to protect the regulated, taxed marijuana market in California.

The hope is that taxes collected by the government can fund law enforcement efforts, which will, in turn, deter illegal operations and generate additional taxes. Wholesale prices for marijuana are also expected to drop with the mainstreaming of the industry, providing less incentive for bad actors.

But so far that hasn’t worked. In all, California collected \$60.9 million in excise, cultivation and sales taxes related to legal marijuana for the first three months of 2018. Gov. Jerry Brown’s January budget proposal predicted that \$175 million would pour in over the first six months from the new taxes. That would have translated to \$87.5 million in January, February and March.

In his updated budget plan released earlier this month, Brown proposed spending \$14 million to create four investigative teams and one interdiction team to combat illegal activities, tax evasion and crime. The money would come from tax revenue and licensing fees over two years.

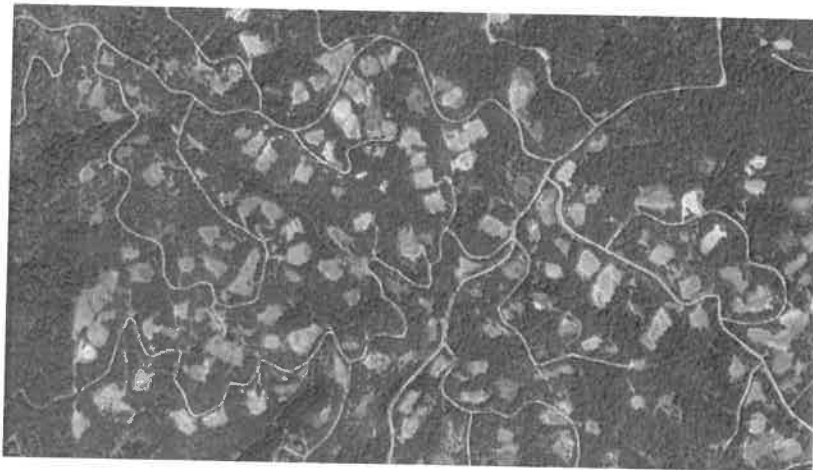
Even though marijuana is still illegal on the federal level, Scott said the U.S. Attorney’s office plans to focus only on illegal growers on public lands.

Becerra said that without the help of the federal government, California wouldn’t be able to handle the problem. “You gotta make it so crime doesn’t pay,” he said.

*Peter Fimrite is a San Francisco Chronicle staff writer. Email: pfimrite@sfnchronicle.com.
Twitter: @pfimrite*

HANK SIMS / 6/4/18 @ 2:55 P.M. / CRIME

TRINITY COUNTY WEED CORRUPTION?!? Looks Like There's About to Be Some Juicy Stuff Going Down Up There, if This Press Release is to Be Believed



Trinity Pines. Image: Google Maps.

We at the *Lost Coast Outpost* admit that we are flatlander city folk, and not really that plugged-in on the day-to-day goings-on in Weaverville and Hayfork, Xenia or Trinity Pines.

So we have no clue what might else be behind this amazing press release from Sheriff Bruce Haney, in which Haney implicates “officials in top County government” — his colleagues, in other words — of being behind some super shady-sounding and allegedly illegal funny business involving weed.

Civil war in Trinity County! Yowza! Y’all have more fun up there in the hills. We’ll update if we ever find out more about this.

From the Trinity County Sheriff’s Office:

On June 4, 2018, at approximately 10:30 a.m., the Trinity County Sheriff’s Deputies executed a search warrant at the Trinity County Planning & Cannabis Department to seize evidence in a criminal matter.

Deputies had received information that officials in top County government were attempting to alter evidence in a criminal investigation.

No additional information will be provided at this time, as it is an active investigation.

Harris Introduces Bill to Ensure Access to Affordable Clean Water for Working Families

SECTION F2 PAGE NO. 38

By Office of Sen. Kamala D. Harris - June 6, 2018, 06:23:04 PM

WASHINGTON, D.C. June 6, 2018 – Today, U.S. Senator Kamala D. Harris introduced the *Water Affordability Act of 2018*, legislation that would help low-income families across the country pay for rising sewer and water bills. As municipalities work to comply with The Clean Water Act, the cost of compliance is placing a high burden on low-income families who pay for sewer and water utilities. The *Water Affordability Act* would direct the Environmental Protection Agency (EPA) to establish a pilot program, named the Low Income Sewer and Water Assistance Program (LISWAP), to award grants for public water utility companies to assist low-income households with bill repayment. Eligibility for grant assistance would consider environmental risk factors and inequitable environmental burdens as part of the eligibility criteria.

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

"Across the country, far too many communities are dealing with insufficient wastewater and drinking water that harm their health and well-being," **said Jenifer Collins, Associate Legislative Representative for Earthjustice**. "The Water Affordability Act is an important step in addressing this urgent need and we look forward to continuing to work with Senator Harris and our community partners to ensure that all communities across the country have access to safe and affordable drinking water and sanitation services."

"We commend Senator Harris for addressing such a critical issue. Access to safe, clean water, and reliable wastewater and stormwater systems, should not be a privilege for the few," **said Rosemary Enobakhare, Director for Clean Water for All Coalition**. "No one should have to suffer from lead contamination, untreated sewage, or polluted runoff, as these problems have severe impacts on the health, safety, and economies of our communities. Water infrastructure funding must be prioritized for communities that have critical infrastructure needs and lack the ability to meet those needs. Senator Harris saw the need and is working to address one of our country's greatest challenges by creating meaningful water infrastructure legislation that provides and promotes clean, affordable water for all while protecting our environment and our communities."

"Every human has a right to safe, clean and affordable water," **said San Francisco Public Utilities Commission General Manager Harlan L. Kelly**. "In San Francisco, we work hard every day to provide high-quality public utility services that are affordable for all of our customers, including ratepayers in our most vulnerable communities. But local government can't do it alone. As a country, we must come together and leverage federal partnerships and resources to make this life sustaining resource available and affordable to everyone. This proposed grant program will bring us one step closer to making that a reality."

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

115TH CONGRESS
2D SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

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

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

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

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

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

3 “(a) DEFINITIONS.—In this section:

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

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

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

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

20 “(i) a high minority population; and

21 “(ii) a high environmental indicator.

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

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

1 “(A) in which 1 or more individuals are re-
2 ceiving—

3 “(i) assistance under a State program
4 funded under part A of title IV of the So-
5 cial Security Act (42 U.S.C. 601 et seq.);

6 “(ii) supplemental security income
7 payments under title XVI of the Social Se-
8 curity Act (42 U.S.C. 1381 et seq.);

9 “(iii) supplemental nutrition assist-
10 ance program benefits under the Food and
11 Nutrition Act of 2008 (7 U.S.C. 2011 et
12 seq.); or

13 “(iv) payments under—

14 “(I) section 1315, 1521, 1541, or
15 1542 of title 38, United States Code;

16 or

17 “(II) section 306 of the Veterans’
18 and Survivors’ Pension Improvement
19 Act of 1978 (38 U.S.C. 1521 note;
20 Public Law 95-588); or

21 “(B) that has an income that, as deter-
22 mined by the State in which the household is lo-
23 cated, does not exceed the greater of—

24 “(i) an amount equal to 150 percent
25 of the poverty level for that State; and

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

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

6 “(b) ESTABLISHMENT OF PILOT PROGRAM.—

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

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

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

A little water could make a big difference for endangered salmon

UNIVERSITY OF CALIFORNIA - SAN DIEGO



IMAGE: YOUNG SALMON LIKE THESE ARE VULNERABLE TO DRY CONDITIONS IN THE SMALL STREAMS THEY CALL HOME. THEIR SURVIVAL IS A BOTTLENECK TO THE RECOVERY OF THE RUSSIAN RIVER COHO SALMON. [view more >](#)

CREDIT: CALIFORNIA SEA GRANT

Even small amounts of running water--less than a gallon per second--could mean the difference between life or death for juvenile coho salmon in coastal California streams, according to a new study published in the journal *Transactions of the American Fisheries Society*.

The study, led by California Sea Grant Extension Specialist Mariska Obedzinski, shows that during dry periods, that amount of water was enough to keep pools interconnected, allowing young salmon to survive through the hot, dry summer months.

"The good news is that if we can get just a little bit of water back in these streams, we can make a really big difference," says Obedzinski, who leads a monitoring program for endangered coho salmon and steelhead in the small streams of Sonoma County that flow into the Russian River.

Saving the Russian River coho

Russian River coho salmon were listed as threatened in 1996, but despite efforts to improve habitat, the species had hit crisis levels by the early 2000's, and they became endangered in 2005 when scientists noted fewer than 10 fish returning to the Russian River each year to spawn. In response, local, state, and federal

agencies teamed up to start a conservation hatchery program to breed and release the fish. California Sea Grant's monitoring program was set up to track the success of the hatchery releases as well as better understand the factors that were preventing recovery of the species.

Through their monitoring, Obedzinski and her research team found that low streamflow in summer is one of the biggest bottlenecks to coho recovery. She says, "After the hatchery fish are released, we see them migrating out to the ocean and coming back as adults to spawn. We even see their offspring in creeks in the early summer, but by late summer the creeks dry out, the young salmon die, and the next generation is not surviving."

How much is enough?

Water is a limited resource in the Mediterranean climate of central California. Population growth and development, combined with the impacts of climate change in the drought-prone region have made flow-impaired streams even less reliable.

While previous modeling studies have established water flow thresholds to support salmon in larger, snowmelt-fed streams such as those in California's central valley, the small coastal streams where Russian River coho prefer to spawn are a different beast.

These intermittent streams may swell over their banks during wet winter months but dwindle to a trickle or even dry up in sections during the hot, dry summer. While it was clear that young salmon needed more water to survive the summer months, the question was, how much?

"We didn't have a sense of how much water was needed," says Obedzinski. "The existing models are based on flows in much larger streams. When you try to apply them to our tiny coastal streams, they fall apart."

The new study provides a clearer link between salmon survival and water flow rates in Russian River tributaries, which could be useful for resource agencies and organizations working on salmon recovery, and land owners who want to help restore endangered salmon populations. The findings may also lend support for efforts that might seem small-scale in comparison to larger streamflow improvement projects in other watersheds.

John Green is a project manager for the Gold Ridge Resource Conservation District, who has already begun applying the new research to their work restoring flow in salmon streams. He says, "The big value in this research is that it has given us an idea of how much water is needed to improve fish survival. From that, we start to understand the kinds of projects we need to build and what their impacts will be."

The researchers stress that flows allowing for minimum persistence are not high enough to support full recovery. Obedzinski says, "Keeping a pool connected is the first step in preventing local extinction by keeping at least some of the fish alive, but we want fish to be able to grow and thrive as well. In terms of meeting recovery targets, more water means more habitat for fish, and more chance of bringing back a healthy population."

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http://www.trinityjournal.com/obituaries/article_18c97bda-2ca2-11e8-b497-43f2828f401f.html

William "Bill" German

Mar 21, 2018

William "Bill" German, 83, of Mad River passed away March 3, 2018.

He was born May 16, 1934, in New Haven, Conn., to William and Helen German.

He had many different careers. Bill proudly served in the Navy, stationed in Oahu, Hawaii, on the US Walter DDE517. He worked for many years for the USFS then became the owner/operator of a log truck before retiring from logging to serve as the fire chief for the STVFD.

Bill did everything to the best of his ability to give honor to his Lord Jesus Christ. He was a member of Lamb Creek Church in Mad River, serving as deacon and worship leader, playing his guitar.

Bill is survived by his wife Jean German; sons William C. German of Burnt Ranch, James German of Arcata and Mark German (Jennifer) of Saratoga, Wyo.; grandchildren Jeanne, Debborah, William M. and Kalub German, eight great-grandchildren; brothers John German (Carole) of Maine and Andrew German (Amy) of Connecticut; and sister Martha German of Woodbridge, Conn.

Bill and Jean would have celebrated their 60th anniversary in May.

A memorial service will be held for Bill at Lamb Creek Church at 11 a.m. Saturday, April 14. A potluck lunch will follow.

Eureka Times-Standard (<http://www.times-standard.com>)

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RCEA celebrates first year of community choice energy

\$1 million set aside for local renewable energy projects like airport's microgrid

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

Wednesday, May 9, 2018



Happy belated birthday Redwood Coast Energy Authority community choice energy program!

It's a little late because the energy program — which Humboldt County energy consumers were switched to with the aims of lowering energy bills modestly and put an emphasis on using local, renewable energy — went online at the beginning of last May, but RCEA officials are still happy with the progress that's been made in the past year.

“Overall, it's going quite well. So far that program's been performing as expected,” RCEA Executive Director Matthew Marshall said Wednesday.

One year in and about 90 percent of Humboldt County residents, about 62,000 residences and businesses, are still enrolled in the “opt out” program, he said.

“The overall participation has been really strong,” Marshall said.

While PG&E still handles everyone's power infrastructure and billing, RCEA controls the generation aspect of the power used so most program participants are using 42 percent renewable energy, according to an RCEA news release.

“RCEA's power mix in 2017 included 24 percent wind, 40 percent hydroelectric, 5 percent solar, 5 percent geothermal, and 16 percent from a fluid mix of power sources available on the daily energy market. Locally-sourced biomass from Humboldt Redwood Company makes up the last 11 percent,” RCEA community strategies manager Nancy Stephenson said in an email.

The energy RCEA delivers is on average cheaper and more of it is produced renewably than before the program launched, according to the release.

“While the savings per household may be only a few dollars, it added up to over \$1.7 million dollars in customer rate savings in the first twelve months,” the release states.

While delivering savings, RCEA has also been putting aside a portion of everyone's power bill into a reserve fund which is now at about \$1 million. That money is slated to funding local renewable energy projects which can provide local jobs, Marshall said.

“We've been able to move forward in just the first year on really exciting projects,” he said.

The first of those is a solar microgrid at the Humboldt County airport in McKinleyville. Marshall said RCEA staff is working with the Humboldt State University Schatz Energy Research Center to line up a state grant for the project before doing design work this summer.

“With the goal of beginning construction in 2019,” he said.

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The second is the large scale wind farm proposal off the coast of Eureka, Marshall said.

“We completed our request for qualifications process and chose a team of developers,” he said.

The next step is to finalize the partnership and do a study and analysis of the area, Marshall said.

“I feel like the [RCEA] Board [of Directors] feels like the program is doing what it was designed to do,” he said.

RCEA Board President Sheri Woo is also on the Humboldt Bay Municipal Water District Board of Directors.

“The board appreciates the public’s hard work in learning about our complex energy system, and we thank them for their support and faith that we could bring more renewable energy to Humboldt, at rates slightly cheaper than our investor owned utility. We all did it,” she wrote in an email Wednesday.

More information is available at redwoodenergy.org.

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

URL: <http://www.times-standard.com/general-news/20180509/rcea-celebrates-first-year-of-community-choice-energy>

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California is shattering renewable records. So why are greenhouse emissions creeping up?

By [Nathanael Johnson](#) on May 23, 2018

The green beacon that is the state of California is making clean-energy strides, according to new stats out this week. It's harnessing a record amount of solar power, building more turbines to capture wind power records, and closing in on the moment when the grid goes 100 percent carbon free.

And yet it's also starting to generate more greenhouse gases. WTF?

Every month California's electricity managers put out a report showing what that climate-conscious state is up to. And this one brings sunny signs of progress, unheralded achievements, and fun factoids. Earlier this month, for instance, California set a new record for solar power generated.

Record peaks

 SOLAR
10,625 MW
May 7, 2018, 12:22 a.m.

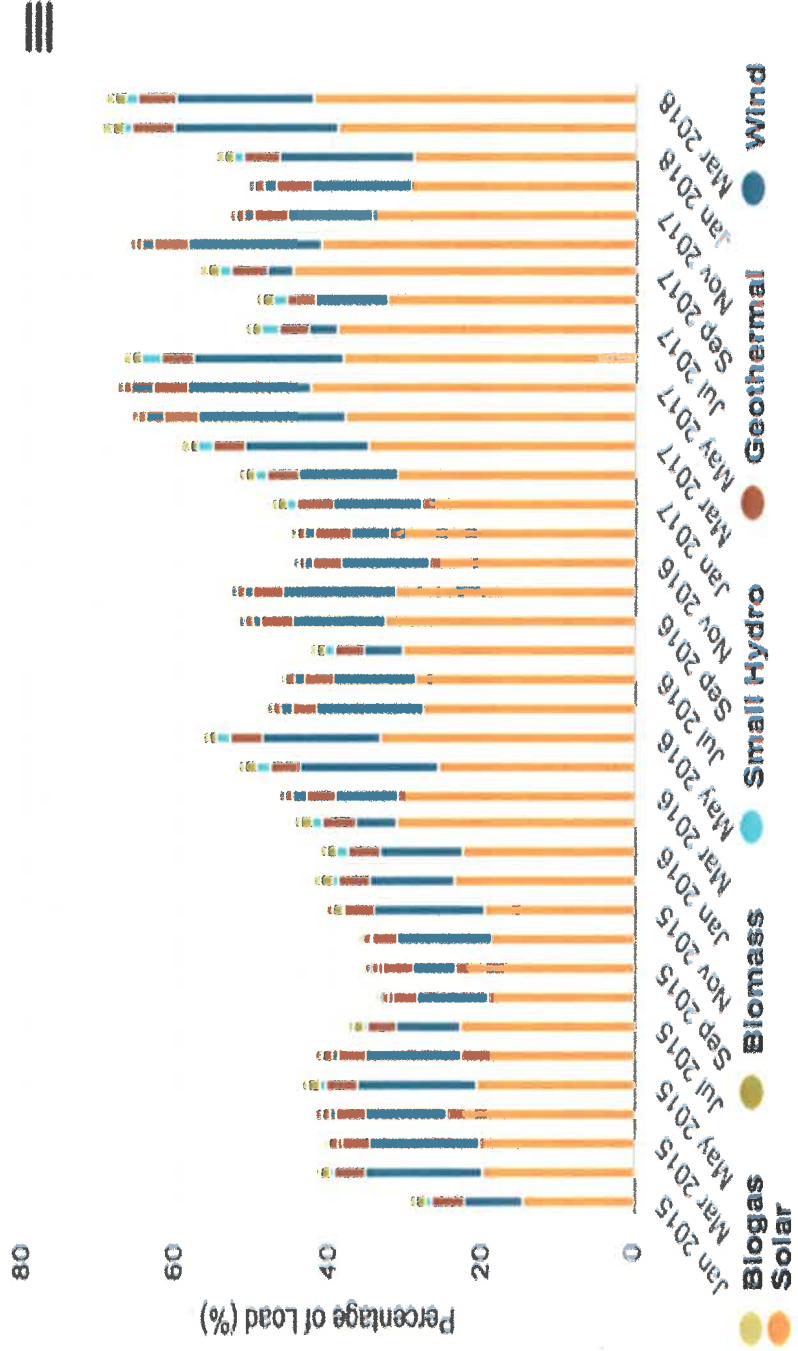
WIND
 **4,985 MW**
May 16, 2017, 5:26 p.m.

PREVIOUS SOLAR RECORD **10,586 MW** set on May 4, 2018, 11:24 a.m.

California Independent System Operator

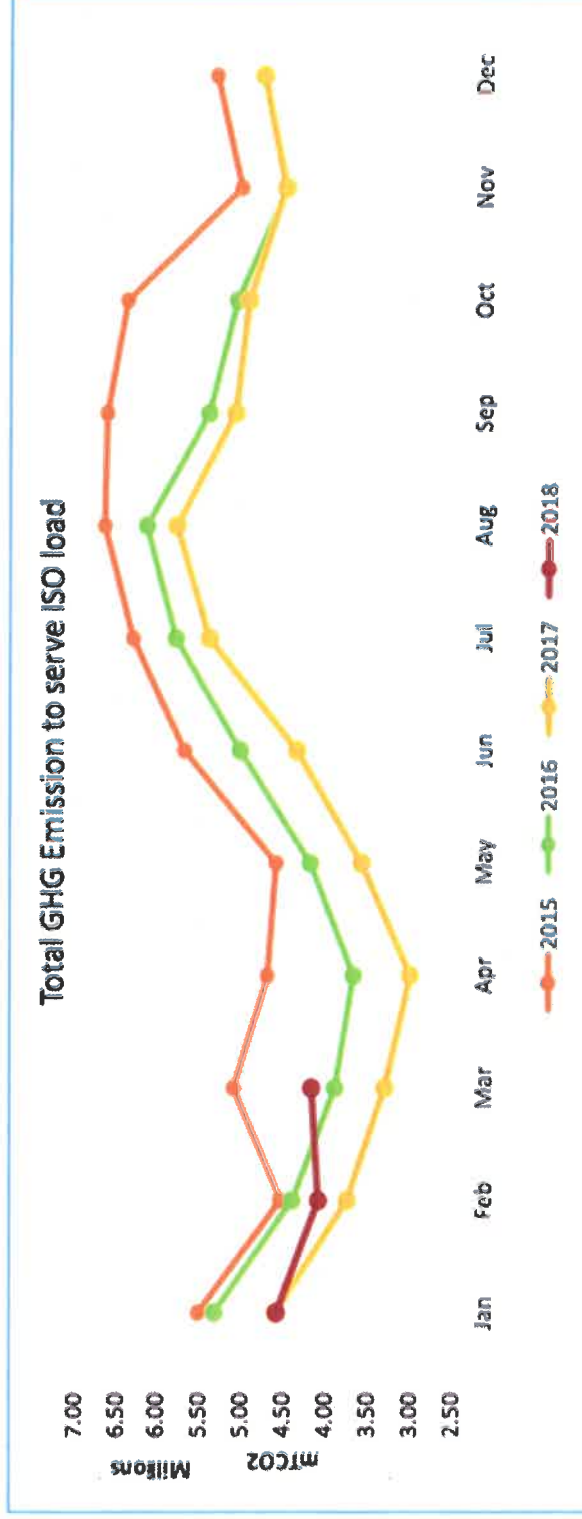
And on April 28, at precisely 1:25 p.m., renewables provided 72.7 percent of California's electricity needs. That's also a record, but not an aberration. It's consistent with a longstanding trend as California's policies connect more solar panels and wind turbines to the grid. As you can see in the next graph, California keeps hitting new records — usually around noon — when renewables provide the majority of the electricity for a few hours.

Monthly Maximum Percent of Load Served by Renewables



California Independent System Operator

Since 2015, renewables have helped California decrease the amount of greenhouse gases its power plants released into the atmosphere. But this past February, the state's electricity was more carbon intensive than it was in 2017, and in March it was even worse:



California Independent System Operator

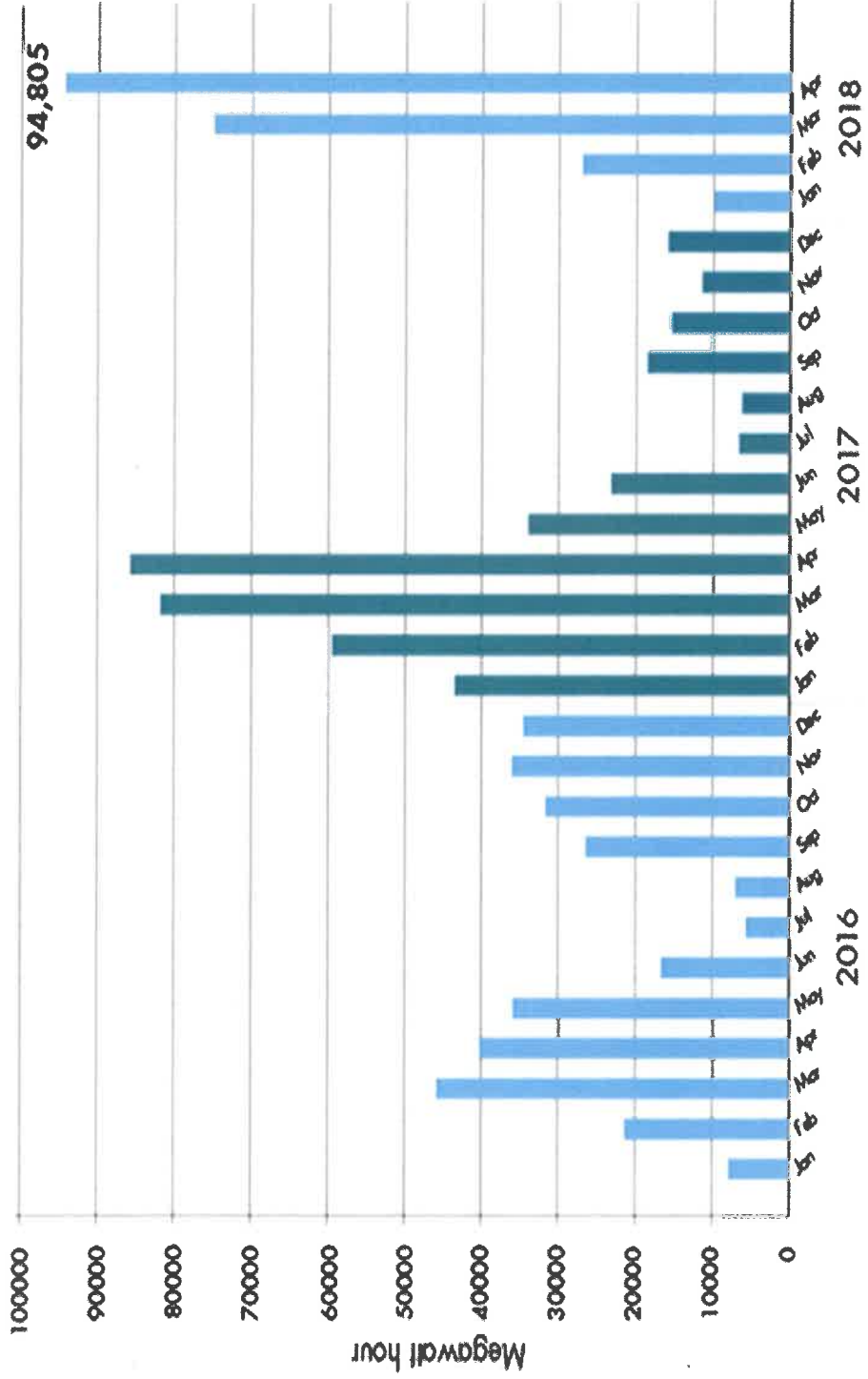
What's that all about? There's a hint in the report. California had to dump about 95,000 megawatt hours of renewable power in April, because all that power would otherwise have flooded onto the grid when people didn't need it — blowing fuses, igniting fires, and melting every computer without a surge protector. That's a lot of energy, enough to provide all of Guatemala's electricity for the month.

Transporting electricity and storing it is expensive, so the people managing the electrical system ask power companies to stop putting power on the grid, to curtail their production. It's called "curtailment" in electric-system jargon. As the number of solar panels feeding the grid increases, so do curtailments.

The thing is, every new panel sending electricity to the grid is still displacing fossil fuel electricity. So that can't explain why California is burning more fossil fuels than in the last couple of years.

What's the real problem, then? It's almost certainly the lack of water. When wind and sun stop generating electrons, we'd like to have other low-carbon source of electricity that we could turn to — what some energy wonks call a "flexible base" of power generation.

Curtailment totals by month



California's big source of reliable low-carbon electricity has been hydropower. But the state is bracing for a drought after a warm, dry winter. So California is hoarding water behind dams, rather than letting the water run through turbines to generate electricity. As a result, hydropower generation is down. And the state's nuclear, geothermal and biomass plants are already running at capacity. As a result California is replacing the missing waterpower with fossil-fuel generation, namely natural gas.

All this serves as a good reminder that renewables can't provide us with all of our electricity needs alone. We've also got to create bigger and better batteries, string up international transmission lines and build more low-carbon power plants that we can ramp up and down to complement those renewables. If California gets that done, its power grid will be cleaner and more energizing than a \$5 shot of wheatgrass juice sold from a food truck by a man with a well-conditioned beard.

Salem drinking water contaminated, children shouldn't drink tap water

Zach Urness, Natalie Pate and Bill Poehler, Statesman Journal Published 5:36 p.m. PT May 29, 2018 | Updated 11:08 a.m. PT May 30, 2018

Low levels of toxic algae have been discovered in Salem's drinking water, prompting officials to issue an advisory that parents should not give tap water to children under 6 years old. Statesman-Journal



(Photo: U.S. Army Corps of Engineers)
CONNECTTWEETLINKEDIN 5COMMENTEMAILMORE

Low levels of toxins caused by algae blooms in Detroit Lake have been discovered in Salem's drinking water, prompting officials to warn parents not to give tap water to children under 6 years old.

People with compromised health and immune systems also are being told not to drink tap water.

Other affected cities include Turner and Stayton.

Bottled water should be used for drinking, making infant formula, making ice and preparing food and beverages for the affected groups, officials said.

"Children under the age of six, people with compromised immune systems, people receiving dialysis treatment, people with pre-existing liver conditions, pets, pregnant women or nursing mothers, or other sensitive populations should follow this advisory," a news release states.

Salem-Keizer Public Schools will offer bottled water for students who are pre-K through first grade, district officials said Tuesday afternoon. This water will also be given to students who are medically fragile and students and staff who are nursing or pregnant.

Bottled water will not be provided to schools in Keizer because the city's water comes from a different supply and is not be affected.

Salem-Keizer officials said they will adjust how school meals are prepared until the water no longer poses a threat. Students are still able to wash their hands, as long as the water is not blue or green, said Lillian Govus, a spokeswoman for the district.

Govus said the district has already secured 100,000 water bottles and will deliver them to schools Tuesday night. They will try to obtain more.

They will start by delivering to elementary schools, then middle and high schools for self-contained classrooms with medically fragile students, the teen-parent program, and so forth, she said.

Affected communities

- Detroit
- Gates
- Jefferson
- Lyons
- Mehama
- Mill City
- Salem
- Stayton
- Turner

By Tuesday evening, grocery stores across Salem were already reporting a growing shortage of bottled water following reports of the fouled water supply.

From WinCo Foods to Safeway, the amount of bottled water was dwindling or already gone, store officials said at multiple locations.

The toxins originated with algae blooms first detected last week in Detroit Lake. That water continues down the North Santiam River, which becomes the Santiam Canyon and City of Salem's drinking water source.

There are about 185,000 people who live in the cities that draw their municipal drinking water from the North Santiam River, not including farms in rural communities that draw water from the river.

Salem's drinking water was tested May 23 and 25. Results confirmed the presence of cyanotoxins in the drinking water above acceptable levels for children and those in compromised health.

"We've had no reports of health impacts so far," said David Farrer, with the Oregon Health Authority. "In the latest tests, the concentrations have been below the threshold for adults, but above the threshold for younger kids.

"The way the symptoms develop, it would be pretty similar to a stomach bug or food poisoning. It would include a lot of vomiting."

Symptoms include upset stomach, vomiting and diarrhea.

A new round of testing has been completed, but test results won't arrive until Thursday, officials said.

"There's a chance that we get the results on Thursday and we're all clear," said Greg Walsh, emergency manager for City of Salem. "But we wanted to be proactive because we're coming up on the 10-day exposure period — if people are exposed to it for 10 days that's when the probability of health issues increases."

Algae blooms in Detroit Lake are common in the late spring and early summer. But the algae blooms observed this year appear to be more widespread and potent.

Three toxic blooms were identified in locations around Detroit Lake on May 23 and 25 — at Blowout Arm, Heater Creek Arm and near the dam.

The bloom in Blowout Arm had the highest concentration of toxins, Oregon Health Authority officials said.

A liver toxin called "microcystin" was tested at 48.21 parts per billion in that location. A health advisory is triggered when levels are 4 parts per billion. Levels were lower, but still highly elevated, on May 25.

"Those toxin levels are high," Rebecca Hillwig, natural resource specialist with the Oregon Health Authority, told the Statesman Journal last week.

Downstream, in the North Santiam River, tests also revealed elevated levels of toxins. Tests on May 23 showed the toxin cylindrospermopsin at 6.9 parts per billion — above the safe threshold even for adults.

By the May 25 test, levels had dropped to 1.9 parts per billion for cylindrospermopsin — safe for adults but not for small children.

Those levels would have been lower by the time it reached people's taps in Salem, but it was high enough to raise concerns, Farrer said.

It's unclear exactly why algae blooms always seem to pop up this time of year at Detroit Lake, but Hillwig suspects it has something to do with Detroit Lake raising its water level to the summertime "full pool."

"Historically, Detroit Lake is one of the earlier bloomers when it comes to algae, compared to other reservoirs," she said. "It could very well have something to do with the rivers bringing a lot of nutrients into the lake at once."

Drinking water containing cyanotoxins at levels exceeding the national drinking water Health Advisories can put people at risk of various adverse health effects including upset stomach, vomiting and diarrhea, as well as liver and kidney damage, according to the advisory.

Officials said people should seek medical attention if you or family members are experiencing illness.

CORRESPONDENCE



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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BOARD OF DIRECTORS

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MICHELLE FULLER, DIRECTOR

GENERAL MANAGER

JOHN FRIEDENBACH

May 24, 2018

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

Dear Chairperson Bohn,

Protecting the environment of the Mad River watershed to preserve water rights, water supply, and water quality is part of the mission of the Humboldt Bay Municipal Water District. Based on this mission, the District is both interested and obligated to participate in Humboldt County's review of development projects in the Mad River watershed. Working collaboratively, the County and the District can effectively protect the river and the region's groundwater.

To this end, we will request that the County Planning Department include the District in the following project notification processes:

- Plan Checks
- Notice of Application/ Public Hearings
- CEQA

We are also looking forward to working collaboratively with the Board of Supervisors and County Planning on rezoning issues as they arise. We believe that even if an MH designation is permitted under the 2017 General Plan, the Board of Supervisors is not precluded from reconsidering the idea of locating intensive uses in the 100-year floodplain and proposing a General Plan amendment. The District encourages further consideration of how the land use decisions authorized by the Board of Supervisors impact the Mad River, a public trust resource. The District is interested in cooperating with the County on this topic for sites within the Mad River watershed.

Please feel free to contact me or the District's General Manager, John Friedenbach.

Sincerely,

A handwritten signature in black ink, appearing to read "Sheri Woo".

Sheri Woo, PE
President

T|L|G Thomas Law Group

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H.B.M.W.D. MAY 21 2018

May 17, 2018

Mr. John Ford
Director
Planning and Building
Humboldt County
825 5th St., Room 110
Eureka, CA 95501

RE: Withdrawal of SP-16-015 and ZR-16-001

Dear Mr. Ford:

On behalf of Humboldt Municipal Water District ("District"), Thomas Law Group submits this letter in response to Mercer-Fraser Company and MCMP Humboldt, LLC's (collectively, MCMP) April 17, 2018 letter withdrawing Application Number 10244 ("Withdrawal"). Application Number 10244 sought to rezone Assessor Parcel Number 504-161-010 ("Site") from Agriculture General (AG) to Heavy Industrial with a qualified combining zone (MH-Q) (ZR-16-001) and also sought a special permit to develop a cannabis products manufacturing facility on the same parcel (SP-16-015) ("Project"). The purpose of this letter is to clarify the District's understanding of the Withdrawal and to correct a number of assertions made in the Withdrawal letter.

I. Effect of the Withdrawal

On January 11, 2018, the Humboldt County Planning Commission approved SP-16-015 and recommended the Board of Supervisors approve ZR-16-001. The District timely appealed SP-16-015 ("Appeal"), in part based on the County's improper reliance on an Addendum to the 1994 Program Environmental Impact Report on Gravel Removal from the Lower Mad River (PEIR) and the 1994 Supplemental Final Environmental Impact Report on Gravel Extraction on the Lower Mad River (SEIR) for the Project. As detailed in the District's Appeal, neither the Addendum nor the documents it relies on analyzed the impacts of proposed cannabis products manufacturing. (See Attachment A, January 26, 2018 Appeal letter.)

On April 17, 2018, MCMP submitted the Withdrawal letter. Based on this Withdrawal, the District will not pursue the Appeal, provided that Humboldt County will require MCMP or any future landowner or permittee to submit a new application, consistent with the Humboldt County Code, to rezone or obtain any use permit for the Site. In light of this, the County will not need to take action on the Appeal and the District requests the County refund the \$2,263.00 appeal fee paid by the District. The District further requests that if and when MCMP or any future landowner or permittee submits a new application, the County fully consider the potential environmental impacts under California Environmental Quality Act (Public Resources Code, section 21000 et seq., (CEQA)) of the application, including analyzing both the location of the parcel in the 100-year floodplain and the potential impact that any on-site activity may have on the adjacent groundwater wells which serves approximately 88,000 people in Humboldt County.

II. The Humboldt County 2017 General Plan Does Not Require the County to Designate the Site Heavy Industrial (MH).

MCMP states that the Humboldt County 2017 General Plan (“2017 General Plan”) designated the Site as Industrial, Resource Related (IR) consistent with the “current and historic industrial” and “vested” use of the Site and that as a result, the County must rezone the Site to Heavy Industrial (MH). This is inaccurate for at least three reasons.

First, it is not clear that the full scope of activities currently occurring at the Site is vested or permitted. Although the County determined MCMP had a vested right to the annual extraction of up to 40,000 cubic yards of gravel from the Mad River in 1998, to our knowledge MCMP has not requested or obtained vested rights determination pursuant to County Code section 391-6 as to the other operations, identified in the Withdrawal letter as “mining, aggregate processing, ready-mix concrete, and hot mix asphalt production.” (Withdrawal letter, p. 1; See *Calvert v. County of Yuba* (2006) 145 Cal.App.4th 613, 624 [determination of whether vested rights exist is made on a case-by-case basis by the lead agency.])

Second, the 2017 General Plan does not require the site to be zoned Heavy Industrial (MH). The IR general plan designation “provides areas for resource-related industrial processing such as timber, agriculture and mineral products processing in areas not typically served by urban services and therefore not suitable for a broader range of industrial uses.” (2017 General Plan, p. 4-49.) While MH may be consistent with this designation, so would the less intensive Limited Industrial (ML) which “is intended to apply to areas in which light manufacturing and heavy commercial uses of the non-nuisance type and large administrative facilities are the desirable predominant uses.”

(Humboldt County Code, § 314-3.2.) Similarly, the Agriculture Exclusive (AE) and Agriculture Grazing (AG) zones both permit the processing of agricultural and timber products with use permits, consistent with the IR designation. (Humboldt County Code, §§ 314-7.1; 314-7.2.) Therefore, contrary to the implications in the Withdrawal letter, the 2017 General Plan does not require the County to rezone the Site to MH.

In fact, applying MH zoning to the Site may be inconsistent with at least one other General Plan policy. Policy WR-P1 requires that the County “[e]nsure that land use decisions conserve, enhance, and manage water resources on a sustainable basis to assure sufficient clean water for beneficial uses and future generations.” (2017 General Plan, p. 11-8.) As stated in the National Oceanic and Atmospheric Administration’s (NOAA) March 19, 2018 letter commenting on the Project, “many of the stated uses of Heavy Industrial zoned land are incompatible with the designated critical habitat for salmon, steelhead and Pacific eulachon, in particular hazardous materials and manufacturing.” (See Attachment B, Letter from NOAA to Humboldt County Board of Supervisors, March 19, 2018, p. 2.)

Finally, even if the MH designation is permitted under the 2017 General Plan at the Site, the Board of Supervisors is not precluded from reconsidering the wisdom of locating such intensive uses in the 100-year floodplain and proposing a General Plan amendment. The District encourages further consideration of how the land use decisions authorized by the Board of Supervisors impact the Mad River, a public trust resource. The District is interested in pursuing a collaborative endeavor with the County on this topic for this and other sites within the Mad River watershed.

In sum, the 2017 General Plan does not require the County to rezone the Site MH.

III. The Qualified Q Zoning Does Not Provide Resource Protection.

The Qualified Q overlay does not remedy the incompatibility of the MH designation with the adjacent floodplain, habitat, and drinking water source. MCMP stated that the “Qualified combining zone would have restricted the industrial uses on the project site to only those historical and/or permitted uses.” (Withdrawal letter, p. 2.) However, the County Code requires “the qualified uses shall be specified in the ordinance applying the Q Zone to specific property.” (County Code, 314-32.1.) Because the Planning Commission resolution did not recommend any specific limitations on the uses permitted within the MH zone other than nominally stating that it is “qualified,” the Qualified Q zoning does not adequately limit the industrial uses on Site.

IV. The District Timely Commented on Both the General Plan and the Proposed Project.

MCMP's Withdrawal letter attempts to undermine the merits of the District's concerns about the Project by alleging that the District never expressed concerns about the Site's operations prior to January 2018 and failed to participate in the 2017 General Plan update. (Withdrawal letter, p. 1.) The contentions are unfounded for four reasons.

First, MCMP correctly states that the District had previously allowed MCMP to mine on the District's property. However, this occurred many decades ago, prior to advancements in understanding of the effect of mining and other industrial operations on drinking water wells and other District infrastructure.

Second, the District has raised concerns with MCMP's operations for the last twenty years. For example, in 1998 the District filed complaints with the County of Humboldt and the U.S. Army Corps of Engineers about MCMP's gravel extraction far exceeding the vested 40,000 cubic yards per year and participated in public hearings related to those complaints. The District also participated in the public process for revising the Letter of Permission (LOP) procedure for permitting gravel extraction projects in Humboldt County under Section 404 of the Clean Water Act, specifically LOP 96-1 and revision LOP 2004-1. The Public Notice for LOP 2004-1, Appendix G, imposing limits on gravel extraction in the Mad River due to its "degraded condition" specifically refers to the participation of the District. It states, in part, "[b]oth the Humboldt Bay Municipal Water District and the regional office of California Department of Transportation have determined that the river sediments around their structure including the Essex water intake structure, and the Highway 101 Bridges over the Mad River, are degraded."

Third, during the general plan update, the District expressed its concern with the impacts of gravel extraction on the surrounding environment and requested modification of general plan goal MR-G2 to require gravel extraction be performed in a manner that "preserves the natural bed-level elevation upstream and downstream of extraction sites." Based on negotiations with MCMP, this language was ultimately replaced with language requiring the extraction methods "not adversely impact public infrastructure." (See Attachment C, December 15, 2014 Letter from the District to the County Board of Supervisors.) While the District did not specifically object to the designation of the Site as IR, it understood that zoning changes implementing the 2017 General Plan would be consistent with the 2017 General Plan Environmental Impact Report and with the 2017 General Plan policy ensuring clean water for multiple generations. (See 2017 General Plan policy WR-P1.)

Fourth, the District's earlier comment on the Project itself was precluded by the failure of MCMP and the County to provide timely notice of the Project to the District. Humboldt County Code section 312-6, subsection 6.1.3 requires that as part of plan check, the County planning department "shall refer copies of the application to any County department, Design Review Committee, State or Federal agency, or other individual or group that the Department believes may have relevant authority or expertise." On July 10, 2016, more than a year before the Planning Commission took action on the Project, the County referred the Project to fifteen different departments and agencies including Building Inspection, Public Works Land Use Division, Health and Human Services Environmental Health Division, Supervising Planner, Current Planning Division, County Counsel, CalFire, California Department of Fish and Wildlife, Northwest Information Center, Bear River Band Rohnerville Rancheria, Blue Lake Rancheria, Wiyot Tribe, Regional Water Quality Control Board, Arcata Fire Protection District, and the District Attorney, but did not provide notice to the District. (January 11, 2018 Humboldt County Planning Commission Staff Report, p. 89.) The District received notice of the Project approximately ten days prior to the hearing on the Project and timely responded to that notice. (See Attachment A, Appeal letter.)

The District's comments on both the General Plan and the Project were timely. In order to enable the District to provide input on future projects having an impact on the District, we request notification of any applications for projects related to properties adjacent to the District within ten days of the County's receipt of the application.

V. Any Cannabis Manufacturing Facility Should Comply with the County's Updated Cannabis Ordinance and Should Receive Full Environmental Review.

A. Humboldt County Cannabis Ordinance

MCMP notes that the previously proposed cannabis manufacturing facility is permitted by the "State's Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), the Bureau of Cannabis Control's Regulations for the manufacture of cannabis products, and the County's Commercial Medical Marijuana Land Use Ordinance ("CMMLUO"), and all best practices for the manufacture of cannabis products." (Withdrawal letter, p. 2.) First, State requirements do not usurp local land use authority over the facilities. (Bus. & Prof. Code, § 26200.) Second, the Commercial Cannabis Land Use Ordinance approved on May 8, 2018 appears to have been modified prior to its final approval to permit flammable extraction on Agriculture General Property (AG) with a conditional use permit, so long as the use is conducted within the footprint of an existing structure and meets certain siting criteria. The County's review of a use

permit for cannabis manufacturing, especially that using flammable extraction methods, should consider the potential environmental impacts of transporting, handling, disposing, and storing liquid solvents regardless of the property's zoning and particularly addressing these potential environmental impacts within the groundwater basin where the property is located. The relevance of considering these environmental impacts was brought to your attention during the last several months for the source water drinking wells serving Humboldt County residents. Again, if a cannabis-related activity is proposed adjacent to the District's groundwater wells, the District requests the County provide timely notice so that the District can ensure compliance with the updated Commercial Cannabis Land Use Ordinance and CEQA in issuing the permit.

B. Environmental Impact Report

While MCMP alleges that it met with the District in "good faith" and worked toward resolving the District's concerns, MCMP still has not addressed the District's fundamental concern: the failure to study the likely deleterious environmental impact of the proposed cannabis manufacturing facility. Not only has the District raised concerns about the conclusory reliance on the PEIR and SEIR, but NOAA finds that the Addendum to the PEIR and SEIR "does not analyze the potential impacts associated with a cannabis extraction and manufacturing facility at the gravel processing site, nor do the gravel mining EIRs." NOAA states that it is concerned with: "1) the location of the proposed facility within the 100-year floodplain that is within designated critical habitat for Endangered Species Act (ESA) listed coho salmon, Chinook salmon, steelhead and Pacific eulachon, 2) potential effects on ESA listed salmon, steelhead and Pacific eulachon, and 3) the proposed zoning change of the parcel to Heavy Industrial." NOAA further states "the cannabis facility will use volatile and nonvolatile solvents that were not analyzed for potential impacts in the gravel extraction PEIR or SEIR." (See Attachment B, p. 1.)

Similarly, the California Department of Fish and Wildlife (CDFW) recommended denial of the Project because it proposes "construction of a permanent cannabis manufacturing facility within the 100-years floodplain." CDFW notes that the project is located along the Mad River, which has "significant biological values . . . for numerous commercially important fish species and State and federally-listed or otherwise sensitive species." (See Attachment D, California Department of Fish and Wildlife CEQA Referral Checklist February 27, 2018, p. 1.) CDFW concludes, "this Project, as proposed will result in the degradation of both aquatic and riparian habitat in the Mad River." (See Attachment D, p. 2.)

These sensitive environmental conditions are also identified in Appendix G of Public Notice for LOP 2004-1 related to gravel extraction in the Mad River. The appendix states: "There are several details that indicate the Mad River's bed elevation is in a degraded condition, i.e., at a lower elevation than during an earlier, 'normal' period. Both the Humboldt Bay Municipal Water District and the regional office of California Department of Transportation have determined that the river sediments around their structure including the Essex water intake structure, and the Highway 101 Bridges over the Mad River, are degraded. ... At the same time, the Mad River is important for federally listed coho, chinook and steelhead life history stages. For these reasons, the Mad River contains extra conditions to further limit adverse impacts. ..." If and when the County reconsiders a proposal similar to the Project, the County must study the impacts of locating a cannabis or other manufacturing activity in the floodplain, in or adjacent to habitat for federally listed species, and next to a drinking water source.

VI. The Water District's Position is Publicly Supported by all District Municipal Water Service Customers; Allegations of Working "Behind the Scenes" Are Unfounded.

Every one of the District's seven municipal water service customers shares the District's concerns with the threat that the proposed Project poses to the drinking water of the residents of Humboldt County. (See Attachment E, letters from City of Arcata, City of Blue Lake, City of Eureka, Fieldbrook Glendale CSD, Humboldt CSD, Manila CSD, McKinleyville CSD, January 11, 2018 through February 28, 2018.) Contrary to MCMP's representation that the District somehow covertly garnered the support of its customers in opposing the Project, the District publicly met with every one of its municipal customers' board or city council requesting they consider taking action to protect their water source. Every one of the customers discussed the concern during open session at the board/council meetings and every one publicly took action to protect its water source. (See Attachment E.) The District had no assurance until the April 17, 2018 letter that MCMP would not continue to pursue the operation and the letter provides no assurance that MCMP will not pursue a similar project in the future. As a result, the District was more than reasonable in providing information to its customers about the need to oppose the Project in January and February of this year. The customers of the District, as the ultimate consumers of the District's source water, are entitled to be informed about any proposed project and to be assured that any project that could potentially affect water quality undergoes adequate environmental review. Further, given that the proposed Project is adjacent to the Mad River, a resource subject to the Public Trust Doctrine, the District is well within its right to encourage its customers and citizens of Humboldt County to advocate for the protection of the resource for its public uses. (*Cal. ex rel.*

State Lands Com v. Superior Court (1995) 11 Cal.4th 50, 63 [the beds of navigable rivers are owned by the state in trust for the public.]

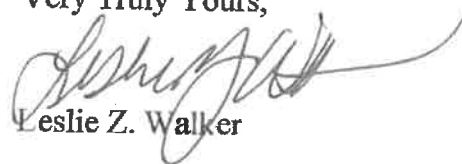
VII. MCMP's Contention that a Fair Hearing is Impossible is Untrue.

Finally, MCMP suggests that the County Board of Supervisors will not give MCMP a fair hearing. Although the County did not hold the appeal hearing requested by the District within the required 30 working days (County Code, section 312-13, 13.5), MCMP contends that were the County to carry out its duty to hold the hearing, it would not be a "fair hearing." There is no evidence to suggest that the District or any other person or agency has or will undermine MCMP's opportunity for a fair hearing. To the extent that any members of the Board of Supervisors have met with their constituents to learn their opinions of the Project, they are fulfilling their obligation as elected officials. (*Hauser v. Ventura County Bd. Of Supervisors* (2018) 20 Cal.App.5th 572, 580 ["A councilman has not only a right but an obligation to discuss issues of vital concern with his constituents. . . Bias and prejudice must be established by clear evidence."]; see also *Independent Roofing Contractors v. California Apprenticeship Council* (2003) 114 Cal.App.4th 1330, 1340 ["Even public advocacy on an issue does not disqualify a member from voting on the issue in a quasi-judicial administrative proceeding."]) Any action by the Supervisors to hear constituents concerns about the Project does not amount to an interference with the parties' right to a fair hearing.

* * *

The District appreciates MCMP's withdrawal of its application and looks forward to continuing to collaborate with the County to ensure the protection of Mad River and the drinking water of Humboldt County.

Very Truly Yours,


Leslie Z. Walker

- cc: Humboldt County Board of Supervisors
Humboldt Bay Municipal Water District Board of Directors
Jeffrey S. Blanck, Humboldt County, County Counsel
California Department of Fish and Wildlife
United States Department of Commerce, National Oceanic and Atmospheric Administration



SECTION G3 PAGE NO. 1
HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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

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GENERAL MANAGER

JOHN FRIEDENBACH

May 15, 2018

California Dept. of Fish & Wildlife
619 Second Street
Eureka, CA 95501
Attn: Laurie Harnsberger

Re: Long-term Streambed Alteration Agreement No. R1-2010-0093

Dear Ms. Harnsberger,

The purpose of this letter is to provide the required "sub notification" in accordance with Section 3 of the District's Long-term Streambed Alteration Agreement (LTSAA).

The LTSAA requires notification for Authorized Activities. The District needs to replace transformers and/or motors in our Collectors 1 and 2 as part of our ongoing operations. Activity G includes "gaining access to and maintaining Ranney collectors, which may involve building temporary gravel structures in the bed of the Mad River to access the collectors." Planned activities for June – October 2018 include:

1. Restore access to Collector 2 and restore crane pad to remove rented transformer and install repaired transformer. We will use the same prescribed methods this year as last year when we removed the failed transformer. We will NOT be in the wetted channel.
2. Restore access to Collector 1 and restore crane pad to install new pump. We will NOT be in the wetted channel.
3. Access Collector 4 to lift check valves onto collector. We will NOT be in the wetted channel.
4. Dredge channel upstream of PS6 to keep flow to PS6.
5. Dredge the forebay and channel in front of the cells to maintain flow to PS 6
6. Extend weir if this project gets approved.

The District is hereby providing notification to the Department that it will need to perform routine maintenance activity G. Pursuant to Section 3.2.1 of the LTSAA, the DFG shall have 15 working days after receiving this sub notification to review it. Accordingly, the District shall not conduct the above listed activities until after May 31, 2018.

We are also providing a similar notification to NMFS, USACE and NCRWQCB given that this work is also a "Covered Activity" in the District's Habitat Conservation Plan. If you have any questions in the meantime, please call Dale Davidsen at 822-2918.

Sincerely,


John Friedenbach
General Manager

cc: Gordon Leppig, CDFW
Jane Arnold, CDFW
Dale Davidsen, Superintendent HBMWD
Dennis Halligan, Stillwater Sciences
Pat Kaspari, GHD



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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MICHELLE FULLER, DIRECTOR

GENERAL MANAGER

JOHN FRIEDENBACH

May 15, 2018

CDFW Eureka Office
619 2nd Street
Eureka, CA 95501

RE: Request for Incidental Take Permit (ITP)

1. Application fee
\$7,739.25 is enclosed.
2. Applicant Name, address, phone number and responsible party
Please consider this an official request from the Humboldt Bay Municipal Water District for an Incidental Take Permit. We are a Special District that supplies drinking water to seven Municipal Customers who provide drinking water for 88,000 residents within the District's boundary. Our General Manager is John Friedenbach. Contact information is listed above in our letterhead.
3. Common and scientific names of species to be covered by permit and status under the CESA
Common Name: Foothill Yellow-legged frog (FYLF)
Scientific Name: *Rana boylei*
CESA status: Status review under consideration
4. Description of Project for which permit is requested
All covered activities listed in our Habitat Conservation Plan and Long Term Streambed Alteration Agreement. See attached lists of covered activities. Kindly refer to your complete copies of these plans/agreements in your files.
5. Location of activity to occur
Mad River at 7270 West End Road, Arcata, CA 95521
6. Analysis of whether and to what extent the project or activity for which the permit is sought could result in the taking of species to be covered by permit
Last year through cooperation with District and CDFW staffs, we had a 99% success rate with over 100 FYLF captured prior to the project start and released immediately after. There was minimal impact.
7. Analysis of impacts of proposed taking of species
Based on the results of last year, the impacts will be minimal.

8. Analysis of whether issuance of the ITP would jeopardize continued existence of species
As noted above, we were very successful last year, and we will use the same process this year. The issuance of an ITP will NOT jeopardize the continued existence of the FYLF. Kindly reference the enclosed November 2017 report by Dennis Halligan of Stillwater Sciences evidencing the robust population of FYLF in the Mad River Basin.
9. Proposed measures to minimize and fully mitigate impacts of proposed taking
We will have biologists overseeing the process to minimize take and ensure that the continued existence of the FYLF is not jeopardized consistent with our past practices and cooperation with the CDFW field staff.
10. Proposed plan to monitor compliance with the minimization and mitigation measures and effectiveness of the measures
Dennis Halligan, biologist with Stillwater Sciences will be present along with representatives from the District and CDFW. This worked extremely well last year with nearly a 100% success rate.
11. Funding sources and level of funding available for implementation of the minimization and mitigation measures
The District will provide staff and pay Stillwater Sciences for the services of Dennis Halligan to implement the process needed to minimize take.
12. Certification
I certify that the information submitted in this application is complete and accurate to the best of my knowledge and belief. I understand that any false statement herein may subject me to suspension or revocation of this permit and to civil and criminal penalties under the laws of the State of California.

Respectfully,



John Friedenbach
General Manager



TECHNICAL MEMORANDUM

DATE: 10 November 2017
TO: John Friedenbach, HBMWD General Manager
FROM: Dennis Halligan, Senior Fisheries Biologist
SUBJECT: Mad River Foothill Yellow-legged Frog Information Review

1 INTRODUCTION

The Humboldt Bay Municipal Water District (District) is interested in providing the California Fish and Game Commission (Commission) information on foothill yellow-legged frogs (FYLF) in the Mad River to assist the Commission with their status review and California Endangered Species Act (CESA) listing determination of the species. To assist the District, Stillwater Sciences conducted an information review and surveys for FYLF on the Mad River during late September 2017. Stillwater Sciences also requested information on FYLF in the Mad River from the California Department of Fish and Wildlife (CDFW), Green Diamond Resource Company (GDRC), and Six Rivers National Forest (SRNF). In addition, limited surveys for FYLF were conducted in October 2017 on the lower Van Duzen and South Fork Eel rivers in conjunction with annual monitoring of fisheries habitat in reaches subject to gravel extraction activities. This memorandum details the results of the information review and surveys.

2 AVAILABLE INFORMATION

Stillwater Sciences contacted CDFW for information on FYLF on the Mad River. We were referred to CDFW (2017) and the Biogeographic Information and Observation System (BIOS), which contained summary results of recent FYLF egg mass surveys conducted on the Mad River and other documents. CDFW's summary stated that single-pass egg mass surveys were conducted in the lower Mad River during breeding season for foothill yellow-legged frog in 2011, 2012, 2015 and 2016. In 2011, CDFW surveyed 13.5 kilometers (km) of the Mad River downstream of the Mad River Hatchery, and detected 59 egg masses/km; in 2012 CDFW surveyed 14.7 km in the same reach and detected 13 egg masses/km (M. Van Hattem, pers. comm., 2016 in CDFW 2017). The 2015 and 2016 survey results were comparable (M. Van Hattem, pers. comm., 2016 in CDFW 2017).

GDRC provided Stillwater with a letter they submitted to the CDFW summarizing their FYLF survey data on the Mad River (GDRC 2017). GDRC has collected data on FYLF egg masses in a 2.2 km reach of the lower Mad River located approximately 4.8 km upstream of the Blue Lake Hatchery from 2008 to 2017. The average density over the 10 years of surveys is 258 egg masses/km. Considering that one female FYLF deposits a single egg mass, then the results of

these surveys provide a minimum estimate of female frogs. The highest density (625 egg masses/km) occurred in 2017 following a very wet winter (Figure 1). GDRCo currently operates according to their Habitat Conservation Plan (HCP), which while not specific for FYLF, does afford a degree of protection from land use impacts.

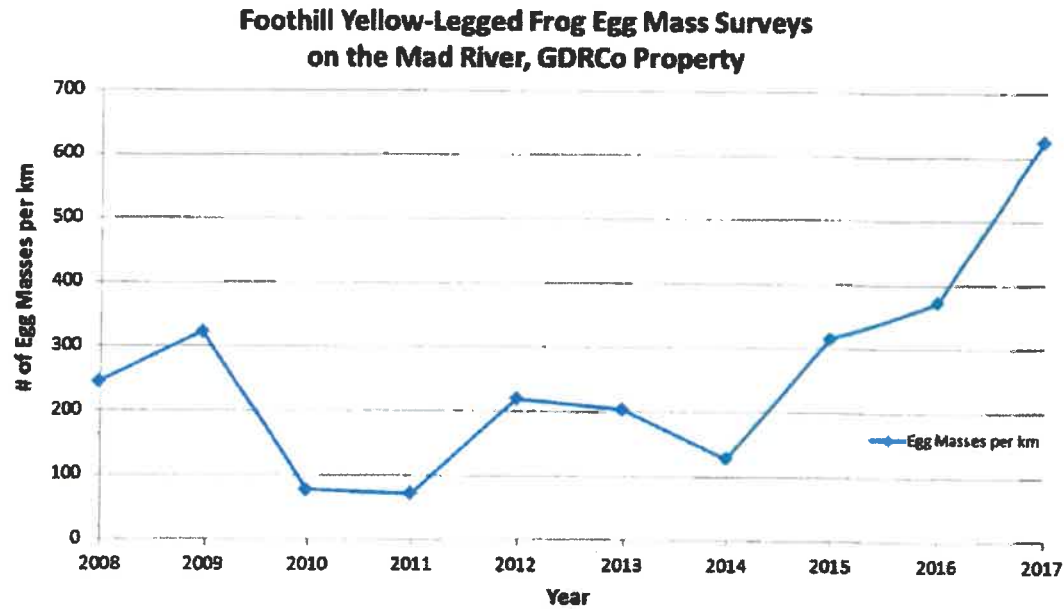


Figure 1. Foothill yellow-legged frog egg mass densities observed along the Mad River by GDRCo biologists from 2008 to 2017 (GDRCo 2017).

No information was received from SRNF; however, Stillwater Sciences reviewed several documents produced by the Forest. These included the Upper Mad River Watershed Analysis (SRNF 1998) and several stream surveys. The various SRNF documents did not discuss specific numbers of egg masses or individuals, but they did mention that FYLF were widespread in the upper watershed.

3 SURVEYS

Stillwater Sciences conducted a series of single-pass FYLF surveys from September 25 to October 5, 2017 along specific reaches on the lower Mad, Van Duzen, and South Fork Eel rivers. These surveys counted individual FYLF encountered within the gravel mining reaches of these rivers. The Mad River survey covered five reaches totaling 11 km and recorded 1,285 individual post-metamorphic FYLF (Figure 2), of which approximately 90 percent were sub-adults and 10 percent were adults. This equates to a density of 117 frogs per km. A total of 344 FYLF were recorded in two reaches covering 2.8 km of the lower Van Duzen River (Figure 3), which is equal to a density of 129 frogs/km. A total of 118 FYLF were recorded on a single 2.2-km reach of the South Fork Eel River (Figure 4), which equates to a density of 54 frogs/km. These numbers should be considered minimums because both sides of the rivers, some wetted off-channel areas, and tributaries containing suitable habitats were not surveyed. In addition, observations of adult frogs may be low because females likely only breed once in a given year and depart from the breeding areas shortly following oviposition (Wheeler et al. 2006).

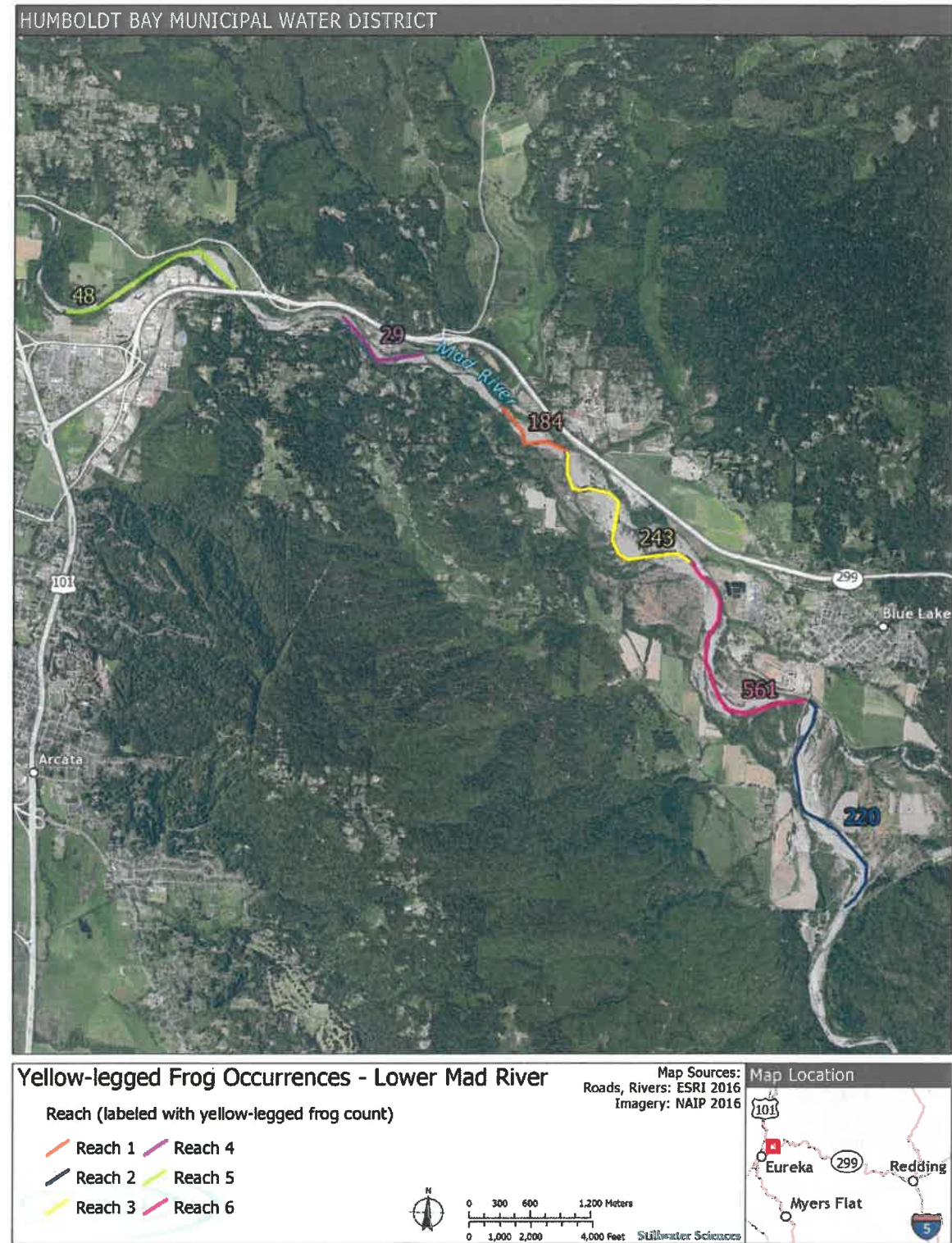


Figure 2. Foothill yellow-legged frog occurrences in the Mad River survey reaches.

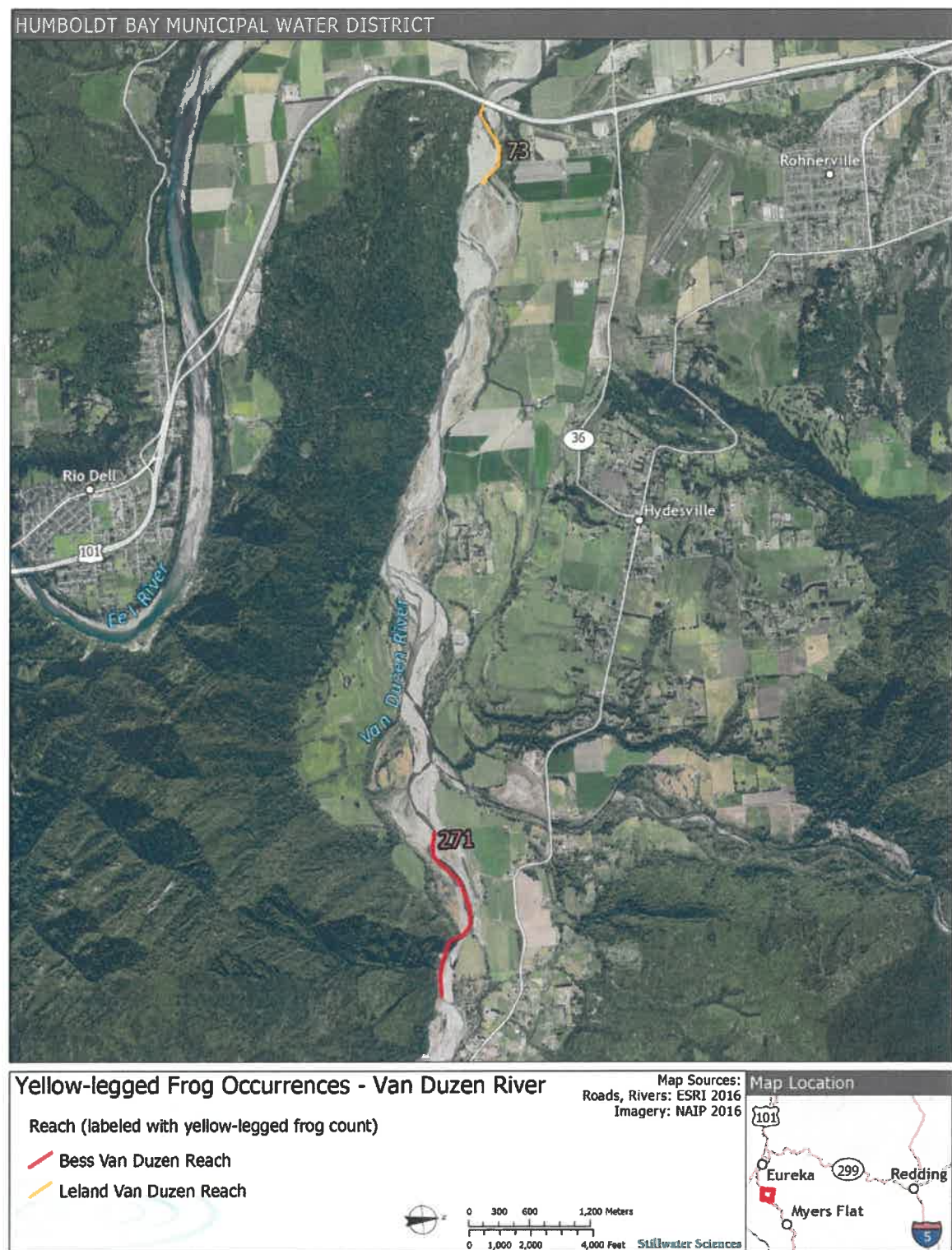


Figure 3. Foothill yellow-legged frog occurrences in the Van Duzen River survey reaches.



Figure 4. Foothill yellow-legged frog occurrences in the South Fork Eel River survey reach.

4 DISCUSSION

Based upon the information reported by CDFW, GDRC, SRNF, and Stillwater Sciences, the Mad River appears to support a very robust and widespread population of FYLF. One reason for the strong population on the mainstem Mad River may be that the flow over the Matthews Dam spillway and release schedule maintained by the District generally mimics the natural decrease in the spring hydrograph. A near-natural hydrograph is maintained in the river while the spillway is overtopped and the subsequent release schedule creates stable edgewater habitat conditions along approximately 85 miles of the mainstem Mad River downstream of the dam. The spring and early summer hydrograph in the river increases the likelihood of survival for the egg-through-metamorphosis life history stages. The Mad River regulated hydrograph is unlike many dam-regulated river systems, which are subject to recreational or power demand ramping flows that have the potential to scour out egg masses and larvae (tadpoles). These types of ramping flows (not present on the Mad River) have been identified as a significant adverse factor for the decreasing FYLF populations in many parts of California (CDFW 2017).

The District's operations are also conducted in compliance with their HCP, State Consistency Determination for Coho Salmon, and Long-term Lake and Streambed Alteration Agreement. These regulatory documents require a minimum flow level in the river and other protections that are beneficial for FYLF. In addition, the District has embarked on a program to dedicate a portion of their water right for instream environmental benefit as allowed under Section 1707 of the California Water Code. Once implemented, these environmental flow releases will help buffer the effects of climate change, which has been identified as a threat to FYLF by CDFW (2017).

The limited data collected on the Van Duzen and South Fork Eel rivers also show relatively high counts of FYLF, which support statements in Center for Biological Diversity (2016) and CDFW (2017). The Center for Biological Diversity (2016) stated "The largest foothill yellow-legged frog populations in California are in the north coast range, with healthy populations scattered throughout the region. The strongholds for the species are in the Smith River, Red Cap Creek tributary of the Klamath River, South Fork Trinity River, South Fork Eel River, Redwood Creek, coastal tributaries in Mendocino County, and Russian River tributaries."

5 CONCLUSION

In conclusion, the information above indicates that the FYLF populations in the Mad River, and possibly Humboldt County, are robust and capable of withstanding occasional environmental perturbations, as evidenced by their persistence in large numbers after the 2012–2016 drought. In addition, existing and planned regulatory tools (HCPs, LTSAA, and Section 1707 environmental flow dedication) promote FYLF habitat protection and future environmental resiliency in the face of climate change.

6 REFERENCES

CDFW (California Department of Fish and Wildlife). 2017. Evaluation of the petition from the Center for Biological Diversity to list the foothill yellow-legged frog (*Rana boylei*) as threatened under the California Endangered Species Act. Report to the Fish and Game Commission. Sacramento, California.

Center for Biological Diversity. 2016. Petition to list the foothill yellow-legged frog (*Rana boylei*) as threatened under the California Endangered Species Act. Submitted to the Fish and Game Commission. Oakland, California.

GDRC (Green Diamond Resource Company). 2017. Information relevant to a proposal to list the Foothill Yellow-legged Frog as threatened under the California Endangered Species Act. Letter submitted to the California Department of Fish and Wildlife.

SRNF (U.S. Department of Agriculture, National Forest Service, Six Rivers National Forest). 1998. Upper Mad River Watershed Assessment. Eureka, California.

Wheeler, C., H. Welsh, and T. Roelofs. 2006. Oviposition site selection, movement, and spatial ecology of the foothill yellow-legged frog (*Rana boylei*). Final Report for the California Department of Fish and Game. Contract No. P0385106. Arcata, California.

May 30, 2018

via email: Felicia.Marcus@waterboards.ca.gov
commentletters@waterboards.ca.gov

State Water Resource Control Board
Felicia Marcus, Chair
1001 I Street
Sacramento, CA 95814

Subject: 2017 Electronic Annual Reporting

Dear Chair Marcus and Board Members:

We believe there is great opportunity for the State Water Resources Control Board (State Board) and water suppliers to work together to jointly improve water supply reliability, affordability, sustainability and water quality. Included in the effort, should be partnering together to collect and analyze relevant and reasonable data to inform and assist with sound water management decisions. On March 19, 2018, State Board staff held a webinar introducing new content to be added to the 2017 electronic Annual Report (2017 eAR). This new content was developed without an open and transparent stakeholder process, and requested without the appropriate advanced notice required to collect accurate information. This abrupt and one-sided approach to data collection limits the value of the data collected and is counterproductive to stakeholder processes currently in place. Below, we have compiled comments and concerns about the vehicle used to collect information, the timing of data requests, and the process used to determine the content of data request. Comments on specific concerns about the revised eAR content are also included in our 2017 report submittals. We respectfully ask you to consider our comments and take steps necessary to improved data collection efforts so that the State Board and water suppliers can partner together effectively to achieve mutually shared objectives.

The electronic Annual Report

The eAR is not currently the best vehicle to gather relevant and informative data about water rates, affordable drinking water, water loss from distribution systems, and climate change

adaptation strategies and resiliency for water utilities. The new content requested in the 2017 eAR lacks a nexus to the stated purpose of and the authority cited for the annual report. Water supplier staff and managers most familiar with the annual report from previous submittals may not be familiar with the issues and data being requested in the new content, and consequently may not be the best source for understanding and providing the relevant data. There is also a concern about the frequency of data collection. The annual collection and reporting of requested information on water loss and climate change serves no reasonable purpose, since much of the requested information does not change significantly from year to year. Therefore, the eAR is not the best tool to use for this type of data collection.

Timing of Data Requests

To improve accuracy and relevancy of data collected, adequate advanced notification is required prior to requesting new data. The timing of the current request limits the availability of accurate and useful data. The 2017 eAR asks for data that was not collected in 2017. Water suppliers need to know in advance what data will be required for a given year in order to collect accurate and relevant data. Any data collected for 2017 should not be used to inform policy or regulation. Accordingly, the same data request for 2018 will also not produce accurate data, since suppliers did not have the opportunity to start collecting information prior to April 2018. Even after learning of the new data requests, many agencies do not have systems or staff in place to collect requested data immediately. Any proposed changes in data requests should be communicated well in advance of the time period the State Board desires to request data to improve accuracy and availability.

Data Request Process

Using a stakeholder process will help improve the acquisition of relevant data, as well as improving data accuracy and availability. An open, transparent and meaningful two-way stakeholder process will help the water community understand the need, purpose, and level of significance of new data requests. The information gathered through the stakeholder process will be helpful in explaining to decision makers at the local level why the State Board is asking for more information. It will also help explain why increasing costs to local agencies and their customers is necessary to acquire that data. A stakeholder process will improve the value of information collected, reduce the possibility of misinterpretation and/or misunderstanding by both those providing the data and those interpreting the data.

There are currently stakeholder processes in place, with appropriate water supplier staff participating, addressing both water loss and affordable drinking water. There are also proposed changes to Urban Water Management Plans to address climate change. This latest data request in the eAR represents a potential duplication of effort. Stakeholder driven

processes should be utilized to improve the quality and quantity of data collected and to economize the staff time invested in data collection.

The entire water community should be working together jointly to improve water supply reliability, affordability, sustainability and water quality. Water suppliers have proved a willingness to provide reasonable and relevant information. This is demonstrated each month as the large majority of water suppliers voluntarily supply water use and efficiency information to the State Board. Moving forward, any data requests should be well-formulated and amply vetted through an open and transparent stakeholder process. The current one-sided closed process is unlikely to result in improved data quality or a better informed process. We ask that you work with us in a stakeholder driven process to identify relevant and necessary information required for a clearly stated purpose and that will not be duplicative of other reporting efforts.

Thank you for considering our comments.

- c: Steven Moore, Vice Chair, State Water Resources Control Board
Tam Doduc, Board Member, State Water Resources Control Board
Dorene D'Adamo, Board Member, State Water Resources Control Board
Eileen Sobeck, Executive Director, State Water Resources Control Board
Eric Oppenheimer, Chief Deputy Director, State Water Resources Control Board
James Nachbaur, Director of Office Research, State Water Resources Control Board
Max Gomberg, Climate and Conservation Manager, State Water Resources Control Board

Sincerely,

Paul D. Jones II, P.E.
General Manager
Eastern Municipal Water District

David Pedersen
General Manager
Las Virgenes Municipal Water District

Ian Prichard
Water Resource Manager
Camrosa Water District

Greg Thomas
General Manager
Rincon del Diablo Municipal Water District

Timothy R. Shaw
General Manager
Rio Lina Elverta Community Water District

Susan Mulligan
General Manager
Calleguas Municipal Water District

Paul Helliker
General Manager
San Juan Water District

William C. Gedney
Vice President, Environmental Quality
Golden State Water Company

David Hull
General Manager
Humboldt Community Services District

Dave Eggerton
General Manager
Calaveras County Water District

Gary T. Arant
General Manager
Valley Center Municipal Water District

Kimberly A. Thorner
General Manager
Olivenhain Municipal Water District

Brian Gerving
Director of Public Works Chief Building
Official
City of Eureka

Allen Carlisle
CEO/General Manager
Padre Dam Municipal Water District

Jim Barrett
General Manager
Coachella Valley Water District

Steve Palmisano
Director of Public Works and Utilities
City of Watsonville

John Woodling
Executive Director
Regional Water Authority

Steven Palmer, PE
General Manager
Georgetown Divide Public Utility District

Paul E. Shoenberger, P.E.
General Manager
Mesa Water District

Lan C. Wiborg
Deputy Director, Public Utilities Depart
City of San Diego

Martin E. Zvirbulis
General Manager, CEO
Cucamonga Valley Water District

Jim Abercrombie
General Manager
El Dorado Irrigation District

David Bolland
Director of State Regulatory Relations
Association of California Water Agencies

Richard Solbrig
General Manager/Engineer
South Tahoe Public Utility District

Maureen A. Stapleton
General Manager
San Diego County Water Authority

Dan Mudrovich
Water Projects Manager
City of San Jacinto

Michael J. Bardin
General Manager
Santa Fe Irrigation District

Tom Kennedy
General Manger
Rainbow Municipal Water District

Marc Marcantonio
General Manager
Yorba Linda Water District

Mike Grisso
Utilities Manager
City of Buena Park

Glenn Pruiam, P.E.
General Manager
Vallecitos Water District

Tish Berge, P.E.
General Manager
Sweetwater Authority

Chuck Aukland
Director of Public Works
City of Redding

Mitchell S. Dion
Assistant General Manager
Pasadena Water and Power

Justin Murphy
Public Works Director
City of Menlo Park

Erik Hitchman
General Manager/Chief Engineer
Walnut Valley Water District

Mark Watton
General Manager
Otay Water District

Nicole Sandkulla
CEO/General Manager
Bay Area Water Supply and Conservation
Agency

Carlos Lugo
General Manager
Helix Water District

David Coxey
General Manager
Bella Vista Water District

Jack Hawks
Executive Director
California Water Association

Craig D. Miller
General Manager
Western Municipal Water District

Mike Gow
General Manager
Lake Hemet Municipal Water District

Paul A. Cook, P.E.
General Manager
Irvine Ranch Water District

John Friedenbach
General Manager
Humboldt Bay Municipal Water District

Eldon Boone
General Manger
Vista Irrigation District

Brent Smith, P.E.
Director of Technical Services
Placer County Water Agency

Omar Castro
Water Division Manager
City of Oxnard

Thomas J. Haglund
General Manager
Tuolumne Utilities District

Steven M. Glazer
President and General Manager
Tahoe Swiss Village Utility, Inc.

Larry Ostrom
Trustee, Ostrom Family Trust
R R Lewis Small Water Company

Brian Hensley
Water Resources Supervisor
Citrus Heights Water District

Cary Dahl
Water Division Supervisor
Town of Hillsborough

John Kingsbury
Executive Director
Mountain Counties Water Resources
Association

Rick Aragon
Assistant General Manager – CFO/Treasurer
Rancho California Water District

Mark Krause
General Manager
Desert Water Agency

Michael Simi
Water Quality Supervisor
City of Santa Rosa

Todd Jorgenson
General Manager (Interim)
Riverside Public Utilities

Ed Shikada
General Manager of Utilities
City of Palo Alto

Susan Rohan
Mayor
City of Roseville

Mark Kinsey
General Manager
Monte Vista Water District

Art Valenzuela
Water Services Manager
City of Tustin Public Works Water Division

John D. Vega
General Manager
Elsinore Valley Municipal Water District

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

May 15, 2018

H.B.M.W.D. MAY 21 2018

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

Mr. John Friedenbach
General Manager
Humboldt Bay Municipal Water District
P.O. Box 95
Eureka, CA 95502-0095

Re: 2016-17 Dam Safety Surveillance and Monitoring Reports

Dear Mr. Friedenbach:

This letter is in response to your March 28, 2017, April 10, 2017 and March 30, 2018 letters that submitted an extension of time request and the 2016 and 2017 Dam Safety Surveillance and Monitoring Reports (DSSMRs) for R.W. Matthews Dam, part of FERC Project No. 3430. We received your 2016 DSSMR with a letter dated April 10, 2017 before we could grant your request for an extension of time to submit the report by April 30, 2017. We have reviewed the 2016-2017 DSSMR reports and we have no comments.

Your cooperation in this aspect of the Commission's dam safety program is appreciated. If you have any questions or comments, please contact Mr. Sam Lee at (415) 369-3393.

Sincerely,



Frank L. Blakett, P.E.
Regional Engineer

CONTINUING BUSINESS

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors

From: John Friedenbach

Date: June 7, 2018

Subject: Water Resource Planning (WRP) – Status Report

.....
The purpose of this memo is to summarize recent activities and introduce next steps for discussion.

1) Top-Tier Water Use Options

a) Local Sales

No significant activity has transpired on this topic during the past month. Periodically our office receives inquiries to issue "Will Serve" letters for new cannabis enterprises.

b) Transport

I have received a couple of emails from Erico Tavares regarding ocean transport of water. He continues to move his project forward, but remains in the fact finding stages.

c) Instream Flow Dedication

Waiting for grant agreement documents from the Wildlife Conservation Board for our grant.

New Business



NOTICE OF FILING

DATE: May 22, 2018
TO: City of Eureka
Humboldt Bay Fire Authority
Humboldt Bay Municipal Water District
Humboldt County Administrative Office
Humboldt County Assessor's Office
Humboldt County Auditor's Office
Humboldt County Environmental Health
Humboldt County Elections Office
Humboldt County Planning and Building Department
Humboldt County Public Works Department
Cc: David Hull, HCSD General Manager
Mickey Hulstrom, HCSD Community Services Manager
FROM: Colette Metz, LAFCo Administrator
SUBJECT: APPLICATION RECEIVED – Proposed Langlois Lane Annexation to the Humboldt Community Services District (Freshwater Area)

APPLICATION INFORMATION

Project: HCSD Langlois Lane Annexation
Location: Langlois Lane/Freshwater Area – see Exhibit A
APNs: 405-271-010, -012, -013, -014, and -015
Notice: The above referenced proposal has been submitted to LAFCo and this notice of filing is being issued in accordance with Government Code Section 56658(b)(1). If you wish to receive a copy of the application and supporting documents, please contact LAFCo at 445-7508. We request agency comments by **June 15, 2018**.

LAFCo has received a proposal submitted by resolution of application from the Humboldt Community Services District (HCSD) for annexation of approximately 23.71 acres (5 parcels), generally located at the end of Langlois Lane in the Freshwater area. The proposed annexation is adjacent to the District's boundary and is within the District's sphere of influence. In addition, the proposal has 100% property owner consent.

HCSD currently provides water service to four out of the five parcels in the proposed annexation area. Wastewater service is provided by onsite septic systems. Fire Protection services are provided by Humboldt Bay Fire (specifically, the annexation area is located within the jurisdictional boundary of the Humboldt No. 1 FPD, a member agency of Humboldt Bay Fire Authority).

Reasons for Proposal

According to the application, the principal reasons for the proposed annexation are as follows:

1. HCSD currently provides water services (out of district connections) to four of the five parcels within the annexation area.
2. The property owner of APN 405-271-014 has requested water service in anticipation of constructing a single-family residence on the subject parcel.
3. The District has requested annexation occur before any additional water services are allowed in this area.
4. Annexation of these parcels would establish District boundaries that align with property boundaries and service areas.
5. The District is the appropriate entity to make an application to LAFCo.

Existing and Proposed Services

As discussed above, HCSD currently provides residential water services to four of the five parcels within the annexation area. The only unserved parcel (APN 405-271-014) is currently undeveloped. The property owner is planning to construct a single-family residence on the subject parcel in the near future (no building permit has yet to be filed). Water service to the subject parcel would be via a single service connection from an existing water main located in the Langlois Lane right-of-way. No additional services are requested.

Land Use Designations

Land uses within the annexation area are subject to the Freshwater Community Plan (FWCP). All parcels within the annexation area are planned RA10 (one dwelling unit per 10 acres) and are zoned with a 10-acre minimum lot size (AG-B-5(10)). The Residential Agriculture (RA) designation applies to large lot residential uses that typically rely upon on-site water and wastewater systems, and single-family residential uses are principally permitted in the Agriculture General (AG) zone.

While APN 405-271-014 is less than the 10 acre minimum lot size, the density provisions allow for one dwelling unit per existing parcel if zoning and building standards can be met. In addition, the planned single-family residential use is consistent with the density standards included in Policy 7 of the FWCP, as provided below:

FWCP-P7. Development Timing. No development shall be permitted in the portion of the planning area served by the Humboldt Community Services District at a density greater than one unit per two and one-half (2-1/2) acres until the area is sewerred.

The following table provides current land use and service information for each parcel:

Table 1: Annexation Area Parcels

APN	GIS Acres	Current Use	Land Use Designation	Zoning Designation	Current Service
405-271-010	1.06 acres	Improved, Rural Residential	RA10	AG-B-5(10)	Water only
405-271-012	3.01 acres	Improved, Rural Residential	RA10	AG-B-5(10)	Water only
405-271-013	3.36 acres	Improved, Rural Residential	RA10	AG-B-5(10)	Water only
405-271-014	4.25 acres	Vacant	RA10	AG-B-5(10)	Proposed water
405-371-015	12.03 acres	Improved, Rural Residential	RA10	AG-B-5(10)	Water only

Funding Sources

HCSD would rely on connection fees and service fees to fund District services in the annexation area. As such, the proposed annexation would not be subject to a tax exchange agreement between the County and HCSD.

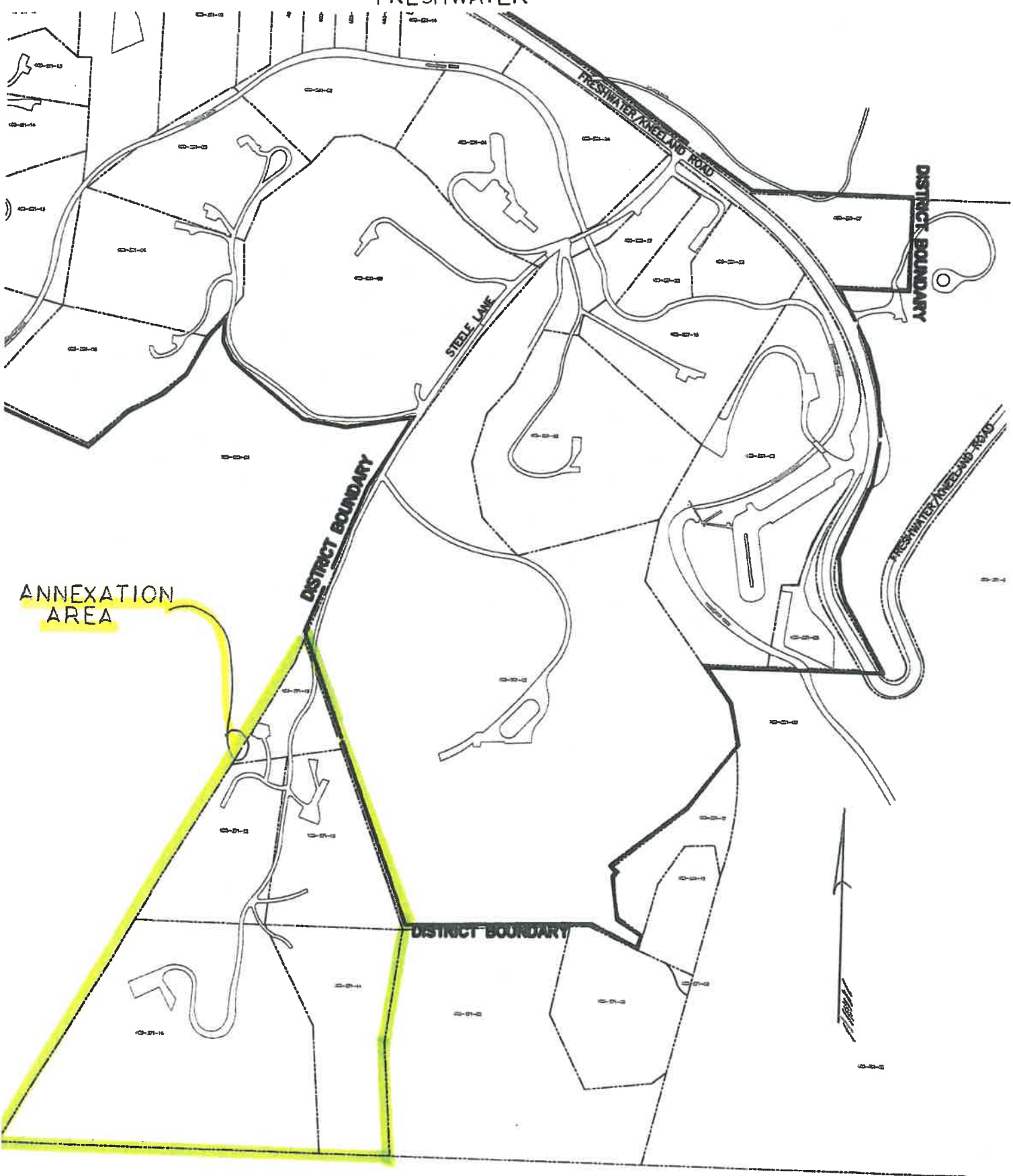
Environmental Review

All matters that involve discretionary action are subject to the applicable provisions of the California Environmental Quality Act (CEQA). HCSD, as lead agency, has determined that the service extension is categorically exempt pursuant to CEQA Guidelines Section 15301 (Class 1), 15303 (Class 3), 15304 (Class 4) and 15319 (Class 19), which exempts existing facilities and the construction and location of water mains and other utility extensions of reasonable length to serve such construction.

The application described above is pending LAFCo review. Please review and respond with any comments, conditions, or recommendations by June 15, 2018. If you have any questions or wish to request a copy of the application, please contact LAFCo at administrator@humboldtlaico.org or (707) 445-7508.

Exhibit A: Annexation Area Figure

LANGLOIS ANNEXATION
FRESHWATER



VICINITY MAP

LANGLOIS ANNEXATION
TO HCSD

PTN S 1/2 SEC 3 4N 1E

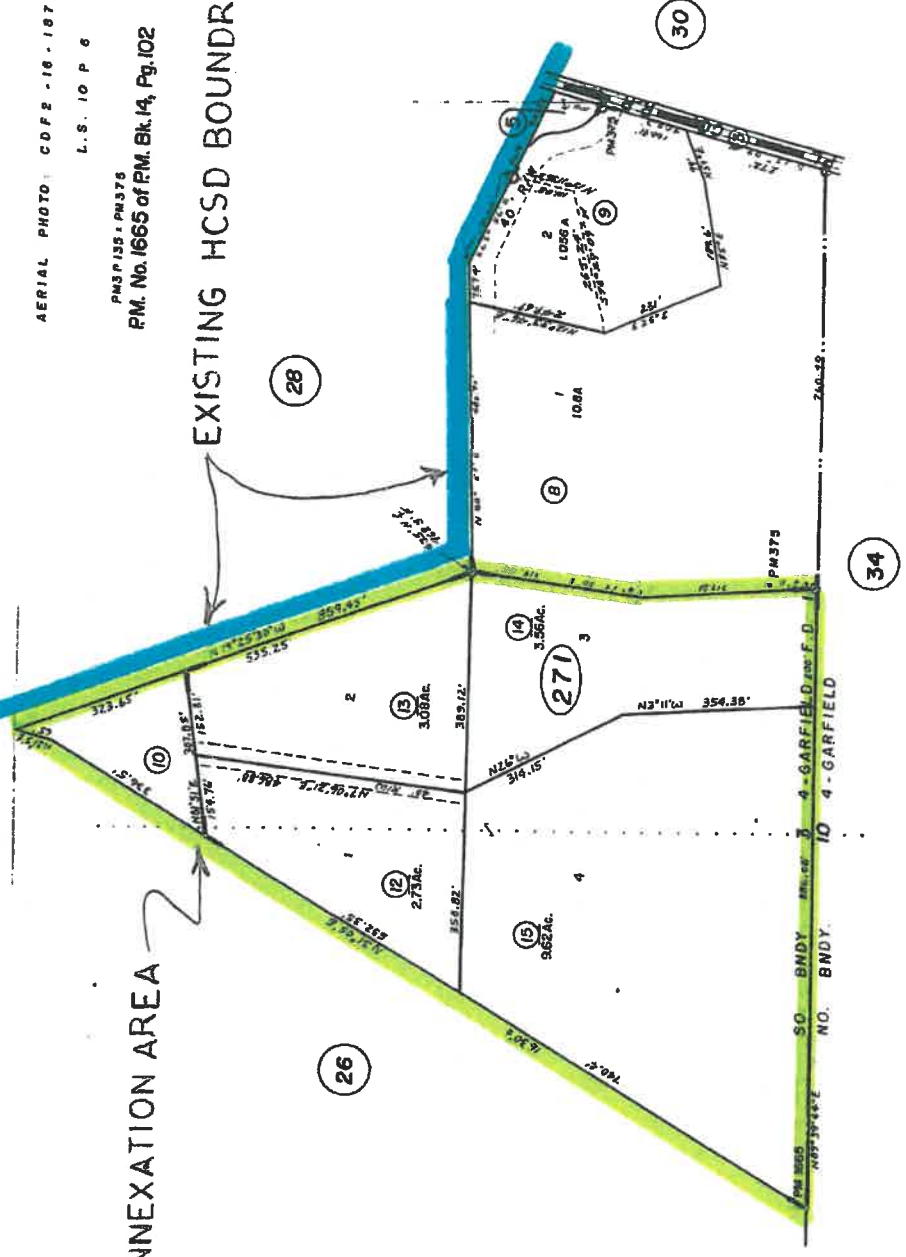
405-27
T.C.A. 91-03
1" = 200'

AERIAL PHOTO CDF 2 - 16 - 187
L.S. 10 P. 6

PM 375 - PM 375
PM. No. 1665 of PM. Bk. 14, Pg. 102

ANNEXATION AREA

EXISTING HCSD BOUNDARY



L6:-

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors

From: John Friedenbach

Date: June 7, 2018

Subject: Sustainable Groundwater Management Act

.....
On September 16, 2014, Governor Jerry Brown signed into law a three-bill legislative package, composed of AB 1739 (Dickinson), SB 1168 (Pavley), and SB 1319 (Pavley), collectively known as the Sustainable Groundwater Management Act (SGMA). This law provides a framework for California for sustainable, groundwater management - "management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results."

SGMA requires governments and water agencies of high and medium priority basins to halt overdraft and bring groundwater basins into balanced levels of pumping and recharge. Under SGMA, these basins should reach sustainability within 20 years of implementing their sustainability plans. For critically over-drafted basins, that will be 2040. For the remaining high and medium priority basins, 2042 is the deadline.

In his signing statement, the governor emphasized that "groundwater management in California is best accomplished locally." Through the Sustainable Groundwater Management Program, DWR provides ongoing support to local agencies through guidance and financial and technical assistance.

SGMA empowers local agencies to form Groundwater Sustainability Agencies (GSAs) to manage basins sustainably and requires those GSAs to adopt Groundwater Sustainability Plans (GSPs) for crucial groundwater basins in California.

The Mad River Basin had previously been designated as a "very low priority" basin, which did not require our District to prepare a Groundwater Sustainability Plan. However, in the most recent categorization release by DWR on May 18, 2018, the Mad River Basin was scored as a "medium priority" by one scoring point. DWR will be holding Public Meetings June 25-27, 2018 on the proposed 2018 SGMA Basin Prioritization and are accepting public comments until July 18, 2018.

Staff will be reviewing the scoring criteria and data in conjunction with Hank Seemann, Natural Resources Director at the County of Humboldt as well as Greg Orsini at McKinleyville CSD and Mark Andre of the City of Arcata. Staff will report out to the Board on the content of that meeting.

Engineering

Activity ID	WBS	Activity Name	Original Duration	Total Float	Start	Finish	June 2018												July 2018				August 2018				September 2018				October 2018				November 2018			
							10	17	24	01	08	15	22	29	05	12	19	26	02	09	16	23	30	07	14	21	28	04	11									
Project: Mad River Crossing			104	25	24-Apr-18 A	14-Sep-18	14-Sep-18, Project: Mad River Crossing																															
WBS: Connections and Testing			14	25	13-Aug-18	30-Aug-18	30-Aug-18, WBS: Connections and Testing																															
A1040	HBMWD.3	Pothole Tie in's	1	27	13-Aug-18	13-Aug-18	Pothole Tie in's																															
A1050	HBMWD.3	Excavate for new tie in sta. 10+00	1	27	14-Aug-18	14-Aug-18	Excavate for new tie in sta. 10+00																															
A1060	HBMWD.3	Excavate for new tie in sta. 22+93	1	27	15-Aug-18	15-Aug-18	Excavate for new tie in sta. 22+93																															
A1070	HBMWD.3	Trench and install PVC pipe to tie in 10+00	2	25	17-Aug-18	20-Aug-18	Trench and install PVC pipe to tie in 10+00																															
A1080	HBMWD.3	Trench and install PVC pipe to tie in 22+93	1	26	17-Aug-18	17-Aug-18	Trench and install PVC pipe to tie in 22+93																															
A1090	HBMWD.3	Flush and test new pipe section	3	25	21-Aug-18	23-Aug-18	Flush and test new pipe section																															
A1160	HBMWD.3	Shutdown and tie in both ends	1	25	24-Aug-18	24-Aug-18	Shutdown and tie in both ends																															
A1180	HBMWD.3	Install water service at Sundberg Connection	2	25	29-Aug-18	30-Aug-18	Install water service at Sundberg Connection																															
A1190	HBMWD.3	Cap and abandon line on Warren Creek	1	25	27-Aug-18	27-Aug-18	Cap and abandon line on Warren Creek																															
A1200	HBMWD.3	Cap and abandon line at GRS yard	1	25	28-Aug-18	28-Aug-18	Cap and abandon line at GRS yard																															
WBS: Boring			44	46	18-Jun-18	16-Aug-18	16-Aug-18, WBS: Boring																															
A1000	HBMWD.2	Setup Drill	4	78	28-Jun-18	03-Jul-18	Setup Drill																															
A1010	HBMWD.2	Drill and Pull Pipe	30	25	02-Jul-18	10-Aug-18	Drill and Pull Pipe																															
A1020	HBMWD.2	Excavate Bore Pits	3	78	18-Jun-18	20-Jun-18	Excavate Bore Pits																															
A1030	HBMWD.2	Weld and De-Bead Pipe	5	25	25-Jun-18	29-Jun-18	Weld and De-Bead Pipe																															
A1100	HBMWD.2	Pressure Test HDPE Pipe	1	25	16-Aug-18	16-Aug-18	Pressure Test HDPE Pipe																															
A1110	HBMWD.2	Install Flange Adapter	1	25	15-Aug-18	15-Aug-18	Install Flange Adapter																															
A1210	HBMWD.2	Pull Conductor Casing	1	25	10-Aug-18	10-Aug-18	Pull Conductor Casing																															
A1220	HBMWD.2	Grout Pipe	1	25	13-Aug-18	13-Aug-18	Grout Pipe																															
A1230	HBMWD.2	Mandrel Pipe	1	25	14-Aug-18	14-Aug-18	Mandrel Pipe																															
WBS: Mobilization Phase			47	78	24-Apr-18 A	27-Jun-18	27-Jun-18, WBS: Mobilization Phase																															
Submittals	HBMWD.1	Mobilize Drill and Equipment	5	78	21-Jun-18	27-Jun-18	Mobilize Drill and Equipment																															
Submittals	HBMWD.1	Submittals	5	25	24-Apr-18 A	15-Jun-18	Submittals																															
Submittals	HBMWD.1	Pipe Delivery	5	25	18-Jun-18	22-Jun-18	Pipe Delivery																															
Submittals	HBMWD.1	Mobilize Equipment	5	78	11-Jun-18	15-Jun-18	Mobilize Equipment																															
WBS: Restoration and Cleanup			11	25	31-Aug-18	14-Sep-18	14-Sep-18, WBS: Restoration and Cleanup																															
A1120	HBMWD.4	Patch Pave Warren Creek Road	1	25	31-Aug-18	31-Aug-18	Patch Pave Warren Creek Road																															
A1130	HBMWD.4	Install final erosion control at warren creek slope	2	25	03-Sep-18	04-Sep-18	Install final erosion control at warren creek slope																															
A1140	HBMWD.4	Final grading and restoration at GRS yard	2	25	05-Sep-18	06-Sep-18	Final grading and restoration at GRS yard																															
A1150	HBMWD.4	Valve collars	1	25	07-Sep-18	07-Sep-18	Valve collars																															
A1170	HBMWD.4	Punchlist and Cleanup	5	25	10-Sep-18	14-Sep-18	Punchlist and Cleanup																															

U.S. Department of Homeland Security
Region IX
1111 Broadway, Suite 1200
Oakland, CA 94607-4052



FEMA

May 24, 2018

Charles Rabamad
Governor's Authorized Representative
California Office of Emergency Management
3650 Schriever Ave.
Mather, California 95655

Reference: Project Approval, HMGP #4240-17-24
Humboldt Bay Flood Control District, FIPS Code # 023-91000
Switchgear Relocation
Supplement #64

Dear Mr. Rabamad:

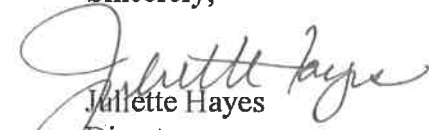
We have reviewed and approved the above referenced Hazard Mitigation Grant Program (HMGP) subapplication for the Humboldt Bay Municipal Water District (subrecipient). The total eligible cost is \$1,767,000. As shown in Supplement #64, we obligated a 75% percent Federal Share of \$1,325,250. These funds are now available in Smartlink (see enclosed report) and this approval is based on the following:

- 1. Scope of Work (SOW)** – The approved activity consists of purchasing new switchgear and relocating the new switchgear to a higher elevation approximately 80 feet to the southeast of the existing switchgear on an old railroad bed to remove it from the flood and dam inundation zone.
- 2. Budget Revisions, and Cost Overruns:** The grantee and subgrantee must obtain FEMA's prior written approval for any budget revisions. Cost overruns must be approved by FEMA Region IX before implementation and the subgrant must continue to meet programmatic eligibility requirements, including cost effectiveness and cost share. Additional information can be found in 44 CFR 13.30.
- 3. Completion Date** – The completion date is **September 22, 2019** for this project activity. If there is no approved POP time extension, work completed after this date will not be eligible, and Federal funds may be de-obligated for work not completed within schedule.
- 4. National Environmental Policy Act (NEPA):** – In accordance with the Code of Federal Regulations (CFR), Title 44, Part 10, Section 8(d)(2)(xvi), and in compliance with National Environmental Policy Act (NEPA), the project is Categorically Excluded from the need to prepare an Environmental Assessment or Environmental Impact Statement, with conditions. A copy of the finding is enclosed for your use. It is important that you review and comply with these conditions.
- 5.** This subgrant is subject to the enclosed *Standard Hazard Mitigation Grant Program Conditions*. Federal funds may be de-obligated for work that does not comply with these conditions.

May 24, 2018
Page 2 of 2

If you have any questions or need further assistance, please contact Katie Grasty, Senior Hazard Mitigation Assistance Specialist at katie.grasty@fema.dhs.gov.

Sincerely,


Juliette Hayes
Director
Mitigation Division
FEMA, Region IX

cc: Robin Sheppard, Cal OES

Enclosures (4):

Supplement #64 Obligation Report
Project Management Report
Standard HMGP Conditions
Record of Environmental Considerations

05/24/2018
18:02

FEDERAL EMERGENCY MANAGEMENT AGENCY
HAZARD MITIGATION GRANTS PROGRAM
Obligation Report w/ Signatures

SECTION J1b, PAGE NO. 3

Disaster No	FEMA Project No	Amendment No	State Application ID	Action No	Supplemental No	State	Recipient
4240	24-R	0	17	1	64	CA Statewide	

Sub-Recipient: HUMBOLDT BAY MUNICIPAL WATER DISTRICT Project Title : Humboldt Bay MWD 12kV Switchgear Relocation
Sub-Recipient FIPS Code: 023-04A9F

Total Amount Previously Allocated	Total Amount Previously Obligated	Total Amount Pending Obligation	Total Amount Available for New Obligation
\$1,325,250		\$0	\$1,325,250

Project Amount	Recipient Admin Est	Sub-Recipient Admin Est	Total Obligation	IFMIS Date	IFMIS Status	FY
\$1,325,250	\$0	\$0	\$1,325,250		Q	2018

Comments

Date: 05/24/2018 User Id: KMOJICA

Comment: Approved Hymboldt Bay Municipal Water District (HBMWD) Switchgear Relocation project approved.

Authorization

Preparer Name: KAREN MOJICA

Preparation Date: 05/24/2018

HMO Authorization Name: KATIE GRASTY

HMO Authorization Date: 05/24/2018



Authorizing Official Signature



Authorizing Official Title

05/24/18

Authorization Date

Authorizing Official Signature

Authorizing Official Title

Authorization Date

05/24/2018
5:59 PM

FEDERAL EMERGENCY MANAGEMENT AGENCY
HAZARD MITIGATION GRANT PROGRAM

Project Management Report

Disaster Number: 4240
FEMA Project Number: 24-R
Amendment Number: 0
App ID: 17
State: CA
Recipient: Statewide

Sub-Recipient: HUMBOLDT BAY MUNICIPAL WATER DISTI
FIPS Code: 023-04A9F
Project Title: Humboldt Bay MWD 12kV Switchgear Relocation

Mitigation Project Description

Amendment Status: Approved
Approval Status: Approved

Project Title: Humboldt Bay MWD 12kV Switchgear Relocation

Recipient: Statewide
Sub-Recipient: HUMBOLDT BAY MUNICIPAL WATI

Recipient County Name: Humboldt
Sub-Recipient County Name: Humboldt

Recipient County Code: 23
Sub-Recipient County Code: 23

Recipient Place Name: Humboldt (County)
Sub-Recipient Place Name: Humboldt (County)

Recipient Place Code: 0
Sub-Recipient Place Code: 99023

Project Closeout Date: 00/00/0000

Work Schedule Status

Amend #	Description	Time Frame	Due Date	Revised Date	Completion Date
0	NEPA/CEQA	6 months	00/00/0000	00/00/0000	00/00/0000
0	Permitting	6 months	00/00/0000	00/00/0000	00/00/0000
0	Modify Existing Easement	6 months	00/00/0000	00/00/0000	00/00/0000
0	Complete Plans and Specs	6 months	00/00/0000	00/00/0000	00/00/0000
0	Advertise Bids	1 month	00/00/0000	00/00/0000	00/00/0000
0	Issue Notice to Proceed	1 month	00/00/0000	00/00/0000	00/00/0000
0	Switchgear Submittal Approval	2 months	00/00/0000	00/00/0000	00/00/0000
0	Order Switchgear Components	6 months	00/00/0000	00/00/0000	00/00/0000
0	Construction	9 months	00/00/0000	00/00/0000	00/00/0000
0	Project Close out	3 months	00/00/0000	00/00/0000	00/00/0000

Approved Amounts

Total Approved Net Eligible	Federal Share Percent	Total Approved Federal Share Amount	Non-Federal Share Percent	Total Approved Non-Fed Share Amount
\$1,767,000	75.00000000	\$1,325,250	25.00000000	\$441,750

Allocations

Allocation Number	IFMIS Status	IFMIS Date	Submission Date	FY	ES Support Req ID	ES Amend Number	Proj Alloc Amount Fed Share	Recipient Admin Amount	Sub-Recipient Admin Amount	Total Alloc Amount
43	A	05/24/2018	05/23/2018	2018	2699432	13	\$1,325,250	\$0	\$0	\$1,325,250
Total							\$1,325,250	\$0	\$0	\$1,325,250

Obligations

Action Nr	IFMIS Status	IFMIS Date	Submission Date	FY	ES Support Req ID	ES Amend Number	Suppl Nr	Project Obligated Amt - Fed Share	Recipient Admin Amount	Sub-Recipient Admin Amount	Total Obligated Amount
1	Q		05/24/2018	2018	2756288	0	64	\$1,325,250	\$0	\$0	\$1,325,250
Total								\$1,325,250	\$0	\$0	\$1,325,250

Standard Hazard Mitigation Grant Program (HMGP) Conditions
Prepared by FEMA Region IX, Updated February, 2005

The following standard requirements apply to grantees and subgrantees accepting funds from the Federal Emergency Management Agency (FEMA) HMGP:

1. **Applicable Federal, State and Local Laws and Regulations.** The grantee and subgrantee must comply with all applicable Federal, State and Local laws and regulations, regardless of whether they are specifically identified in this list or other project documents.
2. **Standards for Financial Management Systems.** Grantees and subgrantees must maintain financial management systems to account for and track grant funds, in compliance with the Code of Federal Regulations, Title 44 (44 CFR) Section 13.20.
3. **Allowable Costs.** Grant funds may only be used for allowable costs, in compliance with 44 CFR Section 13.22, and in compliance with the approved grant project scope of work and any agreements among the subgrantee, the grantee, and FEMA.
4. **Subgrantee Indirect Costs.** No indirect costs of a subgrantee are separately eligible for HMGP reimbursement, in compliance with 44 CFR Section 206.439(c)(2). Such costs are covered by the Subgrantee Administrative Cost allowance formula provided by 44 CFR Section 206.439(b)(1)(ii).
5. **Matching or Cost Sharing.** Non-federal matching or cost sharing must be in accordance with 44 CFR Section 13.24, the approved grant project scope of work, and any agreements among the subgrantee, the grantee, and FEMA.
6. **Non-Federal Audit.** The grantee and subgrantee are responsible for obtaining audits in accordance with the Single Audit Act of 1984, in compliance with 44 CFR Section 13.26.
7. **NEPA Reviews for Scope of Work Amendments.** To comply with the National Environmental Policy Act (NEPA), additions or amendments to a HMGP subgrantee statement of work (SOW) shall be reviewed by all state and federal agencies participating in the NEPA process. NEPA compliance for all SOW additions or amendments is essential before the revised SOW can be approved by FEMA or implemented by the HMGP subgrantee. Any construction activities associated with a SOW change, prior to FEMA approval, may be ineligible for reimbursement or match.
8. **Cost Overruns.** Subgrantees should be referred to the state HMGP administrative plan for project cost overrun regulations. If project costs exceed the approved federal share, the subgrantee must contact the Governor's Authorized Representative. The GAR will evaluate requests for cost overruns. Written determination of cost overrun eligibility in accordance with 44 CFR 206.438(b) shall be submitted by the GAR to the FEMA Regional Director.
9. **Real Property (Land).** If real property (land) is acquired under an HMGP grant, the use and disposition of the property shall be in compliance with 44 CFR Section 13.31 and Section 206.434(d).
10. **Equipment.** If equipment is acquired under an HMGP grant, the use and disposition of the equipment shall be in compliance with 44 CFR Section 13.32.
11. **Supplies.** If there is a residual inventory of unused supplies exceeding \$5,000 in total fair market value upon completion of the HMGP grant, and if the supplies are not needed for any other federally sponsored programs

or projects, the grantee or subgrantee shall compensate the awarding agency for its share (44 CFR Section 13.33).

12. **Copyrights.** In accord with 44 CFR Section 13.34, FEMA reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:
 - (a) The copyright in any work developed under a grant, subgrant, or contract under a grant or subgrant; and
 - (b) Any rights of copyright to which a grantee, subgrantee or a contractor purchases ownership with grant support.
13. **Subawards to debarred and suspended parties.** In accordance with 44 CFR Section 13.35, the grantee and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."
14. **Procurement.** Procurement procedures shall be in conformance with 44 CFR Section 13.36.
15. **Monitoring and Reporting Program Performance.** The grantee and subgrantees must submit quarterly progress reports, in accord with 44 CFR Section 13.40 and the State HMGP Administrative Plan.
16. **Retention and Access Requirements for Records.** In accordance with 44 CFR Section 13.42, financial and programmatic records related to expenditure of funds on grant-supported projects shall be maintained at least 3 years following the date the grantee submits its final expenditure report on the project.
17. **Enforcement.** If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, FEMA may take one or more of the actions outlined in 44 CFR Section 13.43, including termination of the grant.
18. **Termination for Convenience.** Grant awards may be terminated for convenience through the procedures outlined in 44 CFR Section 13.44.
19. **Discovery of Historic Properties and Cultural Resources.** In accordance with 36 CFR Part 800, in the event a potential historic property or cultural resource is discovered during construction activities, the subgrantee must cease work in the vicinity of the discovery and take all reasonable measures to avoid or minimize harm to the discovered property/resource. Construction activities in the area of the discovery shall not resume until FEMA concludes consultation with the State Historic Preservation Officer (SHPO) for treatment of the discovery.
20. **Equipment Rates.** Rates claimed for use of applicant-owned equipment that are in excess of the FEMA-approved rates must be approved under State guidelines issued by the State Comptroller's Office or must be certified by the State to include only those costs attributable to equipment usage less any fixed overhead and/or profit."
21. **Duplication of Funding between PA and HMGP.** It is permissible to use PA and 404 HMGP funds on the same facility/location, but the scopes of work identified under each program must be distinct and the funds accounted for separately. At the time of closeout, FEMA will adjust the funding if necessary to ensure that the subgrantee has been reimbursed for eligible scope from only one funding source.

05/04/2018
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FEDERAL EMERGENCY MANAGEMENT AGENCY

SECTION 510 PAGE NO. 7
REC-01

RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project ID: HMGP 4240-17-24

Title: 12 kV Switchgear Relocation Project

NEPA DETERMINATION

Non Compliant Flag: No
EA Draft Date: EA Final Date:
EA Public Notice Date: EA Foml Date: Level: CATEX
EIS Notice of Intent Date: EIS ROD Date:

Comments: This REC applies to the project activities associated with replacing the current 12-kilovolt switchgear equipment with new equipment on an adjacent site that is outside a flood and dam break inundation zone. The project would disturb up to 0.35 acres in Humboldt County, California. - jbock - 04/11/2018 22:48:57 GMT

CATEX CATEGORIES

Catex Category Code	Description	Selected
*n6	(*n6) Federal Assistance for Relocation/Realignment of Structures and Facilities. Federal assistance for the relocation of structures and facilities, including the realignment of linear facilities that are part of a bigger system, when they do not involve ground disturbance of more than one acre. This category does not apply to the following: actions that involve hardening or armoring of stream banks, unless they use stream or stream bank bioengineering techniques; realignment actions affecting a regulatory floodway if they result in any increase in flood levels during the base flood discharge; or actions occurring seaward of the limit of moderate wave action (or V zone when the limit of moderate wave action has not been identified).	Yes

EXTRAORDINARY CIRCUMSTANCES

Extraordinary Circumstance Code	Description	Selected ?
	No Extraordinary Circumstances were selected	

ENVIRONMENTAL LAW / EXECUTIVE ORDER

Environmental Law/ Executive Order	Status	Description	Comments
Clean Air Act (CAA)	Completed	Project is located in an attainment area - Review concluded	The project is in Humboldt County, which does not have non-attainment areas designated for any of the criteria pollutants according to the USEPA (https://www3.epa.gov/airquality/greenbook/and3.html , data current as of March 31, 2018). - jbock - 04/11/2018 23:12:23 GMT
Coastal Barrier Resources Act (CBRA)	Completed	Project is not on or connected to CBRA Unit or otherwise protected area - Review concluded	
Clean Water Act (CWA)	Completed	Project would not affect any water of the U.S. - Review concluded	

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FEDERAL EMERGENCY MANAGEMENT AGENCY

SECTION J1b, PAGE NO. 8
REC-01

RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project ID: HMGP 4240-17-24

Title: 12 kV Switchgear Relocation Project

Environmental Law/ Executive Order	Status	Description	Comments
Coastal Zone Management Act (CZMA)	Completed	Project is not located in a coastal zone area and does not affect a coastal zone area - Review concluded	
Executive Order 11988 - Floodplains	Completed	No effect on floodplain/flood levels and project outside floodplain - Review concluded	The project location is in Zone X, as shown on FIRM panel 06023C0695F (effective 11/3/2016). Zone X is outside of the floodplain, so no further review is required. - jbock - 04/11/2018 23:17:30 GMT
Executive Order 11990 - Wetlands	Completed	No effects on wetlands and project outside wetlands - Review concluded	The project location is not in a wetland (according to the USFWS NWI Wetlands Mapper) and would not result in impacts to wetlands. - jbock - 04/11/2018 23:18:41 GMT
Executive Order 12898 - Environmental Justice for Low Income and Minority Populations	Completed	No Low Income or minority population in, near or affected by the project - Review concluded	The proposed activities associated with this project will result in no impacts to all populations - jbock - 04/11/2018 23:19:37 GMT
Endangered Species Act (ESA)	Completed	Listed species and/or designated critical habitat present in areas affected directly or indirectly by the federal action	The project location is in a relatively unpopulated area, and construction activities are confined to areas that have been previously disturbed. Additionally, no suitable or critical habitat for any of the federally listed species exists within the project area. Based on the location and nature of the proposed activities, the project does not have the potential to affect listed or proposed species or critical habitat. Formal consultation with the US Fish and Wildlife Service under Section 7 of the Endangered Species Act is not required. See attached No Effect memorandum. - jbock - 04/11/2018 23:00:40 GMT
	Completed	No effect to species or designated critical habitat (See comments for justification) - Review concluded	
Farmland Protection Policy Act (FPPA)	Completed	Project does not affect designated prime or unique farmland - Review concluded	
Fish and Wildlife Coordination Act (FWCA)	Completed	Project does not affect, control, or modify a waterway/body of water - Review concluded	
Migratory Bird Treaty Act (MBTA)	Completed	Project located within a flyway zone	Based on the location and nature of the proposed activities, the project does not have the potential to take migratory birds. - jbock - 04/11/2018 23:14:24 GMT
	Completed	Project does not have potential to take migratory birds - Review concluded	

NOTE: All times are GMT using a 24-hour clock.

05/04/2018
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FEDERAL EMERGENCY MANAGEMENT AGENCY

SECTION J10 PAGE NO. 9
REC-01

RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project ID: HMGP 4240-17-24

Title: 12 kV Switchgear Relocation Project

Environmental Law/ Executive Order	Status	Description	Comments
Magnuson-Stevens Fishery Conservation and Management Act (MSA)	Completed	Project not located in or near Essential Fish Habitat - Review concluded	
National Historic Preservation Act (NHPA)	Completed	Applicable executed Programmatic Agreement (enter date in comments).	Programmatic Agreement was executed on October 30, 2014. Consultation with the State Historic Preservation Office was initiated on April 9, 2018. The SHPO response letter was received on May 2, 2018. - jbock - 05/04/2018 22:25:01 GMT
	Completed	No properties in the project area are 50 years or older or listed on the National Register - Review concluded	
	Completed	Project affects undisturbed ground	
	Completed	Project area has potential for presence of archeological resources	
	Completed	Determination of no historic properties affected (FEMA finding/SHPO/THPO concurrence attached) - Review concluded	
Wild and Scenic Rivers Act (WSR)	Completed	Project is not along and does not affect Wild and Scenic River - Review concluded	

CONDITIONS

Standard Conditions:

Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.

This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize federal funding.

If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.

NOTE: All times are GMT using a 24-hour clock.



North Coast Railroad Authority (NCRA)

APPLICATION (revised 2018)

Applicant Information

Company Name: Humboldt Bay Municipal Water District

Address: 828 7th Street
Eureka, CA 95501

Contact Person: Chris Harris, Business Manager
Telephone: (707) 443-5018
FAX:
Cell Phone:
Email: harris@hbmwd.com

Billing Information

Company Name: Humboldt Bay Municipal Water District

Address: 828 7th Street
Eureka, CA 95501-1114

Contact Person: Becky Moyle, Accounting/HR Specialist
Telephone: (707) 443-5018
FAX:
Cell Phone:
Email: moyle@hbmwd.com

Legal Information for Real Estate Lease

Name of Entity

Leasing Property: Humboldt Bay Municipal Water District

Type of Entity

Leasing Property: Municipal Water District

Address of Entity

Leasing Property: 828 7th Street
Eureka, CA 95501-1114

Notice Provision – To whom and where do you want your legal notices to be mailed

Name: Chris Harris
Address: 828 7th Street
Eureka, CA 95501-1114

Name and title of person that will be executing the Lease

Name: John Friedenbach
Title: General Manager

Business Information

1) Are you an owner or renter of adjacent real estate that will be used in conjunction with the Property to be leased

Owner Renter ** Neither

2) Provide a copy of your business license for the business that is being operated on the property adjacent to NCRA's property

Information about the Property to be Leased

1) What is the intended use/nature of business to be operated on the Leased Property, i.e. parking, storage, landscape buffer, etc.

Describe HBMWD will site electrical switchgear and a surrounding housing and fence, to provide electrical service to its water treatment and operations facility, located on the property adjacent to the NCRA Right-of-Way

NCRA COMMERCIAL LEASE

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

Premises

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

Effective Date

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

Term

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

Termination for Transit Activities

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

Lessee

1. Use

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

Restriction on Use

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

Regulatory Approvals

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

Compliance with Laws

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

Prior Rights

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

2. Condition of Premises

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

3. Inspections

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

4. Rent

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

5. Rental Adjustments

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

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

6. Security Deposit

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

7. Late Charges; Interest

A. Late Charges

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

B. Interest

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

8. Taxes

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

9. Notices

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

Payments

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

Notices:

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

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

And a copy to: Parallel Infrastructure LLC
7411 Fullerton Street, Suite 301
Jacksonville, FL 32256
Attn: Craig Olson

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

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

10. Alterations

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

11. Option to Renew

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

12. Utilities

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

13. Termination

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

14. Maintenance and Repair

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

15. Liens

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

16. Indemnification

Lessee shall indemnify, defend and hold harmless Lessor, the North Coast Railroad Authority, the successors and assigns of any of them, any railroad company operating on the premises, and their respective directors, officers, employees, agents, contractors (including but not limited to , any person that may be operating Lessor's railroad tracks and services) and any other person acting on Lessor's behalf and all liabilities, penalties, losses, damages, costs, loss of rent, expenses, demands, causes of action, claims, penalties, losses, judgments (collectively, "Liabilities") arising out of or in connection with (a) the use , maintenance, occupation,

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

17. Environmental Provisions

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

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

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

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

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

"Lessee's Parties" means Lessee's employees, agents, customers, visitors, invitees, licensees, contractors, designees, or sub Lessee's.

(b) Use of Hazardous Materials.

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

(c). Environmental Compliance.

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

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

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

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

(d). Underground Storage Tanks.

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

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

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

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

(g) Notification.

(i) Lessee must give immediate written notice to Lessor of:

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

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

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

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

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

(h) Remediation.

(i) If any Hazardous Materials are released or found on, under, or about the Premises arising out of Lessee's or Lessee's Parties' activities, or failure to act where Lessee had a duty to act, in connection with the Premises, Lessee must promptly take all action, at Lessee's sole expense, necessary to investigate and remediate the release or presence of Hazardous Materials on, under, or about the Premises in accordance with Environmental

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

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

(i) Annual Certification

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

(j). Expiration and Termination Procedures.

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

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

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

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

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

(k). Indemnification.

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

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

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

(iv) In that the NCRA has been a passive owner if the Premises and the Lessee has greater knowledge concerning the past and present uses of the Premises the parties

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

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

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

18. Insurance

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

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

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

The policy shall have a combined single limit of One Million Dollars (\$1,000,000.00) for bodily injury and property damage per occurrence. This insurance shall include but not be limited to premises and operations; contractual liability covering the indemnity provisions contained in this Agreement; personal injury; explosion, collapse and underground coverage; products and completed operations and broad form property damage. The insurance shall include Automobile Bodily Injury and Property Damages Coverage including owned, hired and non-owned vehicles, on or off the Premises of Lessor.

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

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

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

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

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

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

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

The policy(ies) shall also stipulate: Inclusion of the Insured as additional insured shall not in any way affect rights of Insured either as respects any claim, demand, suit, or judgment made, brought or recovered against the Lessee. Said policy shall protect Lessee and the Insured in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance companies' liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been named as an insured.

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

19. Noise Levels Near Railroad Tracks

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

20. Reservations

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

21. Mineral Rights

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

22. Default

- a. **Defaults.** The occurrence of any of the following shall constitute a material breach and default ("Default") of this Lease by Lessee:
- (1) Any failure by Lessee to pay when due any of the Rent or other charges payable by Lessee;
 - (2) A failure by Lessee to observe or perform any other provision of this Lease to be observed or performed by Lessee when such failure is not corrected within ten (10) days after written notice thereof from Lessor; or if such failure cannot be cured within this ten (10) day period, as determined by Lessor in its reasonable discretion, if such cure is not commenced within thirty (30) days of Lessor's written notice and thereafter diligently pursued to completion;
 - (3) The abandonment or the vacation of the Premises by Lessee for a period of more than fifteen (15) consecutive days;

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

23. Remedies

In the event of a default by lessee, Lessor may, at any time thereafter:

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

determining unpaid rent under this paragraph, the rent reserved in this Lease shall be deemed to be the sum of all then unpaid monetary obligations owed under this Lease.

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

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

24. Surrender of the Premises; Holding Over

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

25. Condemnation

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

26. Assignment and Subletting

Lessee shall not assign or encumber or otherwise Transfer, as defined below, its interest in this Lease without the prior written consent of Lessor. Lessor shall not unreasonably withhold consent to any Transfer in the event the proposed sub Lessee or assignee meets Lessor's credit, business/qualification and reputation requirements and the proposed occupancy is consistent with the general character of the use permitted by this Lease. With respect to any such approved transfer, Lessor shall be entitled as additional rent for the duration of the Transferee's occupancy to an amount equal to fifty percent (50%) of the difference between the rent charged by Lessee to the proposed Transferee the then current Base Rent hereunder. For purposes of this

Lease, the term "Transfer" means any assignment, encumbrance, transfer or subletting, change in more than 50% ownership interest or control of Lessee, or a reorganization or merger of Lessee by operation of law. As a condition to Lessor's consideration of any Transfer, Lessee will pay to Lessor, whether or not consent is ultimately given, Lessor's reasonable attorney's fees incurred in connection with each request for such consent. No Transfer, even with Lessor's written consent thereto, shall release Lessee from its obligations hereunder. Lessor's consent to one transfer shall not constitute its consent to any other Transfer, or a waiver of Lessor's rights hereunder. Lessee's Transferee shall agree in writing to be bound by all of the terms and conditions of this Lease that are to be performed by Lessee. Any purported Transfer in violation of this Section shall be void and constitute a default hereunder, and at the option of Lessor, terminate this Lease.

27. Damage

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

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

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

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

28. Barricades

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

29. Costs

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

30. Attorney Fees

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

31. Miscellaneous Provisions

- a. Non Waiver. Lessor's failure to enforce or exercise its rights with respect to any provision hereof shall not be construed as a waiver of such rights or of such provisions. Acceptance of rent or any other sum shall not be a waiver of any preceding breach by Lessee of any provision hereof, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent; nor shall such acceptance be a waiver in any way of Lessor's right to terminate this Lease for any reason.
- b. Time of Essence. Time is of the essence of each provision of this Lease. Any reference to "days" shall mean calendar days except as otherwise expressly provided in this Lease.
- c. Entire Agreement and Amendment. This Lease sets forth the entire agreement between the Parties with respect to the leasing of the Premises and supersedes all prior and/or contemporaneous agreements, communications, and representations, oral or written, express or implied, since the parties intend that this be an integrated agreement. This Lease shall not be modified except by written agreement of the parties.
- d. Successors and Assigns. Subject to the provisions of this Lease relating to assignment, mortgage and subletting, this Lease shall bind the heirs, executors, administrators, successors and assigns of any and all of the parties hereto.
- e. Authority. Each individual executing this Lease on behalf of Lessee represents and warrants that he or she is duly authorized to execute and deliver this lease on behalf of Lessee, and that this Lease is binding upon Lessee in accordance with its terms. Lessor, as a condition precedent to this Lease, may require corporate or partnership resolutions as are reasonably necessary to establish the authority of Lessee to execute this Lease.
- f. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California as applied to contracts that are made and performed entirely in California.
- g. Captions. All captions and headings in this Lease are for the purposes of reference and convenience and shall not limit or expand the provisions of this Lease.
- h. Third Party Beneficiaries. The Indemnities specified in Section 9 who are not expressly parties to this Lease shall be deemed third party beneficiaries under this Lease for purposes of enforcing any rights to indemnification and insurance granted in Sections 14, 15, 16, and 17 of this Lease, and shall be entitled to seek attorney's fees and costs as provided in Section 29 above and dispute arising from the enforcement of said rights.

- i. Brokers. Lessor and Lessee are separately responsible for payment of any broker's commission or finder's fee incurred by that party's engagement or acceptance of the services of a broker or agents by said party. Lessor and Lessee agree to indemnify, defend and hold the other party harmless from and against any claims and suits made by any broker, agent or other person claiming a commission or other form of compensation against the other party by virtue of having dealt with Lessor or Lessee, as the case may be, with regard to this Lease.
- j. Counterparts. This Lease may be entered into in counterparts, each of which shall be deemed an original but both of which together shall be deemed a single agreement.

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

Lessor:

North Coast Railroad Authority

By: _____
Mitch Stogner
Executive Director NCRA
Date: _____

Lessee:

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

By: _____
Print Name: _____
Title: _____
Date: _____

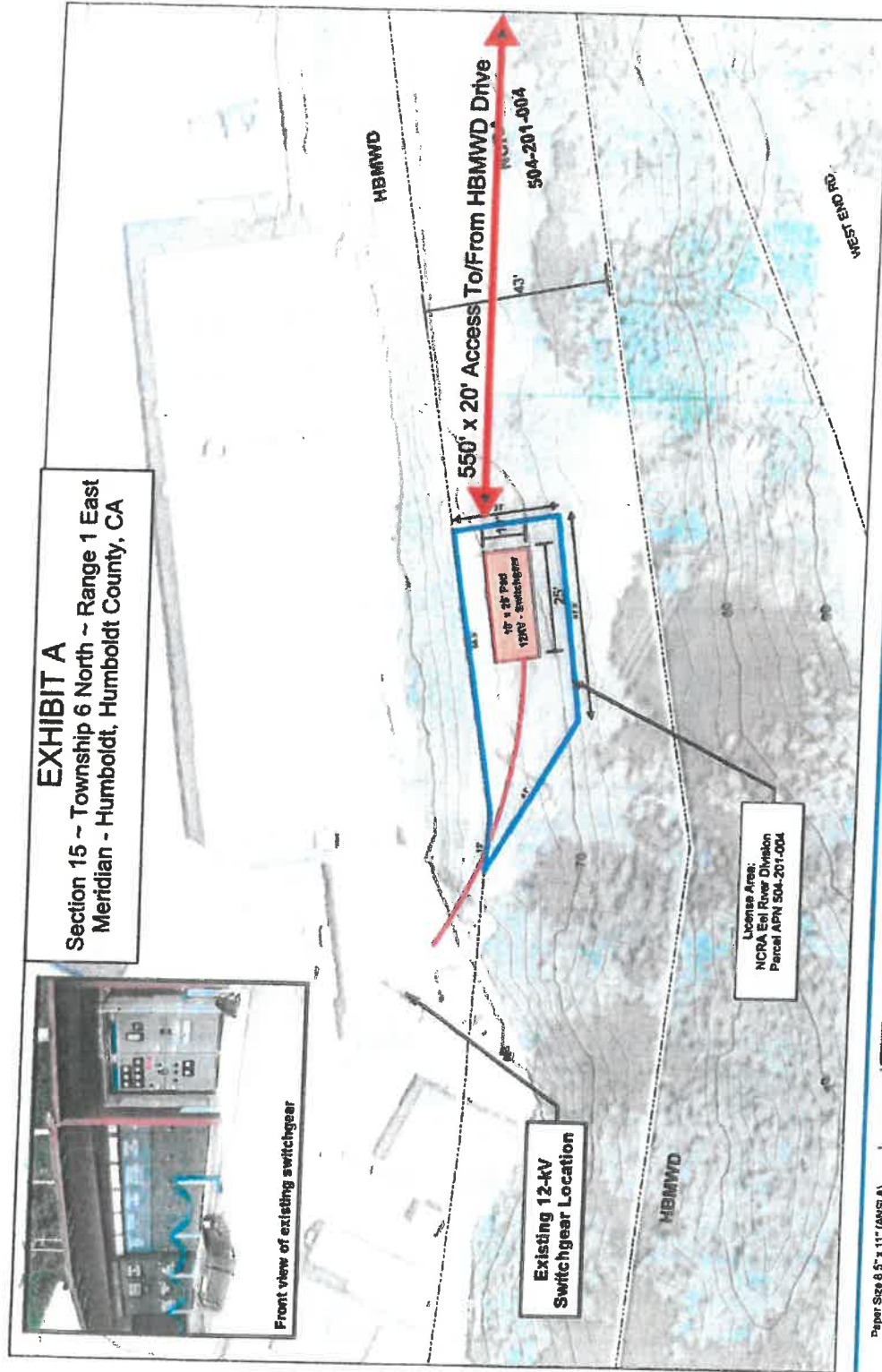
*By: _____
Print Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:
Christopher Neary
Attorney for Authority:

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

EXHIBIT A

(page 1 of 3)



Proposed Switchgear

Parcel Boundaries

Proposed New Electrical Line

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

Index Contours (10 ft)

Index Contours (2 ft)

12-kV Switchgear Details

Job Number: 11121523
Revision: A
Date: 05 Oct 2019

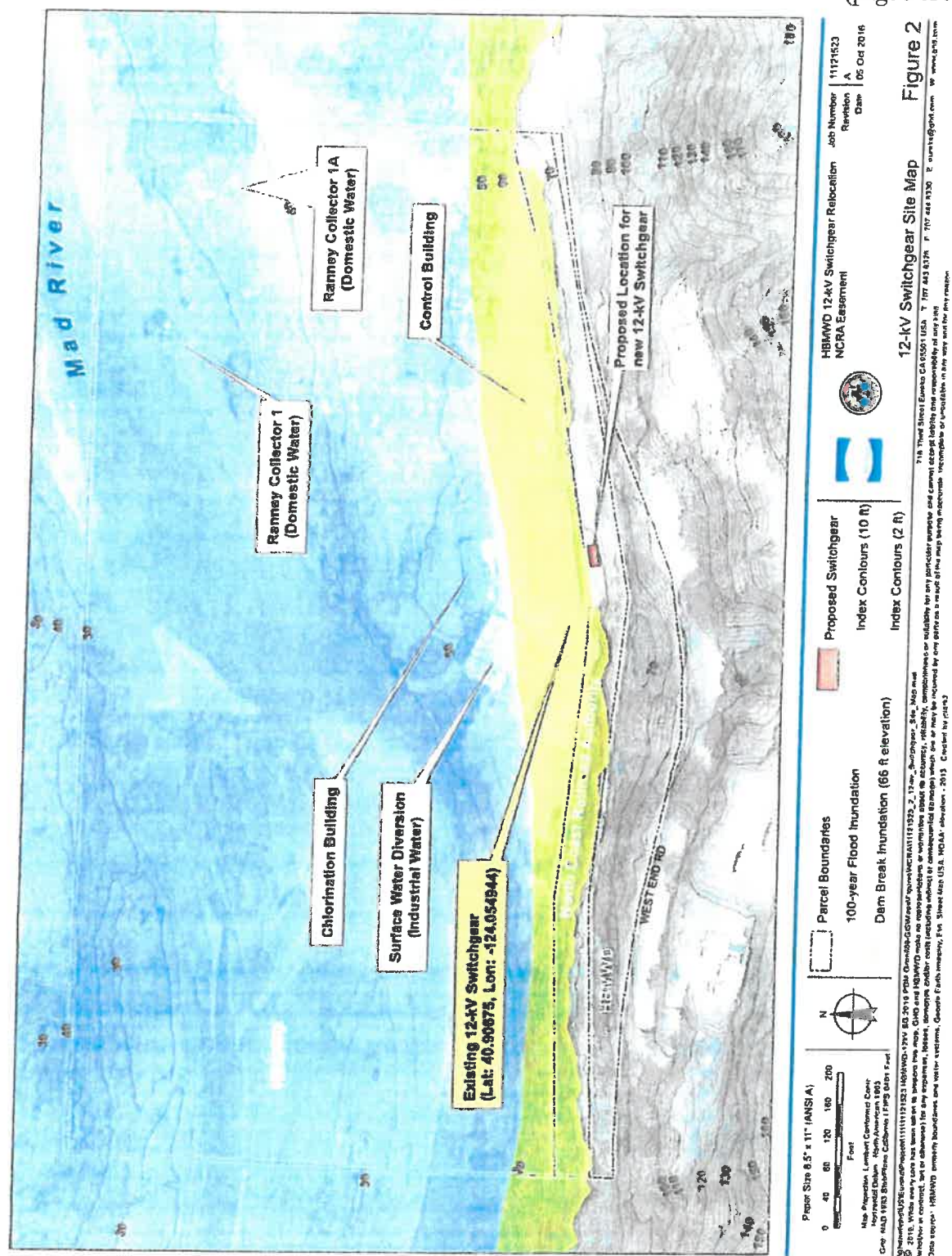
HBMWD 12-kV Switchgear Relocation
NCRA Escalation

719 Third Street, Suite C.A. 95501 USA | T: 707.443.1371 | F: 707.443.8339 | E: services@ghd.com | www.ghd.com

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EXHIBIT A

(page 3 of 3)





North Coast Railroad Authority
419 Talmage Road, Suite M
Ukiah, CA 95482
707-463-3280

SECTION J16 PAGE NO. 33

October 20, 2016

Paul Helliker
General Manager
Humboldt Bay Municipal Water District
828 Seventh Street
Eureka, CA 95501

Dear Paul:

I would like to inform you that the Board of Directors of the North Coast Railroad Authority (NCRA) approved the attached license proposal on October 12, 2016. We are in the process of preparing a license agreement with the Humboldt Bay Municipal Water District (HBMWD), which we expect to provide to you by October 26, 2016. This license agreement will incorporate the details defined in the license proposal.

I would like to note that, although the Termination provisions of the license proposal define a situation in which the agreement would terminate if rail services resume which are incompatible with HBMWD's use of the property, we do not currently foresee such services resuming during the term of the agreement. Even if rail services were to be proposed and resumed, it is quite possible that NCRA's Right of Way is of adequate size to allow both HBMWD and NCRA the use the Right of Way in a compatible manner.

Thank you again for your interest in developing a licensing agreement. We look forward to an expeditious adoption of this agreement.

Sincerely,

A handwritten signature in black ink that reads "Mitch Stogner".

Mitch Stogner



Humboldt Bay Municipal Water District
Attention: Paul Helliker
828 7th Street
Eureka, CA 95501

11 Oct 2016

Re: License Proposal of North Coast Railroad Authority (NCRA) Owned Property

Mr. Helliker:

Outlined below is a proposal for the Humboldt Bay Municipal Water District to use a portion of the NCRA Right of Way (ROW) property located adjacent to: **7270 West End Road - Arcata, CA 95521**

The terms of the agreement would generally be as follows, and a completed lease application would be needed to finalize the terms and enter into an agreement:

Licensed Premises: An irregular shaped portion, averaging 57' x 25' in size, of NCRA's Eel River Division Line – Kobel/Annie Mary Branch Lead (**Property APN 504-201-004**) beginning approximately 15' south of the SE corner of the current Switchgear facility location. **In Addition:** Non-exclusive access (~ 550' x 20') to the license location from HBMWD's West End Road Entrance

Term: Initial license term of thirty (30) years automatically renewing after the initial term, for successive five (5) year term intervals unless rail services resume in the vicinity of the identified occupancy.

Annual Fee: One Thousand Two Hundred Dollars per year (\$1200) due upon license execution. Annual fee will be adjusted annually based upon the CONSUMER PRICE INDEX, or ("CPI"), All Urban Consumers, (1982-1984=100), now being published by the United States Department of Labor, Bureau of Labor Statistics.

Purpose: Facility Occupancy/Electrical Transmission Line Occupancy/Business Operations

Termination: Upon the occurrence of one of the following events:

- Thirty (30) years after the commencement of this agreement and either party chooses to terminate.
- Rail services in the vicinity of the occupancy resume. Upon notification thereof and the crossing being deemed incompatible for use with the rail operations, a 180 day notification for termination will be provided.

T: 904-450-4830 | www.parallelinfrastructure.com
7411 Fullerton Street | Suite 301 | Jacksonville, FL 32256



- Application Fee:** \$1,000, payable upon application to license – see attached application form.
- Permitting:** The licensee is responsible for permitting/complying with applicable ordinances.
- Access:** In addition to the access road, temporary access to the Right of Way will be afforded for 1 year from commencement of the license to construct the facility and install the Transmission Line. The access limitation will be thirty (30) feet around the license location.
- Engineering:** Additional engineering review fees, as determined by NCRA, may be incurred if physical improvements are made to the licensed area
- Note:** The License Agreement is subject to final approval by NCRA. The proposed terms of the transaction set forth herein are non-binding and subject to change.

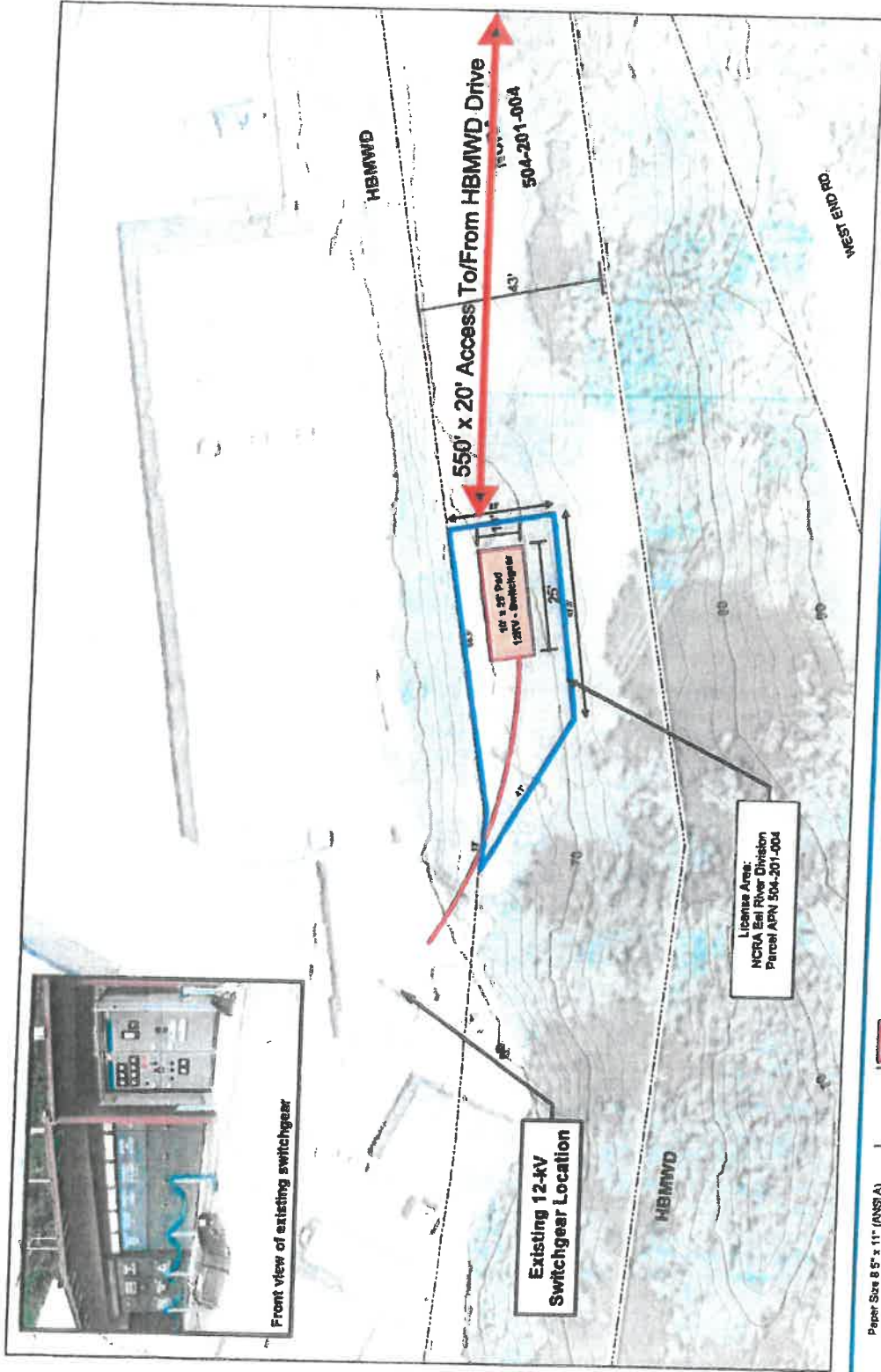
If the terms and conditions are acceptable and you would like to proceed with entering into an agreement with NCRA, please complete a lease application and return it to me at your earliest convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dannelly".

Mike Dannelly
Corridor Management
904-565-4101 Office/904-309-0093 Mobile
mike@parallelinfrastructure.com

T: 904-450-4830 | www.parallelinfrastructure.com
7411 Fullerton Street | Suite 301 | Jacksonville, FL 32256



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

Scale: 0 10 20 30 Feet

Map Projection: Lambert Conformal Conic
 GAD: MAD (North Datum: North American 1983)
 NAD 83, Datum: California 1983 Spheroid Feet

North Arrow

Proposed Switchgear*
 Parcel Boundaries
 Proposed New Electrical Line

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

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

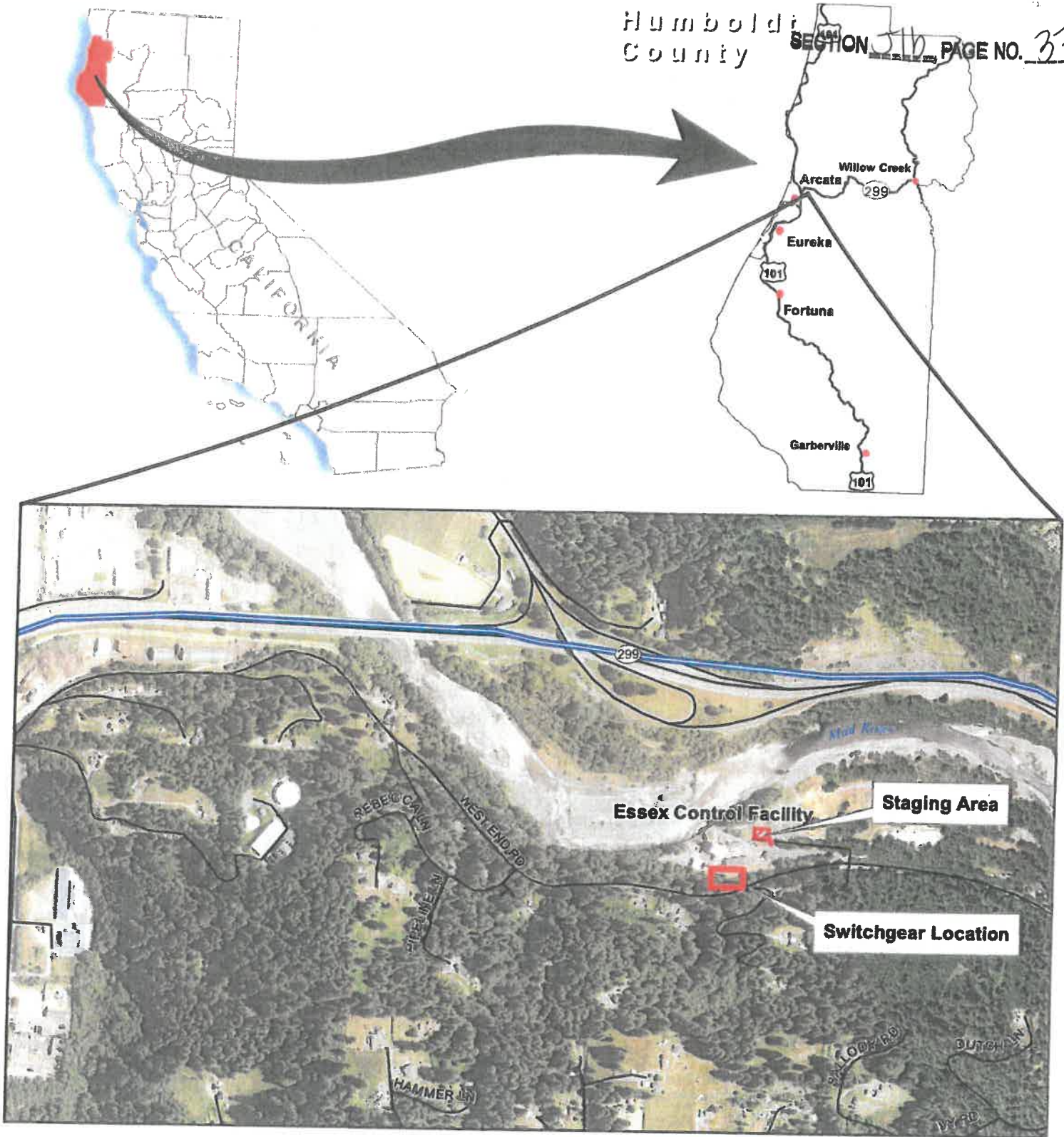
HBMWD 12-kV Switchgear Relocation
 NCRA Easement

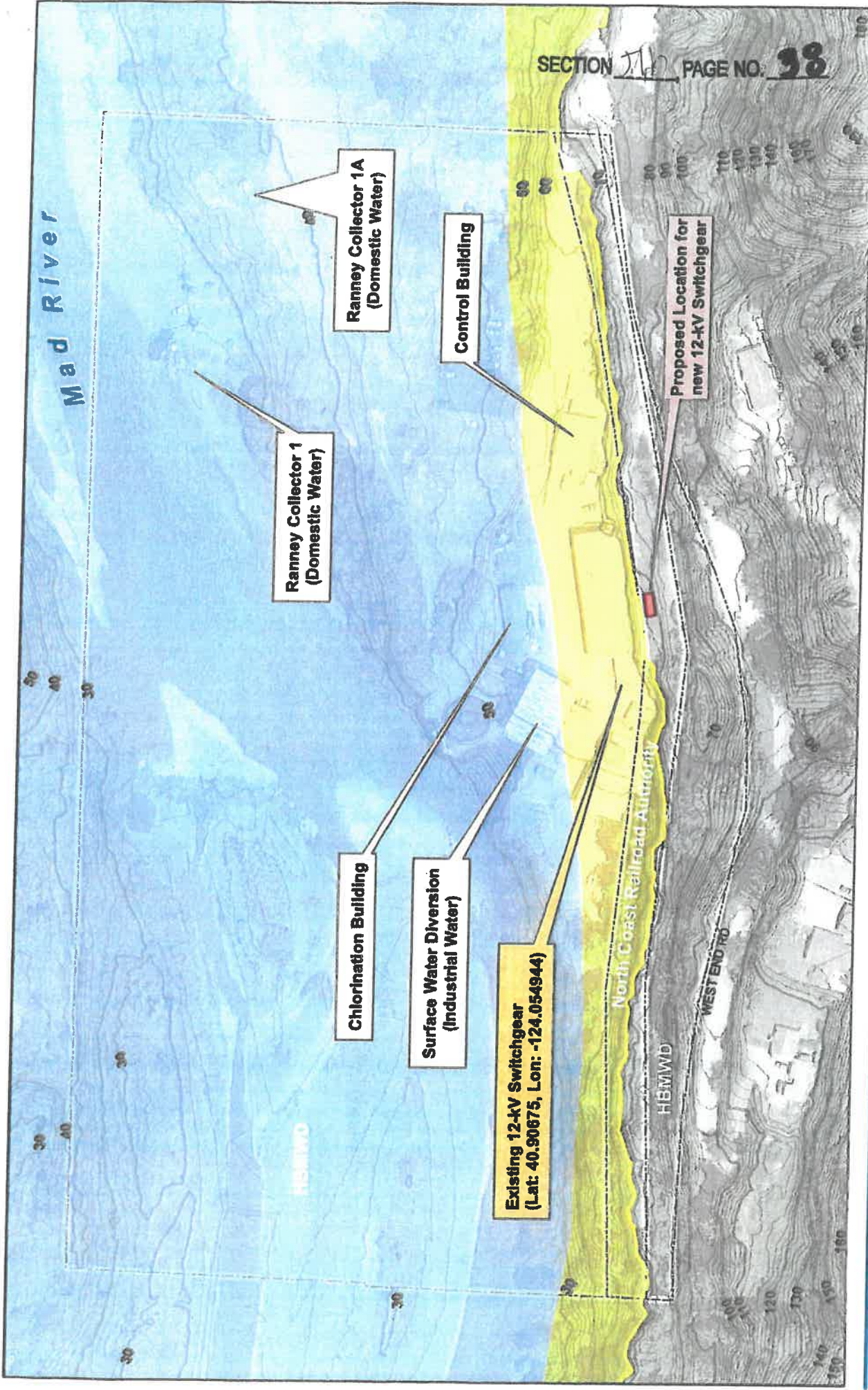
Job Number: 11171523
 Revision: A
 Date: 10 Oct 2016

718 Third Street, Suite 200, San Francisco, CA 94103 USA
 T: 415 433 3328 F: 415 433 3329 E: sales@gnl.com W: www.gnl.com

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Figure 3





SECTION *JW* PAGE NO. **38**

Paper Size 6.5" x 11" (ANSI A)

0 40 80 120 160 200
Feet



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



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



HBMWD 12-kV Switchgear Relocation
NCRA Easement
Job Number 11121523
Revision A
Date 05 Oct 2016

Map Projection: Lambert Conformal Conic
Horizontal Datum: North American 1983
GCS: NAD 1983 StatePlane California I FIPS 5401 Feet
© 2016. While every care has been taken to prepare this map, GHD and HBMWD make no representations or warranties about its accuracy, reliability, completeness or suitability for any kind (whether in contract, tort or otherwise) for any expense, losses, damages and/or costs (including indirect or consequential damages) which are or may be incurred by any party as a result of the map being inaccurate, incomplete or unsuitable in any way and for any reason.
Data source: HBMWD; property boundaries and water systems; Google Earth imagery; Esri; Street Map USA; NOAA; elevation - 2013. Created by jclark2

Existing 12-kV Switchgear
(Lat: 40.90675, Lon: -124.054944)

Ranney Collector 1
(Domestic Water)

Chlorination Building

Surface Water Diversion
(Industrial Water)

Ranney Collector 1A
(Domestic Water)

Control Building

Proposed Location for
new 12-kV Switchgear

12-kV Switchgear Site Map
716 Third Street Eureka CA 95501 USA T 707 443 8326 F 707 444 8320 E eureka@ghd.com W www.ghd.com
Figure 2

Bill to convert North Coast railroad to 'Great Redwood Trail' passes state Senate



A section of railroad runs along side the Eel River in this file

photo. Times-Standard file — Contributed by Friends of the Eel River

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

POSTED: 06/01/18, 9:53 PM PDT | UPDATED: 2 DAYS AGO
COMMENTS



McGuire

The state Senate this week unanimously passed a bill introduced by North Coast state Sen. Mike McGuire that seeks to dissolve the North Coast Railroad Authority and lay the groundwork for a "Great Redwood Trail" to connect San Francisco and Humboldt Bay for bikers, hikers and equestrians.

"There is tremendous support for this trail project both in the state Legislature and on the North Coast and we couldn't be more grateful for the support thus far," McGuire (D-Healdsburg) said in a press release, noting Wednesday night's bipartisan 36-0 vote in the Senate and significant local backing. "However, there is still major work to do and we know that anything that makes a big difference is never easy. We need to resolve the significant financial debt that NCRA has racked up over the years as our first step."

Now the bill, SB 1029, will head to the state assembly for consideration and a vote.

"I love the idea of creating a new trail from Willits to Arcata," state Assemblyman Jim Wood (D-Santa Rosa) said in an emailed statement. "That's gorgeous country and no doubt it could attract millions of visitors in the next decade. Sharing the beauty of this area with people from all over and boosting the economies of the many unique communities along the way would be a huge

benefit. My understanding from Senator McGuire is that we still need to resolve NCRA's financial debt and I look forward to learning more about that."

NCRA Executive Director Mitch Stogner said the agency's debt — up to \$7 million — is the result of the state's failure to support the NCRA's efforts and day-to-day staff and operating costs.

"We have been a self-help agency for the beginning," he said.

Stogner said the agency has stayed afloat all these years through revenue generated when developers or others have projects that require encroaching on its property.

"If the bill goes through ... the NCRA's debt needs to be addressed by state of California," he said.

If approved as written, SB 1029, would dissolve the NCRA and split oversight of the northern end of the rail line, north of Willits in Mendocino County, to the newly created Great Redwood Trail Agency and the southern end of the rail line, south of Willits, would be transferred to the existing consumer train operator Sonoma Marin Area Trail Transit.

"I think the good news, and I think this is good news, the state is finally ready to commit resources to the historic, unbroken rail corridor," Stogner said.

He said there are three items in the bill that fall in line with NCRA's strategic plan.

"It authorizes the continuation of freight rail on the south end of the line from Napa to Windsor and potentially all the way to Willits ... It authorizes rail banking which preserves the rail corridor but allows a multi-use trail from Willits north to Eureka through the Eel River Canyon ... It authorizes freight and excursion rail from Eureka and around the port of Humboldt Bay," Stogner said.

He said the state will have to fund the operations of the agencies that take over the north and south portions of the rail line if this will be successful.

"Give them a designated source of operating revenue," Stogner said.

McGuire said the trail will be a significant economic driver for the North Coast.

"From the San Francisco Bay, through the incredible beauty of wine country, alongside the glistening banks of the Russian and Eel Rivers, into the stunning old growth Redwood forests, and up to and around panoramic Humboldt Bay — this is truly an incredible piece of earth. SB 1029 sets the stage to turn this 300 mile long-suffering train track into a world renowned trail system that will benefit locals and visitors alike and be a boon to our local economies," he said in the release.

Outdoor recreation generates over \$92 billion every year in California, supports 700,000 jobs with over \$30 billion in wages which brings over \$6 billion in tax revenue back to the state, according to McGuire's release.

According to the California Legislative Information website, the bill was read for the first time in the state Assembly on Thursday and is "held at desk."

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



OAKLAND, Calif. —

A \$1.7 million Humboldt Bay Municipal Water District hazard mitigation project will ensure 88,000 Humboldt County customers have reliable access to clean and safe water during and after flooding of the Mad River, according to the Federal Emergency Management Agency (FEMA).

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



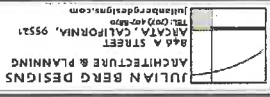
May 30, 2018

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507-430-002

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PT# 104
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REVISIONS:
DATE
BY
DESCRIPTION



JULIAN BERG DESIGNS
ARCHITECTURE & PLANNING
846 A STREET
ARCA, CALIFORNIA, 95211
julianbergdesigns.com

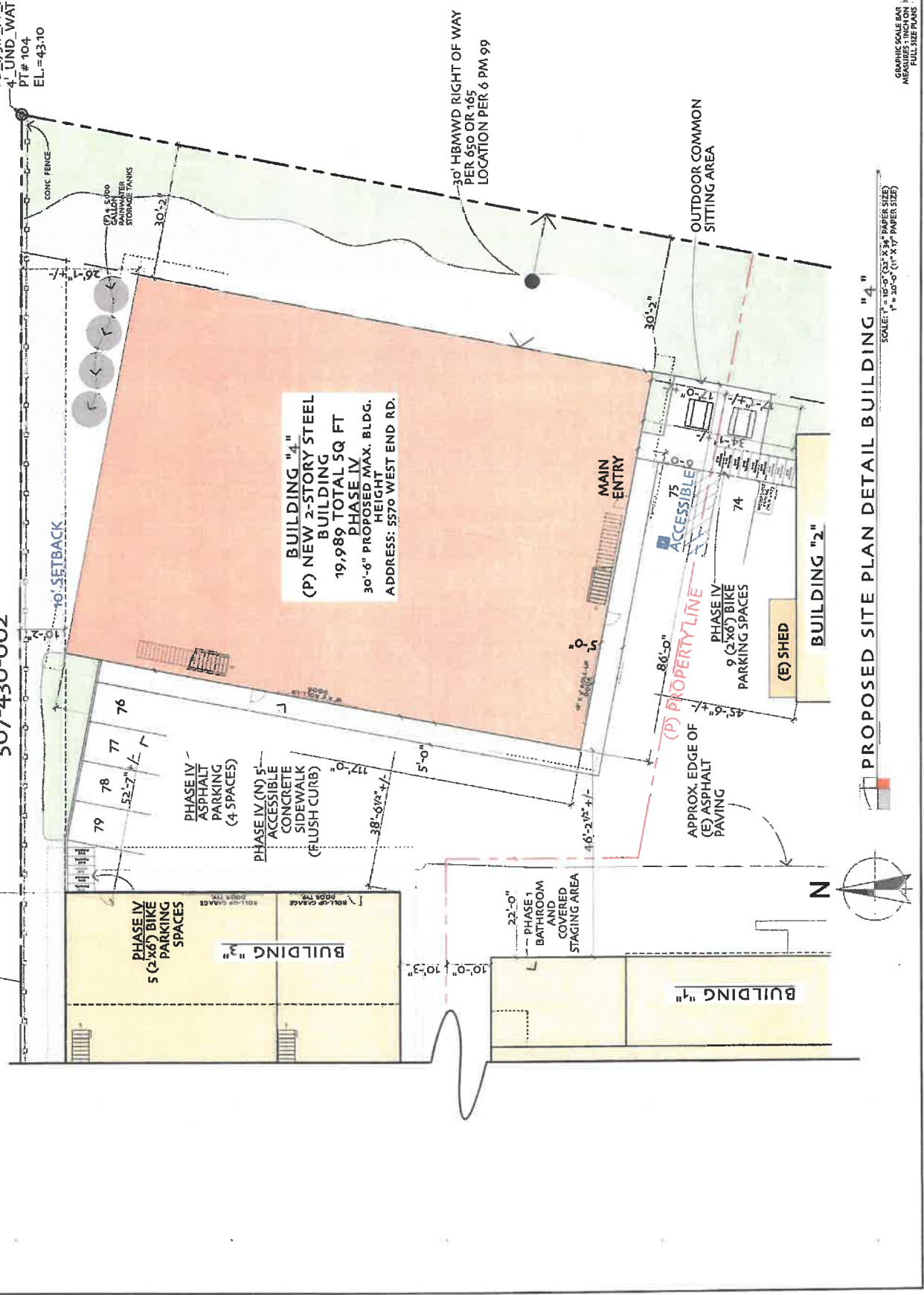
PROJECT TITLE: AXEL DEVELOPMENT • PHASE IV BUILDINGS
AXEL COMMERCIAL DEVELOPMENT • 5550 WEST END ROAD • ARCA, CA 95211
SHEETS PROJECT NUMBER: 507-351-020

PROJECT NO:
AD - 555
DRAWN BY:
CHECKED BY:
DATE: 9/7/2008

PREF: A-1.1

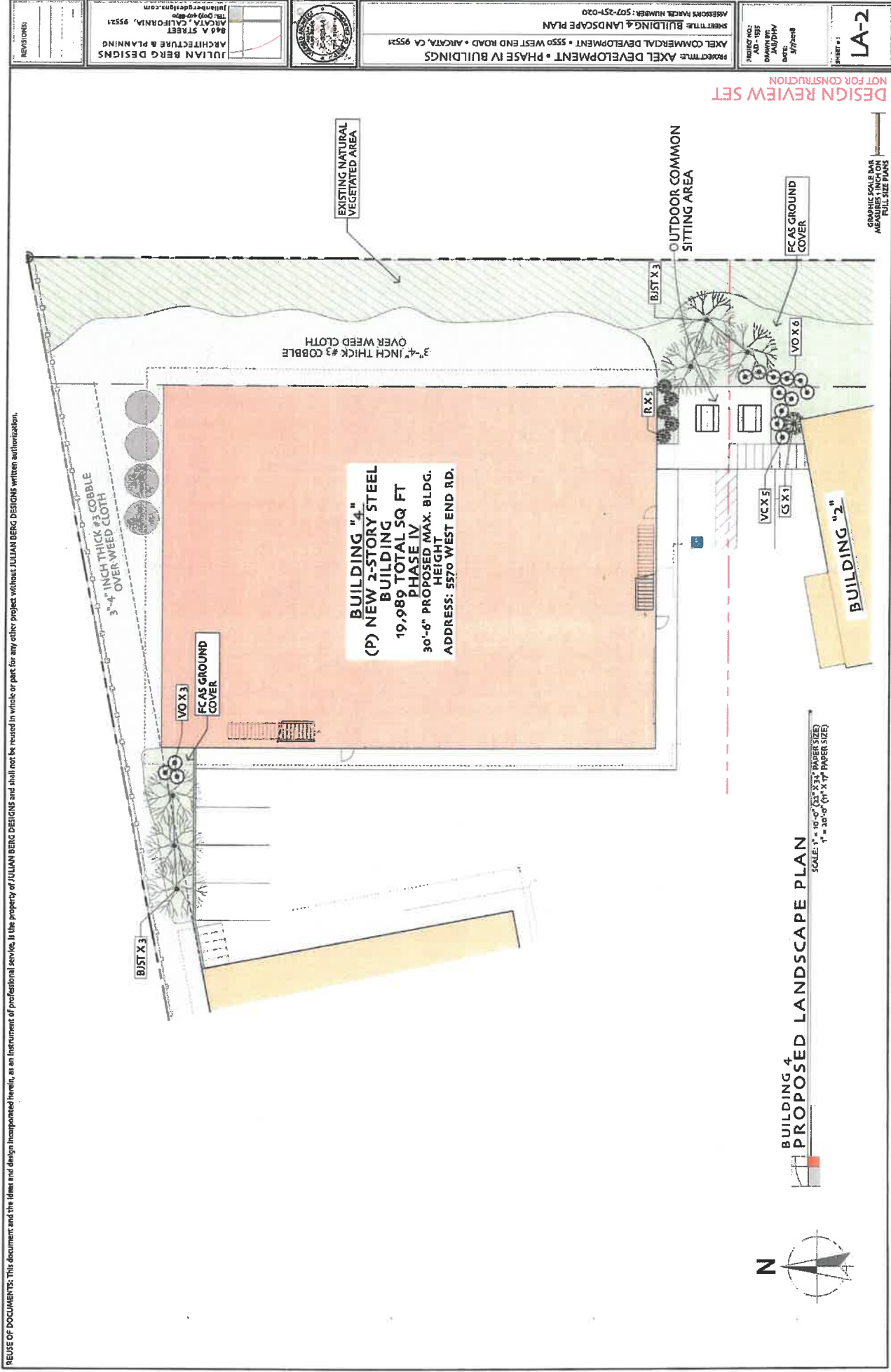
AGRICULTURE SOIL ON ADJACENT PARCELS
FULL SIZE PANS

PROPOSED SITE PLAN DETAIL BUILDING "4"
SHEET: 18" x 24" (18" x 24" PAPER SIZE)
1" = 30'-0" (1" = 4'-0" PAPER SIZE)

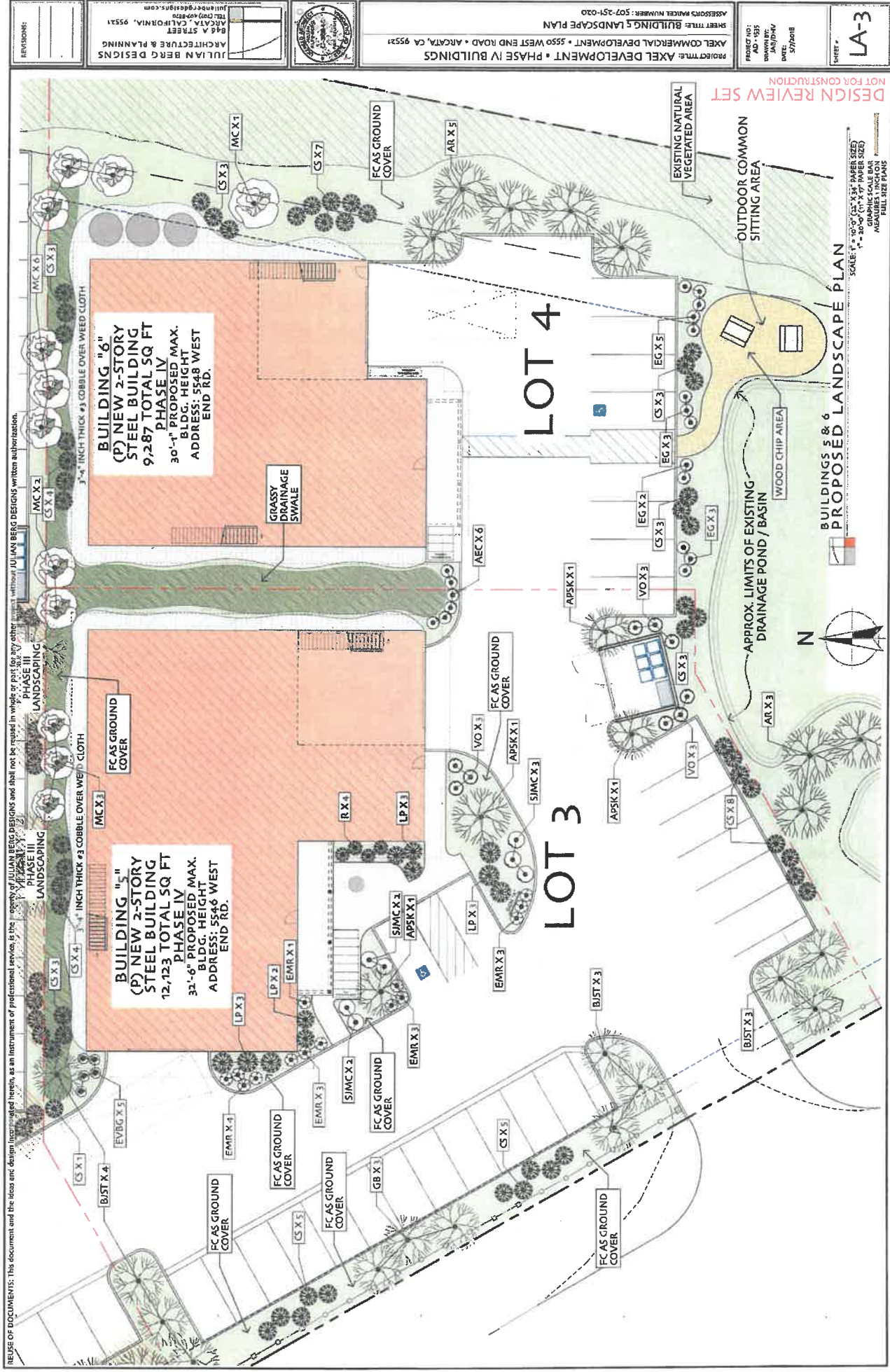


SECTION JIF, PAGE NO. 1

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SECTION JIF PAGE NO. 2



FINANCIAL

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
Statement of Fund Balances at May 31, 2018

Account Fund Balance at Month End	AT 5-31-18	AT 5-31-17
U.S. BANK ACCOUNTS		
- Commercial Account - General Fund Account	293,817.97	858,201.91
- Money Market Account (DWR Contract for SRF Loan)	① 299,646.11	298,025.06
- Certificate of Deposit (DWR Contract for SRF Reserve)	② 547,336.94	547,336.94
- CalPERS (UAL) Pension Trust	⑧ 600,000.00	0.00
Subtotal	<u>1,740,801.02</u>	<u>1,703,563.91</u>
HUMBOLDT COUNTY:		
- Investment Account	1,793,406.39	2,545,364.00
- DWFP Reserve (in accordance with Ordinance 16)	④ 233,368.21	472,301.09
- MSRA Reserve (Municipal Supplemental Reserve Account)	⑤ 427,122.09	422,976.28
- SRF Loan Payment	⑥ 140,583.73	140,007.93
- ReMat Account	⑦ 219,681.44	0.00
- 1% Tax Account	③ 397,600.25	732.00
Subtotal	<u>3,211,762.11</u>	<u>3,581,381.30</u>
L.A.I.F.	1,629.83	1,610.80
Cash on Hand	650.00	650.00
TOTAL CASH	<u>\$ 4,954,842.96</u>	<u>\$ 5,287,206.01</u>
Less: Encumbrances & Reserves (Funds Dedicated for Specific Purposes and Projects)		
RESTRICTED		
Municipal Customers PF2 Prior Year Reconciliation	(36,207.42)	(50,970.66)
1% Tax Account	③ (397,600.25)	(732.00)
Municipal Customer Adv. Chrg. - Ranney Collector 1 & 1A Rehabilitation	0.00	0.00
Municipal Customer Adv. Chrg. - Collector 1 Pump Motors	0.00	0.00
Municipal Customer Adv. Chrg. - 1MG Domestic Reservoir Roof	(88,661.37)	0.00
Municipal Customer Adv. Chrg. - Replace Ruth Bunkhouse	(403,365.00)	(195,000.00)
Municipal Customer Adv. Chrg. - SCADA System Upgrade	(83,452.98)	0.00
Municipal Customer Adv. Chrg. - Blue Lake/FGCSD River Crossing	0.00	0.00
Municipal Customer Adv. Chrg. - Surge Tower Replacement	0.00	0.00
DWR Reserve Fund for SRF Loan	② (547,336.94)	(547,336.94)
DWR Contract Payment for SRF Loan for DWFP (Drinking Water Filtration Plant-PF1 Charges from Munis)	① (299,646.11)	(298,025.06)
CalPERS (UAL) Pension Trust	⑧ (600,000.00)	
SUBTOTAL RESTRICTED RESERVES (Net Position)	<u>(2,456,270.07)</u>	<u>(1,092,064.66)</u>
UNRESTRICTED:		
Board Restricted:		
Paik-Nicely Development	(4,158.00)	(4,158.00)
DWFP Reserve	④ (233,368.21)	(472,301.09)
MSRA Reserve (Municipal Supplemental Reserve Account)	⑤ (427,122.09)	(422,976.28)
PG&E REMAT Deposit	(27,000.00)	(27,000.00)
PG&E REMAT Reserve (County Fund)	⑦ (219,681.44)	0.00
Unrestricted Reserves		
SRF Loan Payment	⑥ (140,583.73)	(140,007.93)
Municipal Customer Accumulation for Debt Service for US Bank Ranney & Techite Project Loan Payment	29,446.79	14,536.15
General Fund Reserve	<u>(1,476,106.21)</u>	<u>(3,143,234.20)</u>
SUBTOTAL UNRESTRICTED RESERVES (Net Position)	<u>(2,498,572.89)</u>	<u>(4,195,141.35)</u>
Total Net Position	<u>(4,954,842.96)</u>	<u>(5,287,206.01)</u>

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
AT APRIL 30, 2018 (10 MONTH - 83.3%)

	MAY RECEIPTS	YTD TOTAL AT 5-31-18	BUDGET	% OF BUDGET	YTD TOTAL AT 5-31-17
MISCELLANEOUS RECEIPTS (RETURNED TO CUSTOMERS VIA PF2)					
RETAIL WATER SALES	\$ 26,896.84	\$ 265,461.47	\$312,151	85%	\$ 333,627.19
SUBTOTAL RETAIL WATER SALES	\$ 26,896.84	\$ 265,461.47	\$312,151	85%	\$ 333,627.19
GENERAL REVENUES					
INTEREST		25,955.02	\$12,000	216%	39,915.84
FCSD CONTRACT FOR MAINT. & OPERATIONS	0.00	209,026.36	175,000	119%	234,894.67
POWER SALES NET REMAT	26,925.63	136,275.94	197,000	69%	218,638.22
MISCELLANEOUS (SEE NEXT PAGE)	\$6,280.02	\$103,987.44	50,000	208%	\$ 60,300.56
SUBTOTAL GENERAL REVENUES	\$ 33,205.65	\$ 475,244.76	\$434,000	110%	\$ 553,749.29
TAX RECEIPTS					
1% TAXES	406,915.61	914,616.46	775,000	118%	480,214.61
TOTAL PF 2 CREDIT	\$ 467,018.10	\$ 1,655,322.69	\$1,521,151	109%	\$ 1,367,591.09
WHOLESALE CONTRACT RECEIPTS					
INDUSTRIAL / HARBOR DISTRICT	\$0.00	\$612.40	\$10	6124%	\$1,108.28
TOTAL INDUSTRIAL	\$0.00	\$612.40	\$10	6124%	\$1,108.28
CITY OF ARCATA	\$ 89,323.84	\$ 1,005,605.42	\$1,162,728	86%	\$ 1,053,060.88
CITY OF EUREKA	212,729.67	2,385,590.15	2,758,065	86%	2,523,712.42
HUMBOLDT CSD	69,937.25	786,622.96	923,496	85%	849,006.70
MANILA CSD	3,562.87	47,212.34	74,513	63%	68,312.88
MCKINLEYVILLE CSD	70,738.65	801,850.47	935,846	86%	853,246.13
FIELDBROOK CSD	11,510.34	131,353.07	151,117	87%	138,811.55
BLUE LAKE	12,625.96	142,066.96	164,116	87%	149,373.59
TOTAL MUNIS	\$ 470,428.58	\$ 5,300,291.37	\$6,169,881	86%	\$ 5,635,524.15
REMAT REVENUE less Consultant fee (3)	39,404.16	242,154.05	300,000	81%	0
TOTAL RECEIPTS	\$ 976,850.84	\$ 7,198,380.51	\$7,691,042	94%	\$ 7,004,223.52

MISCELLANEOUS RECEIPTS

	MAY	YEAR TO DATE
Administrative		
Parking Lot Rent	\$50.00	\$300.00
Employee Telephone	0.00	357.52
Employee Gas	0.00	548.14
Retirees' Reimbursement of Health Insurance Premium	0.00	29,758.22
COBRA Vision Ins & Admin Fee - Retiree	18.93	397.53
COBRA Dental Ins & Admin Fee - Retiree	66.50	1,479.98
Water Processing Fees	120.00	450.00
Hydrant Rental Deposit	0.00	525.00
Meter Installations	0.00	0.00
Retail Connection Charge	0.00	0.00
Mainline Connection Charge	0.00	0.00
Right of Way Fees	0.00	0.00
Special Event Liability Insurance	0.00	514.75
ACWA/JPIA Retrospective Premium Adjustment	0.00	45,846.22
ACWA/JPIA Insurance Claim	0.00	0.00
Dividend Check (Principal Life)	0.00	1,030.62
Bad Debt Recovery	0.00	81.20
Miscellaneous Payments for Copies &/or Postage Costs	42.59	257.85
Diesel Fuel Tax Refund	0.00	106.24
Park Use Fees	0.00	100.00
Sale of Surplus Equipment	50.00	8,000.00
Reimbursement for District Coffee Mugs	0.00	97.39
Reimbursement for personal charge on District credit card	0.00	103.00
Reimbursement for safety apparel	0.00	88.00
Reimbursement for District Hats	0.00	283.00
Lithia Dodge - Refund - Overpayment of DMV Fees	0.00	81.00
Scotia CSD - Reimbursement for emergency chemical supplies	0.00	112.20
County of Humboldt - Refund of Inspection Fees for Techite		
Pipeline Replacement Project	0.00	599.58
ACWA/JPIA HR LaBounty Safety Award	100.00	100.00
Ruth Area		
Use of Ruth Cabin	0.00	210.00
RLCSD-Water System Permit Fees	2,050.00	2,050.00
Ruth Area Water Use Permit	0.00	100.00
Buffer Strip Right of Way License Fee	0.00	0.00
Ruth Buffer Strip PG&E Right of Way Fees	0.00	100.00
Ruth Sale of Merchantable Timber	400.00	400.00
Ruth Sale of Surplus Gravel	0.00	0.00
Don Bridge Lease	0.00	768.00
FEMA Storm Damage Claim - Ruth Area	3,382.00	9,142.00
Miscellaneous		
Other	0.00	0.00
Total Miscellaneous Receipts	\$6,280.02	\$103,987.44
OTHER RECEIPTS or GRANTS		
Prop 84 - Ranney Collector 1	65,822.27	159,577.77
CalEMA Blue Lake/Fieldbrook Pipeline Crossing	0.00	0.00
Quagga Grant 2015/16 on behalf of RLCSD*	0.00	915.00

* Not included in PF2 Credits. No charges were expended by HBMWD.
Claim for expenditures was submitted by HBMWD on behalf of RLCSD.

-4-
HUMBOLDT BAY MUNICIPAL WATER DISTRICT
TOTAL EXPENDITURES
AT MAY 31, 2018 (11 MONTHS - 91.67%)

	MAY EXPENSES	YTD TOTAL 5/31/2018	BUDGET	% OF BUDGET	TOTAL 5/31/2017
PAYROLL: See next page for detail					
Total Compensation	\$181,352.93	\$1,997,771.11	\$ 2,273,365	88%	\$1,940,270.63
Taxes/Benefits	121,518.50	1,361,123.99	1,468,911	93%	1,289,338.27
TOTAL PAYROLL	\$302,871.43	\$3,358,895.10	\$ 3,742,276	90%	\$3,229,608.90
SERVICE & SUPPLY					
O & M					
Engineering	\$1,507.50	\$58,437.50	\$ 75,000	78%	\$37,883.00
Maint., Repairs, Supplies	12,636.81	200,502.58	115,000	174%	117,848.31
TRF Maint, Repairs, Supplies	13.02	46,080.77	62,000	74%	52,447.02
Lab	1,100.00	12,911.84	13,000	99%	10,224.70
Auto Maintenance	4,218.41	34,857.02	46,000	76%	26,899.14
Radio Maintenance	966.79	7,297.57	10,500	70%	9,580.77
USGS Meter Station	7,850.00	7,850.00	7,800	101%	7,260.00
Ruth Lake License	0.00	1,500.00	1,500	100%	1,500.00
A&G					
Accounting Services	0.00	16,355.00	\$ 25,000	65%	20,640.00
Legal	10,573.25	60,454.94	28,000	216%	4,684.43
Professional Services	764.93	3,645.36	20,000	18%	5,019.38
Insurance	0.00	88,698.75	105,000	84%	86,179.50
Telephone/Internet	5,120.32	54,613.21	51,000	107%	54,903.94
Office Building Maintenance	940.77	23,989.07	18,500	130%	17,382.14
Office Expense	5,722.46	46,548.28	54,000	86%	54,657.40
Travel & Conference	1,796.15	8,959.22	22,000	41%	5,958.82
Dues & Subscriptions	0.00	16,193.51	11,300	143%	15,238.78
CSDA Dues	0.00	8,039.00	5,200	155%	
Technical Training	604.62	6,317.89	14,500	44%	7,906.86
General Manager Training	907.44	1,904.52	5,000	38%	
Safety Apparel	0.00	3,307.08	3,000	110%	
County Tax Fee	9,709.00	19,418.00	21,000	92%	9,522.00
County Property Taxes	0.00	998.60	1,100	91%	998.60
LAFCO	0.00	5,790.07	7,000	83%	7,447.28
Regulatory Agency Fees	100.00	98,347.83	76,000	129%	82,797.08
Ruth Lake Programs	0.00	0.00	5,000	0%	0.00
Miscellaneous	1,573.13	12,264.50	11,500	107%	18,246.59
TOTAL SERVICE/SUPPLIES W/OUT POWER	\$66,104.60	\$846,993.54	\$814,900	104%	\$655,225.74
POWER					
Essex Pacific Gas & Electric	\$41,426.64	\$532,564.81			\$543,474.13
Fuel For 2 MW Generator	0.00	0.00			2,513.59
Subtotal Essex Pumping	\$41,426.64	\$532,564.81	\$595,803	89%	\$545,987.72
All Other Pacific Gas & Electric	8,292.52	75,369.97	71,662		81,207.67
POWER EXPENSE SUBTOTAL	\$49,719.16	\$607,934.78	\$667,465	91%	\$627,195.39
TOTAL SERVICE/SUPPLIES WITH POWER	\$115,823.76	\$1,454,928.32	\$1,482,365.00	98%	\$1,282,421.13
PROJECTS, FIXED ASSETS & CONSULTING SERVICES					
	\$65,268.25	\$2,213,627.13	\$7,563,490.00	29%	\$2,620,523.41
TOTAL OPERATING	\$483,963.44	\$7,027,450.55	\$12,788,131.00	55%	\$7,132,553.44
DEBT SERVICE - SRF LOAN (1)	\$0.00	\$273,668.48	\$547,337.00	50%	\$273,668.48
TOTAL EXPENDITURES	\$483,963.44	\$7,301,119.03	\$13,335,468.00	55%	\$7,406,221.92
DEBT SERVICE - US Bank	\$0.00	\$162,188.10	\$162,200.00	100%	\$162,188.10

Humboldt Bay Municipal Water District
Salary & Employee Benefit Expenditures

May 2018

	May 18	Budget	% of Budget	Jul 17 - May 18	YTD Budget	% of Budget	Annual Budget
Ordinary Income/Expense							
Expense							
SALARIES & EMPLOYEE BENEFITS							
00 - PAYROLL EXPENSE							
11 - Salaries & Wages	164,893.53	165,993.50	99.3%	1,715,386.04	1,825,928.50	93.9%	1,991,922.00
01 - Wages-Regular	3,289.02	4,238.89	77.6%	33,769.87	48,450.00	69.7%	53,600.00
02 - Wages-Part-time	3,493.69	1,800.00	194.1%	20,787.99	22,200.00	93.6%	24,000.00
03 - Wages-Over-time	5,825.39	7,500.00	77.7%	70,873.62	82,500.00	85.9%	90,000.00
04 - Wages-Standby	0.00	1,000.00	0.0%	9,392.56	10,200.00	92.1%	11,000.00
05 - Wages-Holiday	788.80	1,000.00	78.9%	8,510.46	11,000.00	77.4%	12,000.00
07 - Shift Differential	2,800.00	2,170.83	129.0%	20,880.00	23,879.17	87.4%	26,050.00
08 - Director Compensation	262.50	262.50	100.0%	2,887.50	2,887.50	100.0%	3,150.00
09 - Secretarial Fees							
Total 11 - Salaries & Wages	181,352.93	183,965.72	98.6%	1,882,488.04	2,027,045.17	92.9%	2,211,722.00
220 - Employer P/R Tax Expense	13,983.10	14,725.59	95.0%	149,717.50	162,411.41	92.2%	177,137.00
Total 00 - PAYROLL EXPENSE	195,336.03	198,691.31	98.3%	2,032,205.54	2,189,456.58	92.8%	2,388,859.00
158 - EMPLOYEE BENEFITS							
E.B. - Medical & Life	51,647.78	56,231.33	91.8%	632,808.17	618,544.67	102.3%	674,776.00
162 - Employee Medical & Life	2,021.22	416.67	485.1%	34,101.33	4,583.33	744.0%	5,000.00
173 - HSA	10,294.36	5,825.67	176.7%	82,851.53	64,082.33	129.3%	69,908.00
162a - Retiree Medical							
Total E.B. - Medical & Life	63,963.36	62,473.67	102.4%	749,761.03	687,210.33	109.1%	749,684.00
E. B. - Dental	2,697.96	3,370.50	80.0%	31,586.02	37,075.50	85.2%	40,446.00
E. B. - Vision	612.10	631.00	97.0%	6,988.54	6,941.00	100.7%	7,572.00
E. B. - Retirement Benefits	2,700.00	2,550.00	105.9%	28,200.00	28,050.00	100.5%	30,600.00
164 - 457b District Contribution	36,073.50	36,345.83	99.3%	377,574.26	399,804.17	94.4%	436,150.00
PERS Expenses							
Total E. B. - Retirement Benefits	38,773.50	38,895.83	99.7%	405,774.26	427,854.17	94.8%	466,750.00
E. B. - Other Benefits	0.00	0.00	0.0%	53,435.10	70,572.00	75.7%	70,572.00
159 - Workers' Comp. Ins.	1,413.29	1,442.92	97.9%	14,702.08	15,872.08	92.6%	17,315.00
168 - Long-Term Disability Ins.	75.19	89.83	83.7%	897.69	988.17	90.8%	1,078.00
172 - Employee EAP							
Total E. B. - Other Benefits	1,488.48	1,532.75	97.1%	69,034.87	87,432.25	79.0%	88,965.00
Total 158 - EMPLOYEE BENEFITS	107,535.40	106,903.75	100.6%	1,263,144.72	1,246,513.25	101.3%	1,353,417.00
Total SALARIES & EMPLOYEE BENEFITS	302,871.43	305,595.06	99.1%	3,295,350.26	3,435,969.83	95.9%	3,742,276.00
Total Expense	302,871.43	305,595.06	99.1%	3,295,350.26	3,435,969.83	95.9%	3,742,276.00
Net Ordinary Income	-302,871.43	-305,595.06	99.1%	-3,295,350.26	-3,435,969.83	95.9%	-3,742,276.00

Humboldt Bay Municipal Water District
 Overtime Pay
 May 2018

	56		58		TOTAL	
	Hours	May 18	Hours	May 18	Hours	May 18
Employee Wages, Taxes and Adjustments						
Gross Pay						
Double Time	3	0.00	4.5	301.41	4.50	301.41
Overtime		150.70	71.5	3,041.58	74.50	3,192.28
Total Gross Pay	3	150.70	76	3,342.99	79.00	3,493.69
Adjusted Gross Pay	3	150.70	76	3,342.99	79.00	3,493.69
Net Pay	3	150.70	76	3,342.99	79.00	3,493.69
Employer Taxes and Contributions		0.00		0.00		0.00

I. CAPITAL PROJECTS	MAY EXPENSES	YTD TOTAL 5/31/2018	BUDGET	% OF BUDGET
A. Projects Charged to All Customers via Price Factor 2 (BWF)				
Ranney Collectors Communication Upgrade	\$4,144.22	\$4,144.22	\$3,250	128%
Collector 1, Pump 3 & 4 Isolation Valve & Expansion Joint Replacement	0.00	6,481.02	7,750	84%
Collector 1, Replacement of Pressure Relief Valve	0.00	8,247.90	6,000	137%
Replace Collector 1 - Pump 1.1 Funded by Current Budget	1,934.81	118,392.86	134,000	88%
Replace Collector 1 - Pump 1.4 Funded by Current Budget	0.00	122,020.80	110,000	111%
Collector 4 Replacement of Check Valves for 4-1, 4-2	1,934.81	30,350.97	30,250	100%
Purchase Vehicle Lift	748.00	14,743.03	17,250	85%
Superintendent Office Remodel	43.40	43.40	6,000	1%
Ruth Hydro Protective Relay Replacement - Phase 1	806.70	1,350.70	42,000	3%
Ruth Dam Access Road Culvert System	0.00	4,321.56	4,750	91%
SUBTOTAL A:	\$9,611.94	\$310,096.46	\$361,250	86%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
TRF Video Surveillance System	\$0.00	\$0.00	\$23,000	0%
TRF Work Area - Phase 2	0.00	3,132.94	5,500	57%
TRF Storage Area Slab & Drainage System	0.00	0.00	7,500	0%
SUBTOTAL B:	\$0.00	\$3,132.94	\$36,000	9%
C. Projects Funded by Other Sources (BWF)				
Blue Lake/FGCSD River Crossing Funded by Prop 84 & FEMA Grants & Adv. Charges	\$31,485.69	\$368,016.36	\$3,579,750	10%
Surge Tower Replacement - CEQA, Bidding & Construction Assistance Funded by FEMA Grant & Adv. Charge	756.34	52,283.50	960,000	5%
1 Mg Domestic Water Reservoir Roof & Painting Funded by Advanced Charges	0.00	536,338.63	625,000	86%
Replace Collector 1 - Pump 1.1 Funded by Advanced Charges	0.00	50,000.00	50,000	100%
Replace Collector 1 - Pump 1.4 Funded by Advanced Charges	0.00	50,000.00	50,000	100%
SUBTOTAL C:	\$32,242.03	\$1,056,638.49	\$5,264,750	20%
TOTAL CAPITAL PROJECTS:	\$41,853.97	\$1,369,867.89	\$5,662,000	24%

While the total projects expenditures are budgeted at \$7,563,490, the actual customer charges are \$1,550,945.

Capital Projects C, Professional & Consulting Services C and Industrial System Projects C is the listing of Projects Funded by Other Sources. In addition the Ranney Collector 3 and Techite Replacement projects have been partially funded with financing over 10 years. Only the annual debt service for these financed projects are being charged to the wholesale customers.

I. FIXED ASSETS		MAY	YTD TOTAL	% OF
A. Projects Charged to All Customers via Price Factor 2 (BWF)		EXPENSES	5/31/2018	BUDGET
Essex- Replace Two Administrative Computers		\$0.00	\$4,966.05	79%
Spare Bottles for SCBAs		0.00	1,580.00	105%
Wall Mounted EyeWash Station		0.00	2,001.83	89%
Fail Protection Equipment		0.00	4,034.46	101%
Electrical Safety Equipment		326.44	1,751.76	58%
Control System Computer Backup Devices		0.00	1,917.39	59%
Customer Service - Metal Detector		0.00	1,097.66	88%
Customer Service - Dewatering Equipment		0.00	1,282.21	85%
Replace Unit 7		0.00	0.00	0%
Replace Unit 9		839.93	52,049.78	74%
Replace District Portable Radios		0.00	4,352.03	92%
Parts Cleaner - NonToxic Environmentall Safe		0.00	2,168.92	108%
Purchase Drone		0.00	0.00	0%
Chlorine System PLC		0.00	0.00	0%
AED Ruth Hydro		0.00	1,213.95	81%
Eureka - Replace Computer		2,509.00	2,509.00	84%
Replace Business Manager Desk		0.00	3,323.27	111%
Replace/Upgrade Eureka Computer Main Server		0.00	19,232.18	64%
Screens for Board of Directors		0.00	0.00	0%
SUBTOTAL A:		\$3,675.37	\$103,480.49	51%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
TRF Spare Parts Inventory		\$0.00	\$4,196.65	93%
Chemical Transfer Pump		0.00	1,602.63	107%
SUBTOTAL B:		\$0.00	\$5,799.28	97%
TOTAL FIXED ASSETS PROJECTS:		\$3,675.37	\$109,279.77	52%

II. MAINTENANCE PROJECTS	MAY	YTD TOTAL	% OF
A. Charged to All Customers via Price Factor 2 (BWF)	EXPENSES	5/31/2018	BUDGET
Collector 2 Meter Calibration	\$0.00	\$0.00	\$2,000
Pipeline Maintenance	1,452.11	4,106.39	13,500
12KV Electric System Maintenance	0.00	0.00	4,000
Mainline Meter Flow Calibration	1,462.61	1,462.61	4,000
Replace HCSD Meter	0.00	6,590.90	8,250
Technical Support & Software Updates to Include Control System	0.00	9,518.34	21,000
Generator Service	0.00	710.22	3,500
Hazard & Diseased Tree Removal	0.00	0.00	6,250
Catholic Protection	0.00	0.00	6,500
Maintenance Emergency Repair	6,605.02	24,842.24	50,000
Fleet Paint Repairs	0.00	1,223.73	5,000
Lead Free Brass Inventory	600.55	7,387.01	7,500
Essex Fire Alarm System Upgrade	0.00	7,722.63	8,000
Essex Office Single Pane Windows Replacement	0.00	0.00	2,750
Samoa Booster Pump Station Expansion Joint Replacement	0.00	5,061.09	6,000
Construction Equipment Tire Replacement	0.00	0.00	3,750
Asphalt Repair	0.00	3,375.56	7,000
Ruth Lake - Brush Abatement	0.00	0.00	5,540
Licensed Timber Operator	0.00	3,102.45	5,000
Picketts Peak Radio System Modifications	0.00	7,617.21	9,000
Ruth Spillway Review & Improvement	0.00	55,903.20	50,000
Ruth Hydro - Repair PRV Discharge Pipe	0.00	4,441.02	7,500
SUBTOTAL A:	\$10,120.29	\$143,064.60	\$ 236,040
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)			
TRF - Generator Service	\$0.00	\$189.40	\$500
TRF Limitorque Valve Retrofit Supplies - Phase 1	0.00	16,210.06	16,750
TRF- Removal of Sodium Hydroxide and waste Aluminum Sulfate	0.00	0.00	14,750
SUBTOTAL B:	\$0.00	\$16,399.46	\$ 32,000
TOTAL MAINTENANCE PROJECTS:	\$10,120.29	\$159,464.06	\$ 268,040
			59%

III. PROFESSIONAL & CONSULTING SERVICES	MAY	YTD TOTAL	% OF
A. Charged to All Customers via Price Factor 2 (BWF)	EXPENSES	5/31/2018	BUDGET
Collector 2 Underground Power & Fiber Optic Line	\$0.00	\$0.00	0%
Collector 1 Transformer & Electrical Evaluation	0.00	0.00	0%
Collector 1 Pump & Motor Upgrades	0.00	0.00	0%
Essex Control Building Expansion Plans & Specifications	0.00	0.00	0%
Crane Testing/Certification	286.55	6,793.69	91%
Control/SCADA Software Training	0.00	31,673.00	105%
Technical Training	1,969.08	7,422.94	99%
Backflow Tester Training	0.00	2,370.00	119%
HazMat Training	0.00	5,073.00	92%
Transformer Oil Testing	0.00	4,044.00	90%
GIS/Facilities Information System	0.00	0.00	0%
GIS/Facilities Information System - Ruth	0.00	0.00	0%
Essex Mad River Cross-Sectional Survey	0.00	9,345.75	93%
Essex Protective Relay Testing	0.00	11,195.00	93%
Mad River Watershed Regulatory Compliance	0.00	8,278.00	17%
Dune Monitoring Program - Component of Coastal Conservancy Climate Ready Grant	0.00	2,000.00	100%
Grant Applications	0.00	18,013.75	90%
Public Education	0.00	5,000.00	100%
Water Resources Planning	0.00	1,345.50	27%
Upgrade Accounting System	0.00	28,843.00	
Ruth Protective Relay Testing	0.00	11,565.00	12,000
FERC Dam Safety Surveillance & Monitoring Report(DSSMR)/FERC Dam Safety Review (Part 12)	0.00	3,608.68	3,000
FERC Chief Dam Safety Engineer	0.00	2,887.50	10,000
FERC Matthews Dam Monument Survey	0.00	7,771.00	9,000
FERC Matthews Dam Spillway Wall Survey	0.00	9,700.00	11,000
FERC Matthews Dam Left Abutment Monitoring Survey	0.00	9,580.50	11,000
Matthews Dam River Cross-Sectional Survey	0.00	3,843.50	5,000
FERC Spillway Probable Failure	329.75	25,146.32	77%
FERC Geologic Spillway Assessment	0.00	9,321.50	
SUBTOTAL A:	\$2,585.38	\$224,821.63	\$ 318,000
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)			
Chlorine System Maintenance	\$0.00	\$10,151.40	\$16,100
SUBTOTAL B:	\$0.00	\$10,151.40	\$ 16,100
C. Projects Funded by Other Sources (BWF)			
Quagga Grant/RLCSD] CA Dept of Boating & Waterways	\$0.00	\$0.00	9,150
Industrial System Single Line Mad River Slough Assessment] District Reserves	0.00	0.00	24,000
Industrial & Domestic System Intertie] District Reserves	0.00	0.00	11,000
SUBTOTAL C:	\$0.00	\$0.00	44,150
TOTAL PROFESSIONAL & CONSULTING SERVICES	\$2,585.38	\$234,973.03	\$ 378,250
			62%

IV. INDUSTRIAL SYSTEM PROJECTS			
<i>A. Charged to All Customers via Price Factor 2 (BWF)</i>	MAY EXPENSES	YTD TOTAL 5/31/2018	% OF BUDGET
- Maintain Water Supply to Industrial Pump Station (Pump Station 6) During Low-Flow Months	\$1,934.82	\$3,046.32	23%
SUBTOTAL A.	\$1,934.82	\$3,046.32	23%
<i>B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)</i>			
SUBTOTAL B.	\$0.00	\$0.00	0%
<i>C. Projects Funded by Other Sources (BWF)</i>			
Industrial Reservoir Painting, Specs, Bidding & Construction Management	\$0.00	\$0.00	0%
SUBTOTAL C.	\$0.00	\$0.00	0%
TOTAL INDUSTRIAL SYSTEM PROJECTS:	\$1,934.82	\$3,046.32	4%

CARRY-OVER PROJECTS FROM 2016/17			
<i>I. CAPITAL PROJECTS</i>	MAY EXPENSES	YTD TOTAL 5/31/2018	% OF BUDGET
<i>A. Charged to All Customers via Price Factor 2 (BWF)</i>			
Mainline Valve Replacement	\$0.00	\$0.00	0%
New Valve below 1 Mg Domestic Reservoir	0.00	0.00	0%
SUBTOTAL A:	\$0.00	\$0.00	0%
<i>B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)</i>			
SUBTOTAL B:	\$0.00	\$0.00	0%
<i>C. Projects Funded by Other Sources (BWF)</i>			
SCADA System Upgrade - Phase 2] Advanced Charges	\$0.00	\$94,110.64	31%
Replace Ruth Bunkhouse] Advanced Charges	0.00	135.00	0%
SUBTOTAL C:	\$0.00	\$94,245.64	13%
<i>C. Projects Funded by Other Sources (DWTF)</i>			
TRF SCADA System Upgrade - Phase 2] Advanced Charges	\$0.00	\$223,436.38	223%
SUBTOTAL C:	\$0.00	\$223,436.38	223%
TOTAL CAPITAL PROJECTS	\$0.00	\$317,682.02	34%

Carryover Projects continued						
I. FIXED ASSETS						
A. Projects Charged to All Customers via Price Factor 2 (BWF)						
Purchase Shop Manual & Diagnostic Equipment to service Heavy Fleet Vehicles	\$5,098.42	\$5,098.42	\$5,098.42	\$5,000	102%	102%
SUBTOTAL A:	\$5,098.42	\$5,098.42	\$5,098.42	5,000	102%	102%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)						
SUBTOTAL B:	\$0.00	\$0.00	\$0.00	0	0%	0%
TOTAL FIXED ASSETS	\$5,098.42	\$5,098.42	\$5,098.42	5,000	102%	102%
II. MAINTENANCE PROJECTS						
A. Charged to All Customers via Price Factor 2 (BWF)						
Repair/Upgrade Line Shed 6	\$0.00	\$4,848.01	\$4,848.01	\$15,000	32%	32%
SUBTOTAL A:	\$0.00	\$4,848.01	\$4,848.01	15,000	32%	32%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)						
SUBTOTAL B:	\$0.00	\$0.00	\$0.00	0	0%	0%
TOTAL MAINTENANCE PROJECTS	\$0.00	\$4,848.01	\$4,848.01	15,000	32%	32%
III. PROFESSIONAL & CONSULTING SERVICES						
A. Charged to All Customers via Price Factor 2 (BWF)						
CIP Financial Plan Update	\$0.00	\$3,383.88	\$7,500	45%	45%	45%
SUBTOTAL A:	\$0.00	\$3,383.88	7,500	45%	45%	45%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)						
SUBTOTAL B:	\$0.00	\$0.00	0	0%	0%	0%
TOTAL PROFESSIONAL & CONSULTING SERVICES	\$0.00	\$3,383.88	7,500	45%	45%	45%
IV. INDUSTRIAL SYSTEM PROJECTS						
A. Charged to All Customers via Price Factor 2 (BWF)						
- Maintain Water Supply to Industrial Pump Station (Pump Station 6) During Low-Flow Months	\$0.00	\$5,983.73	\$5,200	115%	115%	115%
SUBTOTAL A:	\$0.00	\$5,983.73	5,200	115%	115%	115%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)						
SUBTOTAL B:	\$0.00	\$0.00	0	0%	0%	0%
TOTAL INDUSTRIAL SYSTEM PROJECTS:	\$0.00	\$5,983.73	5,200	115%	115%	115%
2016/17 CARRYOVER PROJECTS TOTAL	\$5,098.42	\$336,996.06	967,200	35%	35%	35%
PROJECTS GRAND TOTAL:	\$65,268.25	\$2,213,627.13	\$7,563,490	29%	29%	29%
Less Projects Funded from Other Sources (Grants/Loans/Advanced Charges/Reserves)						
	\$32,242.03	\$1,374,320.51	\$6,174,745	22%	22%	22%
PF2 Project Total Charged to Customers excluding Debt Service (US Bank)	\$33,026.22	\$839,306.62	\$1,388,745	60%	60%	60%

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

SECTION 120 PAGE NO. 13

06/04/18

May 2018

Memo	Amount
101Netlink	
Ruth Data Link/Internet	-170.00
Total 101Netlink	-170.00
Acme Rigging & Supply Company	
Crane Testing/Certification replace rigging	-286.55
Total Acme Rigging & Supply Company	-286.55
Advanced Display & Signs	
Blue Lake - FieldbrookGlendale CSD River crossing project sign	-26.02
Total Advanced Display & Signs	-26.02
AirGas NCN	
safety equipment maintenance	-76.76
Total AirGas NCN	-76.76
Almquist Lumber	
park maintenance	-43.04
Total Almquist Lumber	-43.04
Asbury Environmental Services	
dispose of oil waste and absorbent pads	-278.17
Total Asbury Environmental Services	-278.17
AT & T	
Ruth HQ	
TRF	
Essex office	
Eureka office	-150.32
Ruth Hydro	
Valve Building Samoa	
Ruth HQ	
TRF	-10.58
Essex office	
Eureka office	-6.48
Ruth Hydro	-382.66
Valve Building Samoa	-436.45
Total AT & T	-986.49
AT&T	
Eureka/Essex Landline	-35.12
Arcata/Essex Landline	-35.13
Samoa/Essex Landline	-235.65
Blue Lake Meter Signal	-60.68
Eureka Office Modem	-153.04
Eureka Office Alarm	-39.74
Samoa Booster Pump	-88.11
Valve Building-Samoa	-153.04
Eureka Office	-364.42
Essex Office	-919.69
TRF	-155.41
Ruth Dataline	-148.64
Total AT&T	-2,388.67
AT&T Advertising Solutions	
white page listing	-21.00
Total AT&T Advertising Solutions	-21.00
ATS Communications	
Ranney Collector Communication Upgrade	-4,144.22
Total ATS Communications	-4,144.22
B&B Portable Toilets	
Annual Ruth Maintenance - clean District portable toilet	-20.00
Annual Ruth Maintenance - clean District portable toilet	-20.00
Total B&B Portable Toilets	-40.00

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

SECTION J20 PAGE NO. 14

06/04/18

May 2018

Memo	Amount
Burlington Safety Lab Electrical Safety Equipment	-326.44
Total Burlington Safety Lab	-326.44
Calif Dept of Fish & Wildlife Collector 2 Transformer Repair Collector 1 Pump Installation Collector 4 Replace Check Valves 4-1 & 4.2 Channel Control	-1,934.81 -1,934.81 -1,934.81 -1,934.82
Total Calif Dept of Fish & Wildlife	-7,739.25
Chris Harris Travel Advance - Water Loss Auditor Training	-462.65
Total Chris Harris	-462.65
Citi Cards Eureka office supplies Employee recognition	-32.54 -99.75
Total Citi Cards	-132.29
City of Eureka Eureka office water/sewer	-74.46
Total City of Eureka	-74.46
Coastal Business Systems Inc. Eureka office copy and fax machine	-908.73
Total Coastal Business Systems Inc.	-908.73
Dave Perkins auto mileage reimbursement auto mileage reimbursement	-148.95 -242.74
Total Dave Perkins	-391.69
Eureka Oxygen chlorine emergency shutdown system maintenance cylinder rental	-71.79 -108.20
Total Eureka Oxygen	-179.99
Fastenal Company Annual Ruth Maintenance - Hydro Plant hardware for Pump 1-2 installation	-16.70 -75.66
Total Fastenal Company	-92.36
FEDEX Freight West ship Arcata meter for calibration/repair	-188.94
Total FEDEX Freight West	-188.94
FleetPride equipment maintenance Ruth Hydro turbine #2 maintenance	-18.36 -56.62
Total FleetPride	-74.98
Frontier Communications Ruth HQ Ruth Hydro/Ruth Dataline	-51.18 -162.80
Total Frontier Communications	-213.98
Garth R & Linda R Sundberg 2004 Trust Temporary Construction Easement Blue Lake/Fieldbrook CSD River Crossing	-20,000.00
Total Garth R & Linda R Sundberg 2004 Trust	-20,000.00
GEI Consultants, Inc Ruth Hydro FERC PFMA webinar and report	-329.75
Total GEI Consultants, Inc	-329.75

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

06/04/18

May 2018

SECTION J20 PAGE NO. 15

Memo	Amount
GHD	
(99685) Blue Lake/Fieldbrook River Crossing	-11,445.50
(99349) Surge Tower Replacement	-749.25
(99684) General Engineering - Spillway workplan DSOD/FERC	-201.00
(99684) General Engineering - Essex	-502.50
(99684) General Engineering - Collector Pump Curve	-100.50
(99684) General Engineering - Eureka office	-703.50
Total GHD	-13,702.25
GR Sundberg, Inc	
Fieldbrook-Glendale CSD leak repair Larson Heights	-2,438.13
Total GR Sundberg, Inc	-2,438.13
Harbor Freight Tools	
New Unit 9 equipment	-47.47
Total Harbor Freight Tools	-47.47
Hensel Hardware	
Annual Ruth Maintenance	-70.92
Annual Ruth Maintenance	-70.93
shop supplies	-228.46
Essex office maintenance supplies	-29.24
Total Hensel Hardware	-399.55
Henwood Associates, Inc	
Consultant Services Agreement	-2,537.81
Total Henwood Associates, Inc	-2,537.81
Humboldt Redwood Company, LLC	
Mt Pierce Lease site	-266.79
Total Humboldt Redwood Company, LLC	-266.79
Humboldt Waste Management Authority	
disposal of park garbage/right of way/asbestos disposal bags	-74.21
Total Humboldt Waste Management Authority	-74.21
Industrial Electric	
TRF maintenance light	-13.02
Total Industrial Electric	-13.02
John Friedenbach	
TRF Emergency Generator Repair	-17.71
ACWA Conference - Meals	-31.55
auto mileage reimbursement TRF Emergency Generator Repair	-28.34
auto mileage reimbursement Surge Tower Replacement	-7.09
auto mileage reimbursement Blue Lake/Fieldbrook-Glendale CSD River Cro...	-14.17
auto mileage reimbursement ACWA Spring Conf/NCRP Quarterly Meeting/E...	-985.22
Total John Friedenbach	-1,084.08
Jose Navarro	
expense reimbursement for safety boots	-50.00
Total Jose Navarro	-50.00
JTN Energy, LLC	
Consultant Services Agreement	-2,537.81
Total JTN Energy, LLC	-2,537.81
Keenan Supply	
Pipeline maintenance	-1,452.11
Total Keenan Supply	-1,452.11
Larry Raschein	
Expense reimbursement for T4 exam - Redding, California	-141.97
Total Larry Raschein	-141.97
Lisa Newell	

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

06/04/18

May 2018

SECTION J2a PAGE NO. 11p

Memo	Amount
auto mileage reimbursement-supplies for Annual Ruth Maintenance	-49.05
auto mileage reimbursement-supplies for Annual Ruth Maintenance	-49.05
auto mileage reimbursement-supplies for Annual Ruth Maintenance	-24.96
auto mileage reimbursement-supplies for Annual Ruth Maintenance	-24.96
Total Lisa Newell	-148.02
Mario Palmero	
Essex office supplies	-13.72
Employee recognition - Retirement lunch	-8.76
Fuel for Unit 5 - Annual Ruth Maintenance	-20.00
vehicle weights for Unit 4 & Unit 8	-18.00
equipment maintenance	-76.15
Total Mario Palmero	-136.63
McMaster-Carr Supply	
Annual Ruth maintenance	-66.48
Annual Ruth maintenance	-66.48
Total McMaster-Carr Supply	-132.96
Miller Farms Nursery	
weedeater harness	-86.19
Ruth Hydro plant safety equipment	-64.54
equipment maintenance	-78.54
Total Miller Farms Nursery	-229.27
Mission Linen	
maintenance supplies	-132.26
Uniform Rental	-432.43
Total Mission Linen	-564.69
Mitchell, Brisso, Delaney & Vrieze	
Legal Services Eureka - April 2018	-1,379.50
Total Mitchell, Brisso, Delaney & Vrieze	-1,379.50
Napa Auto Parts	
equipment maintenance	-221.47
Shop Manual & Diagnostic Equipment for Heavy Fleet Vehicles	-5,098.42
vehicle maintenance	-22.39
Ruth Hydro hydraulic system maintenance	-58.16
Total Napa Auto Parts	-5,400.44
Network Management Services	
replace Eureka office Administrative Computer	-2,007.20
Essential Care Server Support Service for Eureka office	-321.30
Essential Care Computer Support Service for Eureka office	-261.90
Guard-IT Security Service for Eureka office	-139.99
Recover-IT Backup Solution	-438.00
Domain Management	-3.00
Eureka office Computer assistance	-764.93
Replace Eureka office computer	-501.80
Total Network Management Services	-4,438.12
North Coast Laboratories	
lab tests	-1,100.00
Total North Coast Laboratories	-1,100.00
Northern California Safety Consortium	
membership fee	-50.00
Total Northern California Safety Consortium	-50.00
Occupational Health Services of Mad River	
Annual Hearing and Respirator Exam	-150.00
PreEmployment physical	-451.00
Total Occupational Health Services of Mad River	-601.00
Pacific Gas & Electric Co.	
Interconnection Rule 21 - Ruth Hydro Protective Relay	-800.00

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

May 2018

SECTION *J20* PAGE NO. *17*

06/04/18

Memo	Amount
Ruth Bunkhouse	-6.23
Eureka office	-508.57
Jackson Ranch Rectifier	-15.46
299 Rectifier	-93.32
West End Road Recifier	-118.27
TRF	-7,117.43
Ruth Hydro Valve Control	-25.28
Ruth Hydro	-19.06
Samoa Booster Pump Station	-347.66
Samoa Dial Station	-41.24
Essex Pumping 4/1 - 4/30/2018	-41,426.64
Total Pacific Gas & Electric Co.	-50,519.16
Pacific Paper Co.	
Eureka office supplies	-205.51
Total Pacific Paper Co.	-205.51
Pierson Building Center	
Ruth HQ remodel	-34.05
Total Pierson Building Center	-34.05
Pitney Bowes	
refill postage	-500.00
Total Pitney Bowes	-500.00
PitStop Cleaning`	
Eureka office cleaning	-320.00
Total PitStop Cleaning`	-320.00
Platt Electric Supply	
Ruth Annual Maintenacne	-60.43
Ruth Annual Maintenance	-176.08
Ruth Hydro auxilliary generator repair	-148.33
Total Platt Electric Supply	-384.84
Power Industries, Inc	
Annual Ruth Maintenance - Hydro Plant	-269.40
Total Power Industries, Inc	-269.40
PPG Architectural Coatings	
Pump 1-2 installation	-325.50
Total PPG Architectural Coatings	-325.50
Pumping Solutions, Inc	
Ruth Hydro pump maintenance	-126.42
Total Pumping Solutions, Inc	-126.42
Rebecca J. Moyle	
Eureka office safety supplies	-6.91
mail PG&E Interconnection Payment	-6.70
Eureka office supplies	-13.99
Project Budget Board Meeting and BBQ supplies	-118.54
Total Rebecca J. Moyle	-146.14
Recology Arcata	
Essex Garbage Service	-383.07
Total Recology Arcata	-383.07
Recology Humboldt County	
Eureka office garbage/recycling service	-85.40
Total Recology Humboldt County	-85.40
Redi-Rents, Inc	
Superintendent Office Remodel	-43.40
Total Redi-Rents, Inc	-43.40

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

06/04/18

May 2018

SECTION 520 PAGE NO. 18

Memo	Amount
Renner Petroleum	
fuel for pressure washer	-9.94
cardlock fuel - pumping & control	-439.53
cardlock fuel - water quality	-439.53
cardlock fuel - maintenance	-439.53
cardlock fuel - customer service	-439.52
Ruth Bulk Fuel	-437.49
Ruth Bulk Fuel	-437.49
Total Renner Petroleum	-2,643.03
RESA Power, LLC	
Transformer Rental Collector 2 - 3 months	-4,500.00
Total RESA Power, LLC	-4,500.00
Sheri Woo	
expense reimbursement for attending ACWA Conference May 8 - 11, 2018	-849.74
Total Sheri Woo	-849.74
Sherrie Sobol	
expense reimbursement Project Budget Meeting and BBQ	-46.99
Total Sherrie Sobol	-46.99
Sitestar Nationwide Internet	
Essex Internet	-52.90
Total Sitestar Nationwide Internet	-52.90
Six Rivers Communications	
Ruth Hydro portable radio battery	-108.50
assistance with new radio frequency application	-450.00
Total Six Rivers Communications	-558.50
Springville Safety/Supply	
safety supplies	-158.84
Total Springville Safety/Supply	-158.84
Staples	
Essex office supplies	-166.49
Total Staples	-166.49
Streamline	
Website maintenance membership fee	-450.00
Total Streamline	-450.00
Sudden Link	
TRF Internet	-105.34
Eureka office internet	-204.95
Essex internet	-124.95
Fieldbrook-Glendale CSD internet	-271.02
Total Sudden Link	-706.26
T&R Electric	
Ruth Hydro Plant 45 KVA Transformer	-4,195.00
Total T&R Electric	-4,195.00
TechnoFlo Systems	
City of Arcata mainline meter calibration/repair	-1,273.67
Total TechnoFlo Systems	-1,273.67
The Mill Yard	
Fieldbrook-Glendale CSD Anker tank seismic retrofit	-42.28
Fieldbrook-Glendale CSD Anker tank seismic retrofit	-208.28
Total The Mill Yard	-250.56
Thomas Law Group	
Legal Fees - April	-9,193.75

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

06/04/18

May 2018

SECTION 520 PAGE NO. 19

Memo	Amount
Total Thomas Law Group	-9,193.75
Three G's	
Fieldbrook-Glendale CSD Anker Tank Tiedowns	-51.40
Total Three G's	-51.40
Thrifty Supply	
tools for new Unit 9	-388.97
Fieldbrook-Glendale CSD leak repair Parker Lane	-116.27
Lead Free Brass Inventory	-600.55
Total Thrifty Supply	-1,105.79
Times Printing	
Blue Book Dividers	-415.01
Total Times Printing	-415.01
Trinity County General Services	
Pickett Peak site lease	-250.00
Total Trinity County General Services	-250.00
Trinity County Solid Waste	
Ruth HQ dump fees	-7.27
Ruth Hydro dump fees	-7.28
Total Trinity County Solid Waste	-14.55
U.S. Bank Corporate Payment System	
Purchase Vehicle Lift	-540.00
Training for Vehicle Lift	-208.00
Employee Recognition - C. McKibben Retirement	-651.00
safety supplies -eyewash station maintenance	-29.22
Dam Safety Inspection Training - Sacramento	-1,085.88
Product Order Cancellation-TRF Generator Emergency Repair	157.46
Airfare for ACWA Conference - D. Davidsen	-783.40
Annual Ruth Maintenance	-171.08
Annual Ruth Maintenance	-171.08
TRF Generator Emergency Repair	-129.55
Equipment Maintenance	-53.00
General Manager Training - ACWA/JPIA	-20.00
General Manager Training -CSDA	-65.00
General Manager Training -CSDA	-625.00
Emergency Response supplies	-131.37
Lodging for General Manager Training	-197.44
DISC Assessment - 2 employees	-90.00
NCRP Meeting - General Manager	-131.46
Printing Board Packet - Special Board meeting	-4.63
Dam Safety Inspection Training	-683.20
Tools for new Unit 9	-403.49
Water Treatment System Survey - CEU for License Renewal	-200.00
Eureka office computer supplies	-512.38
Eureka office computer supplies	-97.72
Eureka office computer supplies	-455.69
Eureka office computer supplies - Skype	-10.00
Eureka office computer supplies	-564.18
ebay listing surplus equipment	-107.09
Total U.S. Bank Corporate Payment System	-7,963.40
U.S. Bank Corporate Trust Services	
SRF Quarterly Account Maint Fee (Jan - Mar 2018)	-175.00
Total U.S. Bank Corporate Trust Services	-175.00
U.S. Geological Survey, WRD	
USGS Gauging Station Maintenance	-7,850.00
Total U.S. Geological Survey, WRD	-7,850.00
United Rentals, Inc	
Fieldbrook-Glendale CSD Anker Tank Tiedowns	-258.79
Total United Rentals, Inc	-258.79

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

May 2018

SECTION J20 PAGE NO. 20

06/04/18

Memo	Amount
USTI, Inc	
Humboldt Bay retail eBills	-3.60
Fieldbrook-Glendale CSD eBills	-8.08
Total USTI, Inc	-11.68
Valley Rubber and Gasket Company, Inc	
shop supplies	-136.23
Total Valley Rubber and Gasket Company, Inc	-136.23
Verizon Wireless	
General Manager	-43.52
Customer Service	-53.61
Operations 2	-0.61
Electrician	-0.22
Unit 6	-25.92
Unit 6	-25.92
Operations 1	-0.22
Total Verizon Wireless	-150.02
Wes Green Landscaping	
green waste disposal	-22.00
Total Wes Green Landscaping	-22.00
William B. Newell	
expense reimbursement for Annual Ruth Maintenance supplies	-439.96
expense reimbursement for Annual Ruth Maintenance supplies	-439.97
Ruth Hydro safety supplies	-13.88
Total William B. Newell	-893.81
WREGIS	
Annual ReMat Requirement	-100.00
Total WREGIS	-100.00
ZEP Manufacturing Company	
TRF Generator emergency repair	-152.07
Total ZEP Manufacturing Company	-152.07
TOTAL	-176,440.63

Humboldt Bay Municipal Water District

To: Board of Directors

From: Chris Harris

Date: June 14, 2018

Re: Resolution for Annual Limit for Appropriations (Resolution 2018-05)

Background

The California Constitution Article XIII (b) requires the adoption of an annual resolution limiting the amount of appropriations from taxes to a certain base level plus annual increases based on per capital income and population increases. The State Department of Finance has provided the District with these annual Price and Population figures for the fiscal 2018/19 year.

Recommendation and Action

Staff is recommending Board adoption of the attached Resolution 2018-05 to establish the required appropriations limit for the 2018/19 fiscal year.

Attachment

Resolution 2018-08
Dept. of Finance Letter & Attachments

Resolution 2018-05
Resolution of the Humboldt Bay Municipal Water District
Board of Directors

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

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

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

NOW, THEREFORE, BE IT RESOLVED:

That the appropriations from taxes limit for fiscal year 2018/2019 is hereby set at \$1,238,946.00; and

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

Passed, approved and adopted this 14th day of June 2018 by the following votes:

Ayes:
Nays:
Absent:

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer



EDMUND G. BROWN JR. • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 2018

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2018, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2018-19. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2018-19 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

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

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

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2018.**

Please Note: The prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY M. COSTA
Chief Deputy Director

Attachment

May 2018

Attachment A

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2018-19 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2018-19	3.67

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2018-19 appropriation limit.

2018-19:

Per Capita Cost of Living Change = 3.67 percent
Population Change = 0.78 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.67 + 100}{100} = 1.0367$

Population converted to a ratio: $\frac{0.78 + 100}{100} = 1.0078$

Calculation of factor for FY 2018-19: $1.0367 \times 1.0078 = 1.0448$

Fiscal Year 2018-19

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2017 to January 1, 2018 and Total Population, January 1, 2018

County City	Percent Change 2017-2018	--- Population Minus Exclusions ---		Total Population 1-1-2018
		1-1-17	1-1-18	
Humboldt				
Arcata	0.05	18,388	18,398	18,398
Blue Lake	-1.61	1,301	1,280	1,280
Eureka	-0.52	26,500	26,362	26,362
Ferndale	-0.44	1,373	1,367	1,367
Fortuna	0.28	12,008	12,042	12,042
Rio Dell	-0.21	3,355	3,348	3,348
Trinidad	1.49	335	340	340
Unincorporated	-0.45	72,988	72,662	72,865
County Total	-0.33	136,248	135,799	136,002

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

Limit for Appropriations from taxes (Prop 4 Calculation)

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

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

Calculation of 18/19 Limit

$$\$ 1,336,046.19 \times 1.03328 = \$1,380,508.32$$

Instructions: Multiply prior year limit by current year factor

Humboldt County

$$-0.33 + 100 \text{ divided by } 100 = 0.99670$$

$$1.0367 \times 0.99670 = 1.03328$$

$$\$ 1,199,043.07 \times 1.03328 = \$1,238,945.89$$

Instructions: Convert Humboldt County Percent change to ratio (Humboldt County Percent change + 100 divided by 100)
Multiply State percentage change by Humboldt County Percent change. Example $1.0442 \times 1.0044 = 1.0488$
Multiply prior year Humboldt County limit by resulting factor (1.0488).

To: Board of Directors

Date: June 14, 2018

From: Chris Harris

RE: FY2017/18 Project Budget Reallocation

Review

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

Each year as part of the budget process, staff completes a thorough analysis of the status of funds "**allocated and spent**" or "**allocated and unspent**" on budgeted Projects for the current fiscal year. Using a threshold of \$1,000, staff identifies projects that either have funds remaining or projects that will not be completed during this fiscal year. Funds "allocated and unspent" are then available to be *reallocated* as Advanced Charges to other large capital projects – thus the term "*Project Budget Reallocation*."

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

Discussion

Currently the District is in the approval process for Federal Grant funds (FEMA) related to several large potential projects. The projects currently submitted for 75% FEMA Grant funding include the Redundant Pipeline Project (\$3.1M, anticipated District match \$763,500) and the Three Tank Seismic Retrofit Project (\$3.5M, anticipated District match \$875,000). If approved, both of these potential projects would be funded by FEMA funds at 75%, requiring District match funds of the remaining 25%. Therefore staff recommends that any allocated and unspent funds determined available in the Project Budget Reallocation from the current fiscal year be first reallocated to authorized but unbudgeted projects by the Board, and the net remainder be reallocated to Advance Charges as defined under Ordinance 16 for our major CIP Projects. Specific details will be presented at the Board meeting.

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

Recommendation

Staff will present the recommendation that the Board consider and approve modifying our current FY2017/18 Project Budget at the Board Meeting.

Humboldt Bay Municipal Water District

To: Board of Directors
From: Chris Harris
Date: June 14, 2018
Re: FY2019/19 Budget Summary

Review

Over the past month staff has presented the *Service & Supply Budget*, *Salaries & Wages Budget*, *Employee Benefits Budget* (May 15th), as well as the *Special Projects Budget* (May 30th). This Board meeting, staff will provide an additional PowerPoint presentation summarizing the entire DRAFT Budget and the potential impact on wholesale customer charges. The Board will be provided a hard copy of the PowerPoint slides at the board meeting.

Service & Supply Budget

No changes since presentation May 15th.

Salaries & Wages Budget

Additional COLA rates calculated and included in presentation as requested.

Employee Benefits Budget

No changes since presentation May 15th.

Special Projects Budget

One project (duplicate) deleted since presentation May 30th (reduction of \$5,000). There may be some slight changes in Carryover Projects based on the final June financials. This will be addressed in the final Budget meeting on July 12th.

Discussion

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

The following charts include:

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

The "Water Consumption Charges" charts below reflect charges to residential customers (FY18 rates), using 5HCF (+/- 3,740 gallons/month). In theory, since HBMWD supplies water for consumption for these residential customers, any changes in rates based on the District's budget would be reflected in the "Water Consumption Charges."

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

Water Consumption Charges as a Percent of Total Water Charges				
	Water Base Charge	Water Consumption Charges	Total Water Charges	Water Consumption as % of Total Water Charges
FBGD-CSD	\$44.81	\$0.00*	\$44.81	0.00%
Humboldt CSD (Pass-Through Pending)	\$23.19	\$17.80	\$40.99	43.00%
City of Eureka (Pass-Through)	\$25.15	\$10.75	\$35.90	29.94%
City of Blue Lake (Pass-Through)	\$25.01	\$8.91	\$33.92	26.27%
City of Arcata	\$12.16	\$19.18	\$31.34	55.85%
Manila CSD	\$25.37	\$3.65	\$29.02	14.39%
McKinleyville CSD (Pass-Through)	\$15.39	\$8.47	\$23.86	55.04%
AVERAGE	\$24.44	\$9.82	\$34.26	28.66%

*FBGD-CSD Base Rate includes 10HCF

The following chart shows the impact of water consumption charges to the entire water/sewer bill for a resident (using 5HCF (+/- 3,740 gallons/month). On average, water charges comprise 41.5% of residential water/sewer utility bills.

Water Consumption Charges as a Percent of Total Charges					
	Water Base Charge	Water Consum. Charge	Sewer Charges	Total Bill*	Water Consum. As % of Total Bill
FBGD-CSD	\$44.81	\$0.00**	\$71.86	\$116.67	0.00%
City of Arcata	\$12.16	\$19.18	\$55.60	\$86.94	22.06%
Humboldt CSD (Pass-Through Pending)	\$23.19	\$17.80	\$45.46	\$86.45	20.59%
City of Blue Lake (Pass-Through)	\$25.01	\$8.91	\$45.41	\$79.33	11.23%
City of Eureka (Pass-Through)	\$25.15	\$10.75	\$41.05	\$76.95	13.97%
Manila CSD	\$25.37	\$3.65	\$38.33	\$67.35	5.42%
McKinleyville CSD (Pass-Through)	\$15.39	\$8.47	\$40.38	\$64.24	13.18%
AVERAGE	\$24.44	\$9.82	\$48.30	\$82.56	11.89%

*Does not include UUT, if applicable

**FBGD-CSD Base Rate includes 10HCF

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

Total FY2018/19 DRAFT Budget \$13,278M - \$13,298M		
Project Budget	\$7,859,285	
Employee Benefits	\$1,657,860	
Service & Supply	\$1,508,200	
Salaries & Wages (w/out COLA)	\$2,211,855	
2.0% COLA	\$40,507	\$13,277,707
2.5% COLA	\$50,633	\$13,287,833
3.0% COLA	\$60,780	\$13,297,980

Total FY2018/19 DRAFT Budget - \$13,298M (3% COLA)				
Funding Source	\$ Funds (3% COLA)	2.0% COLA % Funds	2.5% COLA % Funds	3.0% COLA % Funds
Grants	\$4,760M	35.86%	35.82%	35.79%
City of Eureka	\$2,721M	20.42%	20.44%	20.46%
Other Revenue	\$1,506M	11.35%	11.34%	11.33%
City of Arcata	\$1,140M	8.56%	8.56%	8.57%
HCS D	\$1,050M	7.87%	7.88%	7.89%
MCS D	\$948k	7.12%	7.13%	7.13%
Advance Charges	\$652k	4.91%	4.91%	4.91%
Reserves	\$266k	2.00%	2.00%	2.00%
FBGD-CSD	\$155k	1.16%	1.16%	1.16%
Manila CSD	\$60k	0.45%	0.45%	0.45%
City of Blue Lake	\$40k	0.30%	0.30%	0.30%

Next Steps

The finalized budget will be presented for consideration and adoption at the July 12, 2018 Board meeting.

OPERATIONS

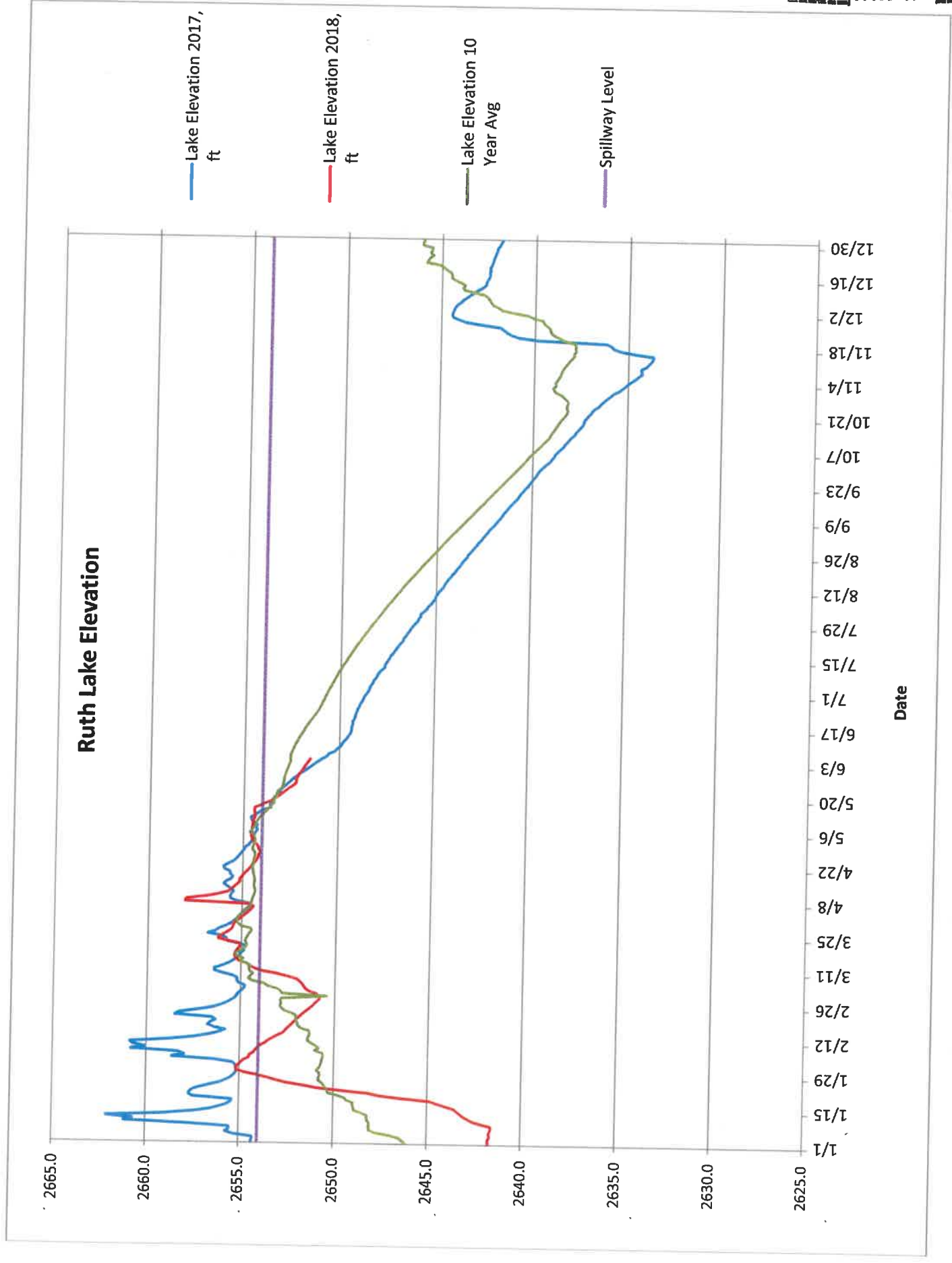
Upper Mad River, Ruth Lake, and Hydro Plant

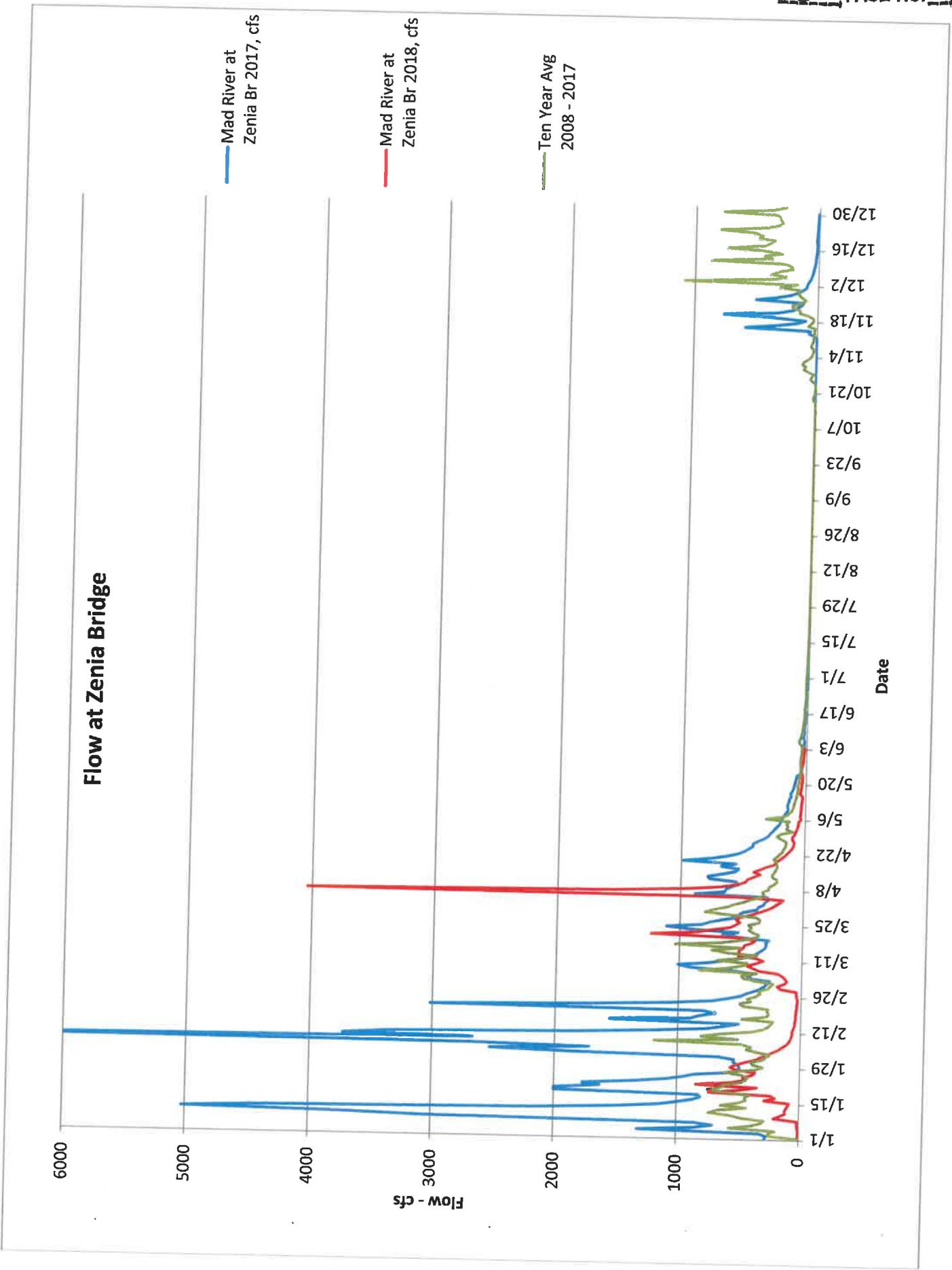
1. The flow at Mad River above Ruth Reservoir (Zenia Bridge) was 85 cfs on May 1st and flow steadily decreased all month to 25cfs on May 31st.
2. The conditions at Ruth Lake for the month of May were as follows:
 - a. The lake level on May 31st was 2651.98 feet which is:
 1. 2.28 feet lower than April 30th, 2018
 2. 2.71 feet lower than May 31st, 2017
 3. 1.02 feet lower than the ten- year average
 4. 2.02 feet below the spillway
3. There was 0.81 inches of recorded rainfall for May 2018 at Ruth Headquarters.
4. Ruth Hydro produced 316800 kWh in May. The hydro plant was offline for 15 days for annual Ruth maintenance and equipment failure with 184,476kw lost.
5. On May 1st the discharge from the lake was 87cfs with a high of 238cfs on May 18th. On May 31st low flow was 82cfs

Lower Mad River, Winzler Control, and TRF

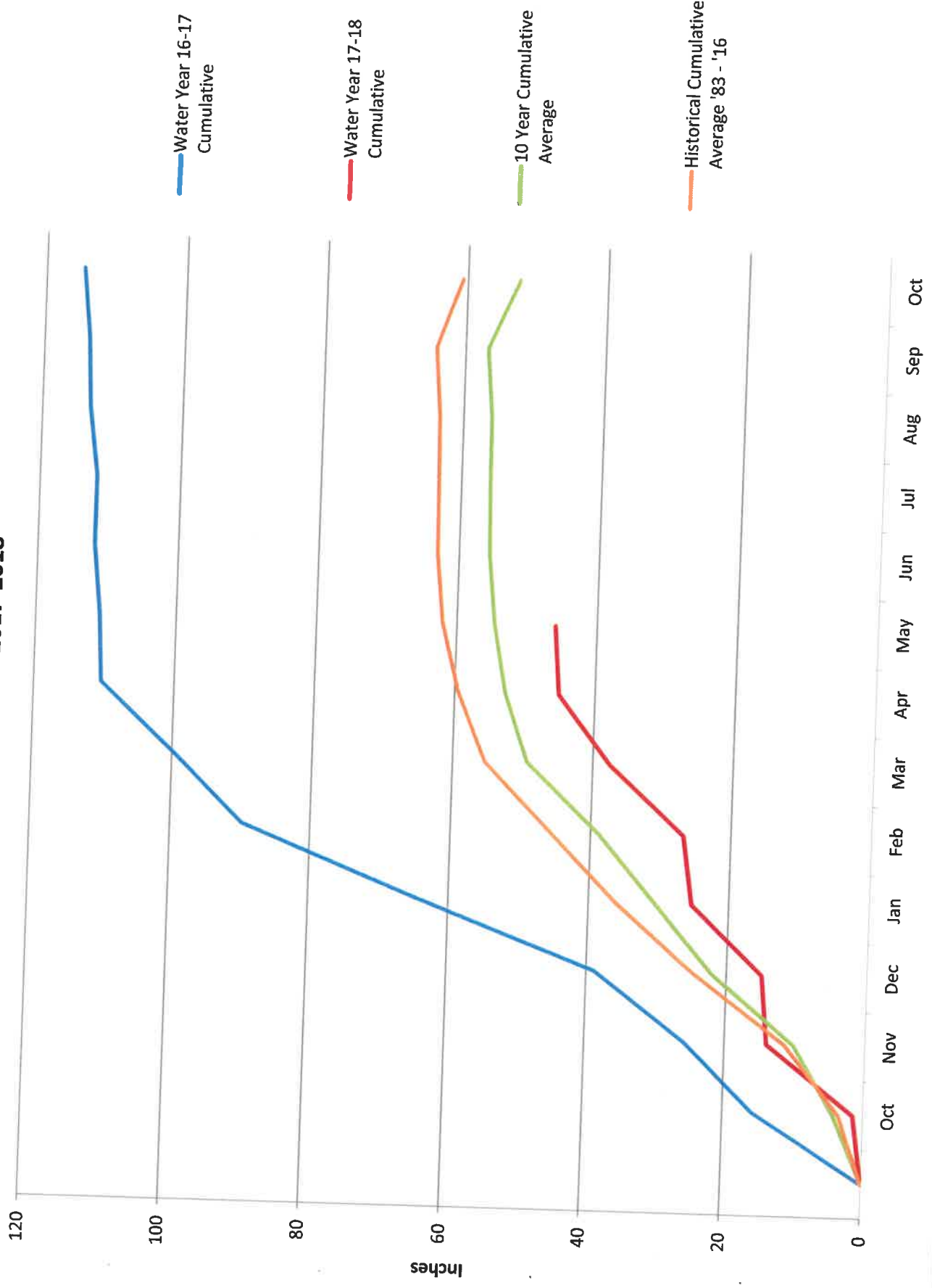
6. The river at Winzler Control Center reached a high recorded flow of 1050 cfs and a level of 23.2 feet on May1st. Throughout the month the river dropped to 82cfs May 31st.
7. The domestic water conditions were as follows:
 - a. The monthly turbidity average was 0.11 NTU, which meets Public Health Secondary Standards.
 - b. For the month of May, we pumped 258.01 million gallons at an average of 8.323 MGD.
 - c. The maximum metered daily municipal customer use was 9.338 MGD on May 12th.
8. The Turbidity Reduction Facility ran 21 days in May. The conditions were as follows:
 - a. Average monthly source water turbidity was 0.65 NTU.
 - b. Average monthly filtered water turbidity was 0.05 NTU.
 - c. We did 33 backwashes on the TRF filters in the month of May.

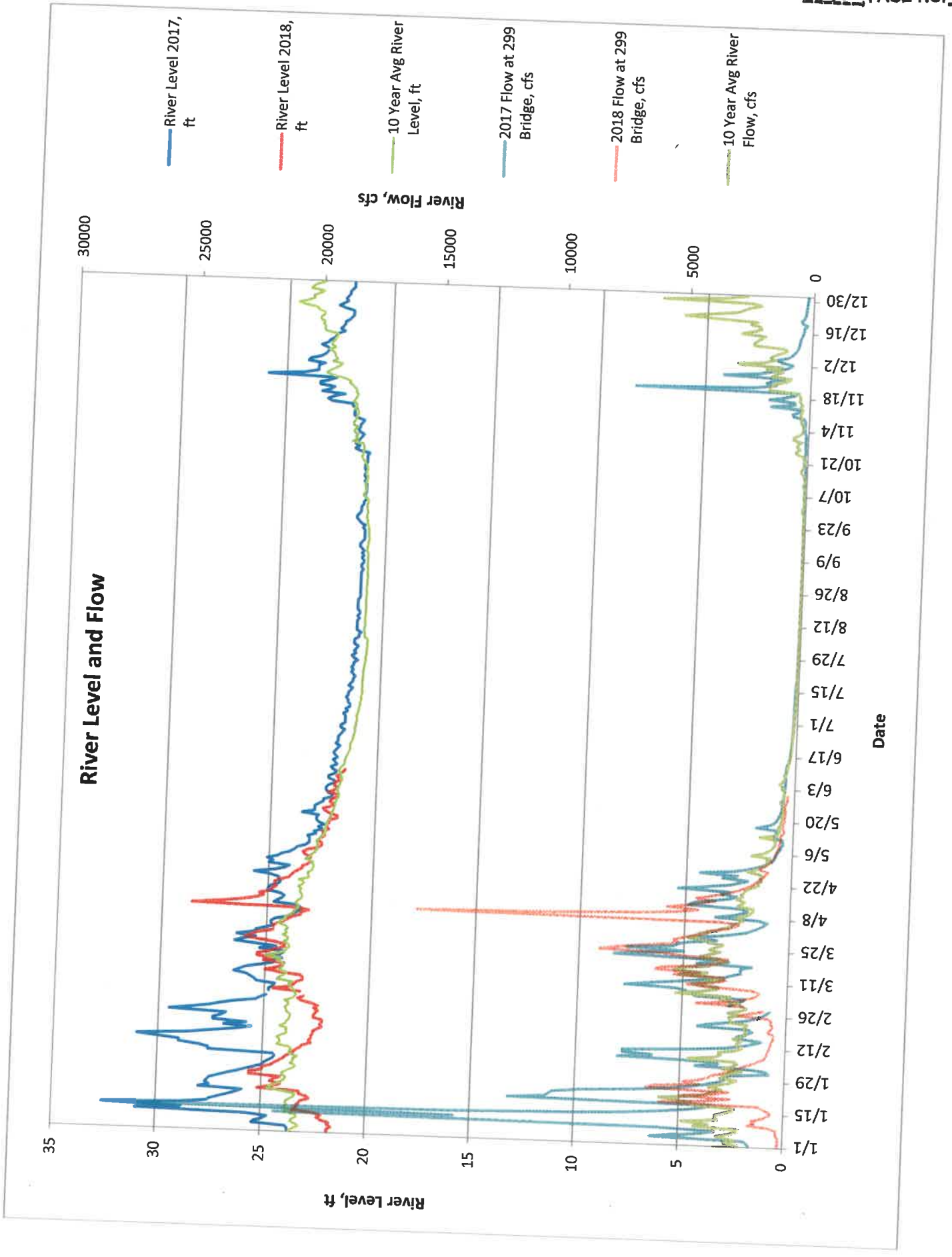
9. May 1st – Ian and I went to Ruth to do confined space operations for the penstock inspection.
10. April 30th – May 3rd – Maintenance crew was at Ruth doing annual Ruth Maintenance.
11. May 7th – Finalized Essex project budget for FY 18/19.
12. May 8th – Assisted MCSD with Boom truck.
13. May 10th – Met with members of Redwood Gun club regarding extending pistol range toward our pipeline Right-of-Way. They are to get their proposed project to us in writing with drawing.
14. May 14th
 - a. Conference call with staff and contractor for Ruth Relay Replacement project.
 - b. Mad River Crossing project Kick-Off meeting at Essex.
 - c. Installed new Transformer at Ruth Hydro plant
15. May 19th – Started seismic retrofit for Fieldbrook reservoir, and grading around perimeter.
16. May 19th – Larry in Redding for T-4 Certification test.
17. May 21st
 - a. We had 4 people at NCSC for CPR/AED and First Aid training,
 - b. Started shutting down the TRF for the season.
18. May 23rd – Ryan conducted our annual Traffic Control safety meeting.
19. May 31st – Annual Service of Fire Extinguishers at Essex, TRF and Fieldbrook.
20. Current and Ongoing Projects
 - a. Calibrated the Arcata meter
 - b. Ruth relay replacement project – Phase 1 (Planning) – In progress
 - c. Ruth Bunkhouse remodel – Waiting for bid from Redding contractor
 - d. Timber Management at Ruth – We are working on Hazardous, Dead, Dying and Diseased, Drought and Utility Right-of-Way tree management at Hobart Creek CG, the Marina, Ruth Rec and Headquarters.
 - e. Re-install Collector 2 transformer.
 - f. Installation of pump 1-2.
 - g. Assist with Mad River Crossing Project as needed.



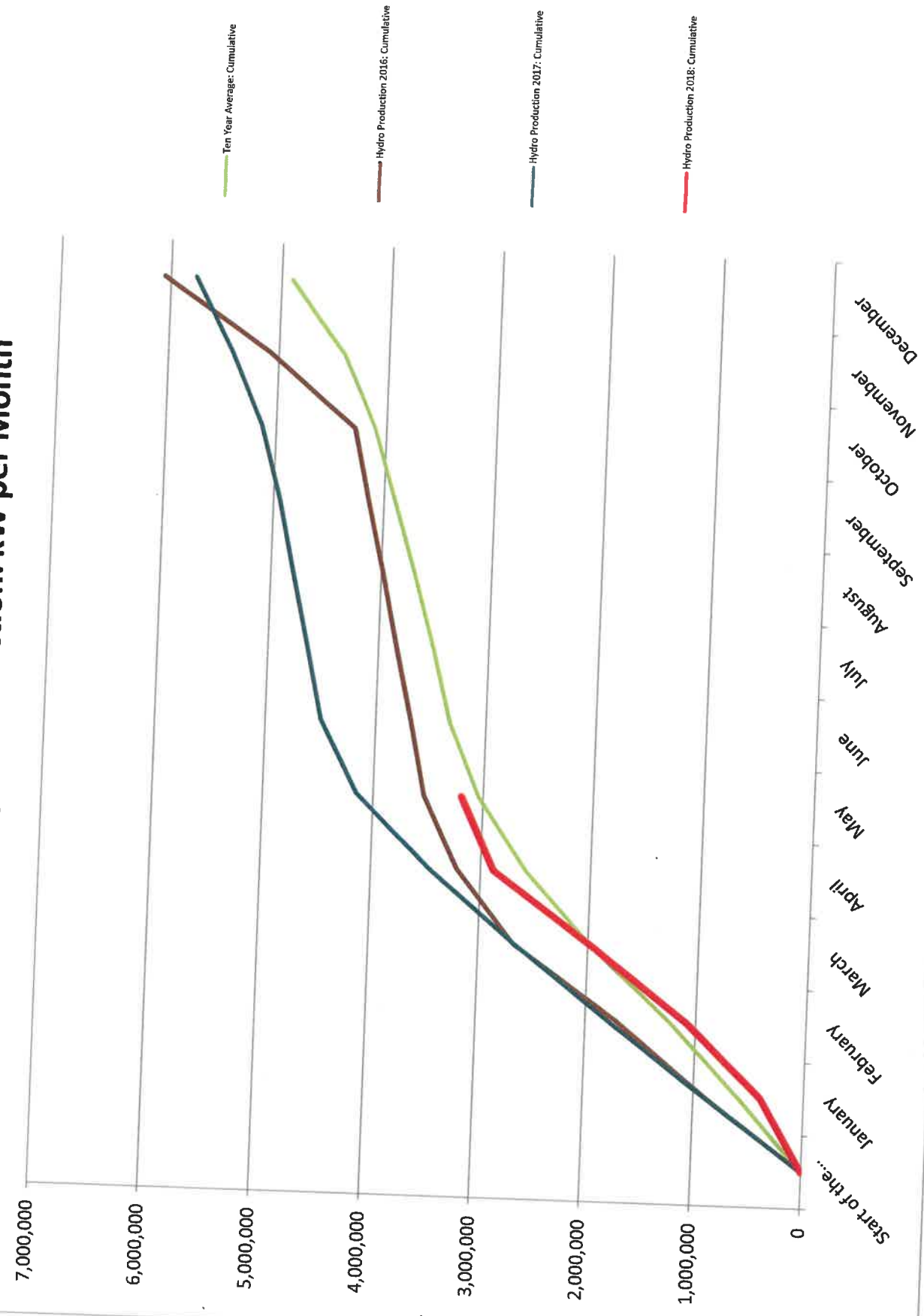


Ruth Rainfall - Water Year 2017-2018





Ruth Hydro Production: kW per Month





SECTION J3h, PAGE NO. 1

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

PG&E June 1983 through May 14, 2017

	Total KWH Production	Average Monthly KWH Production
On Peak	11,630,086	28,575
Part Peak	58,575,072	143,919
Off Peak	83,856,378	206,035
Super Off Peak	26,796,680	65,840
Grand Total	180,858,216	444,369
	Pre REMAT Total Revenues	\$8,790,377.99
	No. of Months of Operation	407.5
	Average \$/Kwh	0.0486

REMAT May 15, 2017 to April 2018

Hydro Production Payment - Beginning June 2017

2017/2018	Production KWH			Totals		REMAT #of Mos	Total No. of Months of Operation	Cumulative REMAT Revenues	Grand Total Revenues to Date	Avg \$/Kwh REMAT
	Day	Shoulder	Night	Total KWH	Monthly Revenues					
May	96,070.1	113,974.6	179,458.6	389,503.3	\$ 30,388.07	0.5	407.5	\$ 30,388.07	\$ 8,820,766.06	\$ 0.0932
June	81,535.2	96,802.0	155,848.2	334,185.4	\$ 26,120.87	1	408	\$ 56,508.94	\$ 8,846,886.93	\$ 0.0932
July	37,839.9	43,978.6	69,926.9	151,745.4	\$ 14,146.42	2	409	\$ 70,655.36	\$ 8,861,033.35	\$ 0.0932
August	39,075.2	45,418.9	71,539.6	156,033.7	\$ 14,543.49	3	410	\$ 85,198.85	\$ 8,875,576.84	\$ 0.0932
September	36,363.2	42,226.0	66,220.2	144,809.4	\$ 13,497.57	4	411	\$ 98,696.42	\$ 8,889,074.41	\$ 0.0932
October	48,570.2	56,566.9	87,605.6	192,742.7	\$ 18,457.96	5	412	\$ 117,154.38	\$ 8,907,532.37	\$ 0.0958
November	77,434.5	88,110.3	138,532.3	304,077.1	\$ 29,180.65	6	413	\$ 146,335.03	\$ 8,936,713.02	\$ 0.0960
December	83,746.8	100,034.0	158,937.6	342,718.4	\$ 32,775.44	7	414	\$ 179,110.47	\$ 8,969,488.46	\$ 0.0956
January	115,215.3	130,408.9	198,873.2	444,497.4	\$ 42,647.97	8	415	\$ 221,758.44	\$ 9,012,136.43	\$ 0.0959
February	180,500.0	214,085.6	343,849.9	738,435.5	\$ 70,673.06	9	416	\$ 292,431.50	\$ 9,082,809.49	\$ 0.0957
March	228,557.2	265,473.5	412,331.2	906,361.9	\$ 70,797.29	10	417	\$ 363,228.79	\$ 9,153,606.78	\$ 0.0781
April	225,414.8	266,539.0	422,950.4	914,904.2	\$ 71,453.25	11	418	\$ 434,682.04	\$ 9,225,060.03	\$ 0.0781

Historical vs. Actual Cumulative Production Gossein Hydroelectric Plant at Ruth lake



Historical Annual Average Total
5,151,735 KWH

SELLER:
 Humboldt Bay Municipal Water District
 828 7th Street
 Eureka, CA 95501
 Attention: General Manager

PURCHASER:
 Pacific Gas and Electric Company
 P.O. Box 770000
 Mail Code N12E
 San Francisco, CA 94177
 Attention: Azmat Mukhtar
 (ASM3@pge.com), Mgr. Bilateral
 Settlements

Electric Statement

Invoice prepared	2018-05-02 15:05:17
Invoice period	2018-04
Contract reference	33R403RM
Executed	2016-10-16
Payment due	2018-05-30
Meter id	LOWGAP_7_QFUNTS
Channel	WH3_REC
Project	Matthews Dam Hydro

Summary Invoice

Charge	Gen (kWh)	Sold (kWh)	TOD factor	TOD \$/kWh	Energy (\$)
Day	225,414.8	225,414.8	1.270	0.11332210	25,544.47
Shoulder	266,539.0	266,539.0	0.280	0.02498440	6,659.32
Night	422,950.4	422,950.4	1.040	0.09279920	39,249.46
Totals	914,904.2	914,904.2	0.875	0.07809917	71,453.25

Calculation of PG&E ReMat & Muni Funds FY2017/18
 April 1-30, 2018

PERIOD	KWH	\$/KWH	ReMat Payment Received	Muni PG&E Base Rate	Rebate To Muni's	JTN Energy	Henwood Assoc., Inc.	Balance To ReMat Fund (County)
DAY/PEA/	225,414.80	0.11332210	25,544.48	0.02943	26,925.63	\$ 2,561.73	\$ 2,561.73	\$ 39,404.16
SHOULDE	266,539.00	0.0249844	6,659.32					
NIGHT	422,950.40	0.09279920	39,249.46					
	914,904.20		\$ 71,453.25					

Blended Rate Per Kwh \$ 0.08

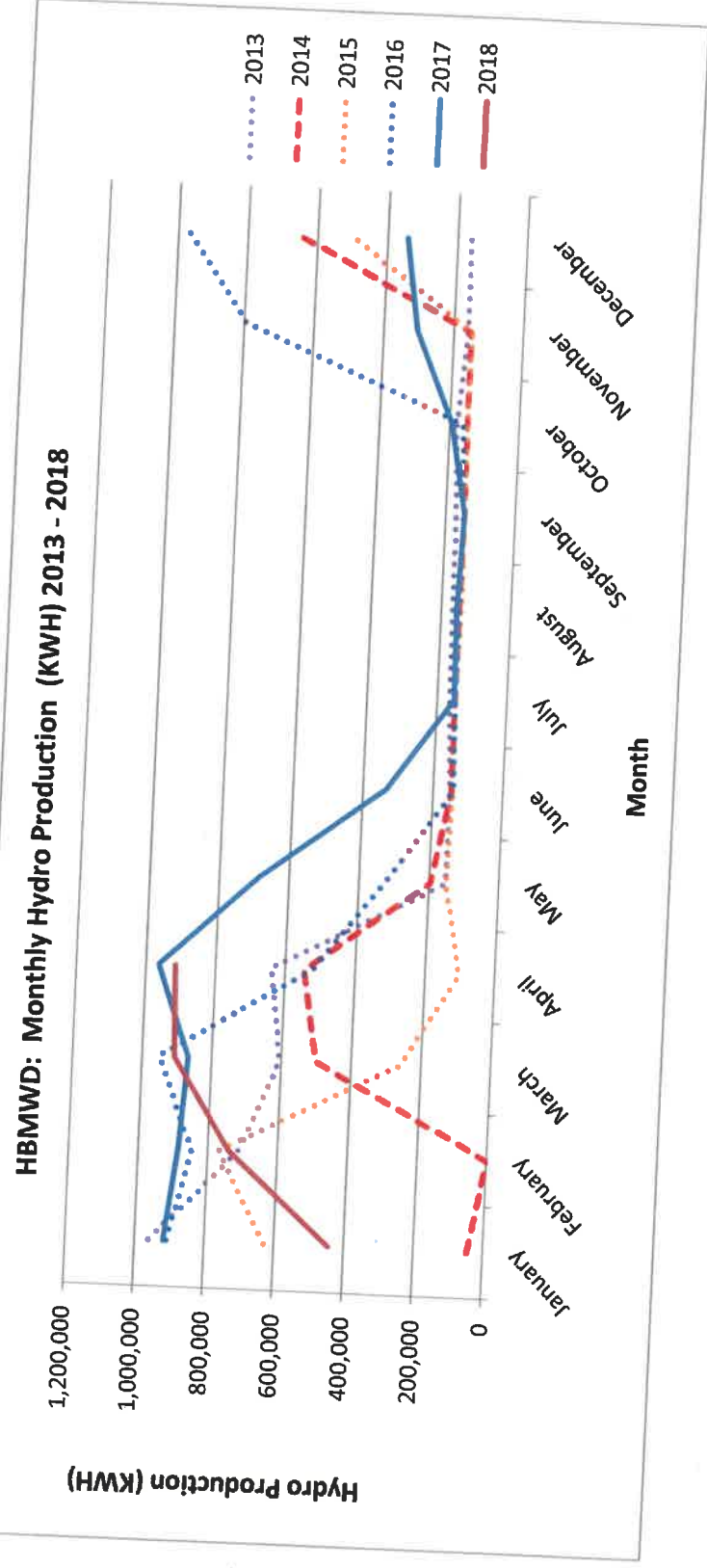
*Separate checks are issued to JTN Energy & Henwood Associates, Inc. AFTER payment for month is received from PG & E
 G/Accounting/ReMat Analysis/ReMat Revenue & Payment

Professional Services related to ReMat Contract \$0.0056 Contract is split 50/50*

Verify

Humboldt Bay Municipal Water District
 Monthly Hydro Electric Production (KWH) for CY2013 - 2018

Month	2013	2014	2015	2016	2017	2018
January	962,724	47,002	632,611	907,103	916,562	444,497
February	713,055	0	769,170	848,575	884,477	738,436
March	605,327	501,812	261,555	950,250	866,400	906,362
April	642,402	545,893	106,258	523,573	962,033	914,904
May	152,795	196,968	151,803	323,636	682,547	
June	152,044	147,630	143,055	142,248	334,185	
July	164,775	149,503	150,599	147,564	151,745	
August	168,428	148,220	140,977	147,531	156,034	
September	169,768	145,020	145,468	148,770	144,809	
October	178,812	148,715	147,574	159,930	192,743	
November	157,195	148,816	145,196	793,097	304,077	
December	160,936	665,823	510,915	978,889	342,718	
Total Annual	4,228,261	2,845,402	3,305,181	6,071,166	1,801,039	1,182,933



MANAGEMENT



CSDA

California Special
Districts Association

Districts Stronger Together

April 30, 2018

SECTION K1a PAGE NO. 1

CSDA Welcomes Humboldt as Newest Affiliated Chapter



to our team!

On April 20, the CSDA Board of Directors voted unanimously to sign an affiliation agreement with the new Humboldt Area Chapter. The Humboldt Chapter is CSDA's 17th affiliated chapter and joins the Plumas County Chapter and the Butte County Special District Association as the 3rd local chapter in CSDA's Northern Network.

The approval of the affiliation agreement completes a process started in 2015. That year, special district representatives in Humboldt held their first meeting to discuss forming a chapter and enhancing the interaction between local districts and CSDA. Now, the Chapter meets every other month to network, engage in local and state advocacy, inform the public of the role of special districts, participate in state and local organizations that advance the interests of districts, and provide training to Board members and staff.

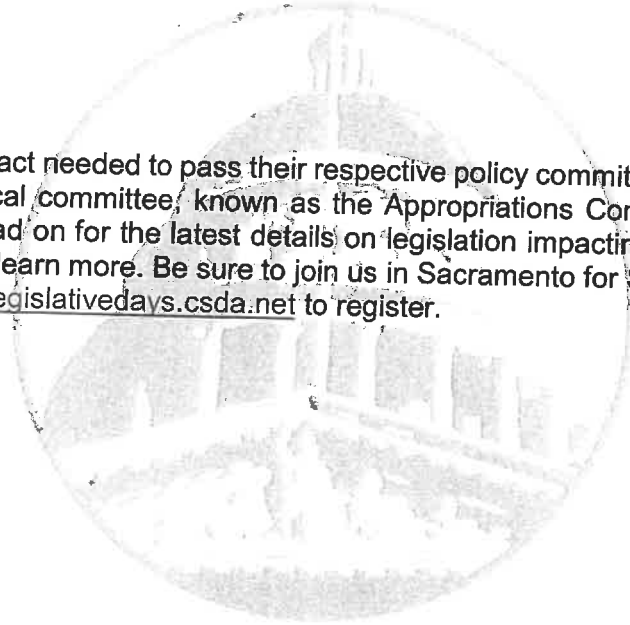
CSDA is committed to establishing relationships with special districts throughout California through its District NetWorks Program. CSDA is pleased to welcome the Humboldt Area Chapter and looks forward to providing resources to the chapter and its member districts. In approving the affiliation agreement, the CSDA Board of Directors expressed their appreciation to the individuals who have lead the chapter formation process since 2015.

The Humboldt Area Chapter's next meeting will take place on June 4th from 3:00 p.m. to 5:00 p.m. at the North Coast Air Quality Management District Office in Eureka. Additional information, including contact information for the Chapter officers, will be available on the [CSDA's Chapters & Networks page](#) in the coming weeks.



May 2018

All bills with a fiscal impact needed to pass their respective policy committees by April 27. These bills must now pass the fiscal committee, known as the Appropriations Committee, in their respective houses by May 25. Read on for the latest details on legislation impacting special districts and visit csda.net/take-action to learn more. Be sure to join us in Sacramento for Special Districts Legislative Days May 22-23. Visit legislatedays.csda.net to register.



Inside this edition of the Grassroots Action Brief:

- Progress Made on RDA as one Bill Dies and Another is Amended.....2
- Legislation Would Change the Rules on Pension Liabilities3
- Sexual Harassment is a Leading Topic in the Legislature in 20184
- Accessory Dwelling Unit Bills Scaled Back in Committee5
- Court Rules on Public Records Act Attorney's Fees5
- More Public Outreach Tools Underway.....7
- Hot Legislation.....8
- Other Ways to Take Action (Learn, Engage, Give Feed Back, and Stay Informed)9

Contact a local CSDA representative near you!

Dane Wadlé
Colleen Haley
Steven Nascimento
Chris Palmer

Northern & Sierra Networks
Bay Area Network
Central Network
Coastal & Southern Network

danew@csda.net
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stevonn@csda.net
chrisp@csda.net



➤ REVENUE, FINANCES, AND TAXATION

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

Progress Made on RDA as One Bill Dies and Another is Amended

As the first legislative deadline approached, CSDA closely followed the progress of two measures seeking to revive redevelopment agencies (RDAs). One measure, AB 1778 (Holden), did not receive a hearing prior to the April 27 deadline, as the scheduled hearing was canceled at the request of the author. AB 1778 would have established RDAs similar to those dissolved in 2012.

CSDA joined with a broad and active coalition consisting of local government and labor organizations to communicate our opposition, and we are pleased to see AB 1778 fail to move forward.

Another measure, AB 3037 (Chiu), also seeks to revive RDAs, but creates a "passthrough" mechanism in an attempt to make all local agencies financially whole. Unfortunately, our coalition found the first iteration of the passthrough provision inadequate and continued to communicate our message that any future RDAs:

- should not divert local property taxes away from other local agencies without their consent and,
- all local agencies that voluntarily participate in RDAs should have representation on the RDA board.

Short of that, a clear passthrough mechanism that ensures local agencies are kept 100 percent whole would be necessary.

AB 3037 (Chiu) was heard in the Assembly Housing and Community Development Committee on April 11 and successfully passed to its second policy committee. In the Assembly Local Government Committee on April 25, the author agreed to take several amendments that CSDA and its coalition partners are currently reviewing. This is an encouraging step and we are cautiously optimistic. The coalition will continue to work in good faith with the author and his staff, who have worked proactively to foster a productive dialogue.

Members of the Legislature, the author, and the committees have received numerous letters of concerns and opposition from several districts highlighting the potential impact of RDAs on their communities.

The measure will be heard next in its fiscal committee while CSDA and its partners vet the new amendments.

CSDA will continue to work in partnership with the Legislature and other stakeholders to find tools that meet the challenges facing our State and local communities without requiring the diversion of local revenue from other local agencies delivering essential services and infrastructure.

For more information, please contact the CSDA Legislative Representative Anthony Tannehill, anthonyt@cda.net.



➤ GOVERNANCE AND ACCOUNTABILITY

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

Legislation Would Change the Rules on Pension Liabilities

Assembly Member Freddie Rodriguez (D- Pomona) has introduced AB 1912 which would require member agencies of any existing or future Joint Powers Authority (JPA) to be liable for the pension obligations of the JPA should the JPA fail. If this law is signed by the Governor, it would have immediate detrimental effects statewide on JPAs, their member agencies, their employees, and the public that utilize or benefit from JPA services.

While numerous drafting errors make it difficult to tell exactly how the bill would work in its current form, the author's intent is clear: to prevent JPA employees from having their pension benefits cut, as they were following the failure of the East San Gabriel Valley Human Services Consortium. Specifically, AB 1912 would mandate the member agencies of a JPA agree to assign themselves proportional liability for the pension liabilities of the JPA, and if they can't agree on the specific proportions, the public pension system contracted by the JPA would assign joint and several liability to each of the member agencies. Additionally, if the JPA failed, the pension system would be forced to sue the member agencies to recover the unpaid pension obligation. These obligations include Other Post-Employment Benefits (OPEB) obligations.

This legislation will result in a whole host of issues for JPAs, their members, and their employees. In some cases, existing JPAs are significantly larger than their member agencies and those members will have to withdraw from the JPA rather than continue to accrue liabilities. There will also be instances of former JPA member agencies suddenly on the hook for potentially millions of dollars should the JPA they left years ago fail. The bond ratings for member agencies may also be impacted by the required financial reporting for unfunded liabilities in accordance with GASB 68. Additionally, JPAs not at risk of failure may see their member agencies withdraw because they can't take on the liability, resulting in job losses for JPA employees.

This legislation is an overreaction to an isolated event of a JPA failure and would have greater detriments to the public and public employees than benefits. While what happened to the pensions of almost 200 employees of the East San Gabriel Valley Human Services Consortium was nothing short of terrible, AB 1912 will do nothing to help those former employees. Instead, it will likely result in the dissolution of many JPAs throughout the state and diminish the value of a JPA as an effective tool for multiple agencies to cooperate in meeting the needs of their communities.

TAKE ACTION: If you are a member of a JPA, CSDA would like to know your thoughts on this legislation and how you think your agency might respond should AB 1912 be signed into law. Let CSDA know what this means for your agency and the communities you serve. Will your district remain a member of a JPA? Will you willingly accept the liability? Please contact CSDA Senior Legislative Representative Dillon Gibbons at dillong@csda.net to share your thoughts and/or concerns.



➤ HUMAN RESOURCES AND PERSONNEL

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

Sexual Harassment is a Leading Topic in the Legislature in 2018

It should come as no surprise that with all the publicity of the #MeToo movement and industries plagued with sexual harassment, including the State Legislature, that there was a significant number of bills related to sexual harassment introduced in the Legislature this year. While there were close to two dozen bills introduced on the issue, the following highlighted bills are directed at employers, including special districts.

- AB 2366 (Bonta) – **Oppose**: Current law allows employees that are victims of domestic violence, sexual assault, or stalking to take time off to access related services or counseling, without fear of retaliation from their employers (25 or more employees). This bill would allow this time off for victims of sexual harassment and immediate family members of victims of sexual harassment.
- AB 2770 (Irwin) – **Support**: Sponsored by the CalChamber, this bill would allow an employer to share with another employer who is doing a background investigation on a potential hire, whether the potential hire was the subject of complaints of sexual harassment, and that the discussion would not constitute malice.
- AB 3081 (Gonzalez Fletcher) – **Oppose**: Current law prevents an employer from discharging or in any manner discriminating or retaliating against an employee because of the employee's status as a as a victim of domestic violence, sexual assault, or stalking, if the victim provides notice to the employer of the status or the employer has actual knowledge of the status. This bill would add sexual harassment to that list, but also adds a rebuttable presumption of unlawful retaliation if an employer denies, discharges, threatens to discharge, demotes, suspends, or in any manner discriminates against the employee within 90-days of them filing a sexual harassment claim with the employer.
- SB 1038 (Leyva) – **Oppose**: This bill would impose personal liability on an employee of an entity for Fair Employment and Housing Act (FEHA) violations related to discharging or discriminating against a person who has opposed any practices prohibited by FEHA or has filed a complaint, testified, or assisted in any proceeding for a violation of FEHA, regardless of whether the employer or covered entity knew or should have known of the conduct.
- SB 1300 (Jackson) – **Oppose**: This bill would allow a plaintiff's assertion of sexual harassment or discrimination to be deemed valid, whether they prove it or not, if the plaintiff can prove that an employer did not take "all reasonable steps necessary to prevent discrimination or harassment from occurring."
- SB 1343 (Mitchell) – **Support if Amended**: This bill would require every employer, with five or more employees, to provide their employees with two-hours of sexual harassment prevention training once every two years. Additionally, the bill would require the Department of Fair Employment and Housing to develop a training video that employers could use to provide the training.

Should you have any questions about this legislation, or other sexual harassment legislation, please contact CSDA Senior Legislative Representative Dillon Gibbons at dillong@cdda.net.



➤ INFRASTRUCTURE, INNOVATION, AND INVESTMENT

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

Accessory Dwelling Unit Bills Scaled Back in Committee

Three bills that would ban all local agency fees on Accessory Dwelling Units (ADUs) were significantly scaled back in policy committees this month. As amended, SB 831 (Wieckowski) and SB 1469 (Skinner) would ban impact fees, but would allow water and sanitary districts to continue to charge fees for establishing new connections and capacity charges. These agencies are still bringing their fee schedules into compliance with SB 1069 (2016) and SB 229 (2017), which placed limits on the amount a district can charge for connection and capacity fees. The third ADU bill, AB 2890 (Ting), took amendments that entirely removed the language banning local agency fees.

SB 831 and SB 1469 still ban impact fees, which account for the impacts on the usage of local public services other than water and sewer. Many park districts and fire protection districts rely on these fees to subsidize the indirect costs of growth. Exempting ADUs from impact fees would encourage developers to build more housing specifically as ADUs to evade local fees. The bills exempt ADUs up to 1,200 square feet.

Due to the remaining language impacting fire and park districts, CSDA will maintain opposition to SB 831 and SB 1469. If you have any questions, please contact Rylan Gervase at rylang@cda.net.

➤ LEGAL ADVOCACY

CSDA is the leading legal advocacy voice for all special districts regarding public policy in California and actively tracks and reviews cases of significance affecting special districts in state and federal courts. Under the guidance of CSDA's Legal Advisory Working Group, CSDA files amicus briefs and opines on court cases when appropriate.

Court Rules on Public Records Act Attorney's Fees

On April 12, the Second District Court of Appeal upheld a decision to substantially limit the attorney's fee awarded to the *Los Angeles Times (Times)* under California Public Records Act (CPRA) litigation against the City of Pasadena (City). The case, *Pasadena Police Officers Association, et al. v. City of Pasadena* [B275566], supports the argument that public agencies should not be liable for the entirety of attorney's fees and costs in reverse-CPRA cases, but may be liable for fees in a dispute over the scope of the public agency's redactions. Ultimately, the Court of Appeal upheld a lower court's ruling as to the City, and reduced the newspaper's fee award from the more than \$350,000 requested to roughly \$45,000.

In 2017, CSDA joined the California Law Enforcement Association of Records Supervisors, California State Association of Counties and the League of California Cities in an amicus brief to the Second District Court of Appeal in support of the City. The case involved the issue of whether the *Times* was entitled to its legal fees during writ proceedings related to a reverse-CPRA action in addition to litigation fees related to the City's redaction of documents. A reverse-CPRA litigation involves an interested third party taking legal action to block the release of documents requested from a public agency pursuant to the CPRA.



Pursuant to the CPRA, a records requester can recover attorney's fees from a public agency if the requester is the prevailing plaintiff in the CPRA action, resulting in the disclosure of public records by the public agency. The Private Attorney General Statute however, allows private litigants to recover attorney's fees associated with lawsuits that protect an important right or significant public benefit. This statute may entitle attorney's fees awards to the plaintiff from the private third party engaging in the reverse-CPRA, potentially shifting these types of fee awards away from local agencies.

Background

In 2012, a shooting incident involving two Pasadena Police Department Officers resulted in several investigations, one of which was conducted by the City. The City's investigation yielded a 70-page report, which was requested by the *Times*. The City released the report, after determining that 14 pages should remain redacted as they contained confidential personnel information regarding the officers. The Pasadena Police Officers Association (PPOA) filed a reverse-CPRA action to prevent the release of the report, however the Superior Court ordered the report's disclosure and preserved the City's redacted pages.

The PPOA appealed this decision, and the Court of Appeal held that the City over-redacted pages in the report, returning the case to the Superior Court who ordered the disclosure of five additional pages of the report. The *Times* sought to recover attorney's fees totaling \$350,422 against the City, however the court awarded only \$45,472 for the narrow matter of fees which were incurred during the appellate review regarding the over-redacted documents. Additionally, the *Times* sought attorney's fees against PPOA under the Private Attorney General Statute, which the trial court denied.

The *Times* appealed the decision, but the Court of Appeal found the lower court committed no abuse of its discretion in the fee award amount against the City, affirming the reduced fee award for the narrow matter related to the redacted documents. These fees are chargeable to the public agency if the CPRA action "prompts" the disclosure of public records.

However, the appellate court held that attorney's fees against the PPOA and two individual officers could be recovered under the Private Attorney General Statute. The Court reasoned that the PPOA and officers attempted to restrict the public's right of access to public records, and because the case relates to public officials and employees pursuing litigation in relation to police officers, it involves significant public rights and interests. This portion of the decision may discourage the filing of reverse-CPRA actions against public agencies by third parties, because plaintiffs will be forced to consider whether they may be liable for the PRA requester's attorney's fees under the Private Attorney General Statute if the reverse-CPRA action is defeated.

Impact

Under the CPRA, it is the duty of public agencies to disclose non-exempt responsive records, and plaintiffs may statutorily seek their attorney's fees and costs if an agency fails to disclose responsive documents absent litigation. A reverse-CPRA action leaves public agency in legal limbo until competing interests are appropriately balanced against the public's interest in disclosure. The Court of Appeals decision to uphold the narrowed fee to the scope of the City's redactions establishes a positive precedent of limited liability for public entities engaged in reverse-CPRA actions.

For questions about CSDA's involvement in this case or any others, contact CSDA Legislative Analyst - Attorney Mustafa Hessabi at mustafah@cdda.net.



➤ DISTRICTS MAKE THE DIFFERENCE

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

More Public Outreach Tools Underway

Stay tuned as the Districts Make the Difference campaign is currently developing several new outreach projects that will continue to promote public awareness and reflect the significance of special districts throughout California.

In the meantime, CSDA encourages you to share our current DMTD content, including our full suite of videos, and shareable infographics.

Also, CSDA is always looking for good content to share! Don't forget to use the hashtag **#DistrictsMakeTheDifference** when posting your stories on social media.



www.DistrictsMakeTheDifference.org

Learn more about our public outreach campaign at www.DistrictsMakeTheDifference.org and engage with us on social media:

- Like us on Facebook.com/CASpecialDistricts
- Follow us on Twitter @CA_Districts
- Subscribe to us on www.YouTube.com/c/CaSpecialDistrictsDMTD
- Download the logo to your homepage and link to www.DistrictsMakeTheDifference.org

If you have any questions about how to better utilize CSDA's public outreach campaign, or if you have any ideas for new materials we should provide, please contact CSDA's Public Affairs Team at pr@csda.net.

**➤ HOT LEGISLATION**

Here is where the hottest bills affecting special districts sit in the California Legislature this month:

- **Small System Water Authority —AB 2050 (Caballero):** Creates the Small System Water Authority Act of 2018 and authorizes the creation of independent special districts, dubbed “small system water authorities”, that will have powers to absorb, improve, and competently operate noncompliant public water systems.
CSDA’s position: Support
Bill Location: Assembly Appropriations
- **Surplus Land—AB 2065 (Ting):** Includes special districts in the list of local agencies that have to follow certain requirements for the disposal of surplus land. These requirements include offering the land for use for affordable housing, park and recreational facilities, and school construction. Amends the definition of “disposal” to include the sale, lease, or other conveyance of surplus land.
CSDA’s position: Oppose Unless Amended
Bill Location: Assembly Appropriations
- **Accessory Dwelling Units—SB 831 (Wieckowski):** Would eliminate impact fees charged by a local agency, school district, special district, or water corporation for accessory dwelling units (ADUs). These one-time fees are paid by developers to local agencies to account for the impacts on the usage of local parks, fire station services, and other public services that will be used by the new residents.
CSDA’s position: Oppose
Bill Location: Senate Appropriations
- **LAFCO Grant Funding and Increased Protest Threshold—AB 2258 (Caballero):** This bill would require the Strategic Growth Council, for 5 years, to establish and administer a local agency formation commissions (LAFCO’s) grant program. It would also increase the current 10% protest threshold to 25% for those LAFCO initiated actions that resulted from the same grant funded study.
CSDA’s position: Concerns
Bill Location: Assembly Appropriations Committee
- **Local government: Public Broadband Services—AB 1999 (Chau):** This bill would give Community Service Districts, County Service Areas, and Public and Municipal Utility District’s far broader authority to construct and operate broadband services, provided they adhere to net neutrality principals.
CSDA’s position: Support
Bill Location: Assembly Communications and Conveyance



➤ OTHER WAYS TO TAKE ACTION

Learn

Register now for **Special District Legislative Days, May 22 – 23**. Legislative Days is an interactive two-day conference in our State Capitol that includes pre-arranged meetings with State Legislators and staff and a keynote address from CalPERS CEO Marcie Frost. Visit legislatedays.csdanet.net to register today.

Engage

CSDA has launched a new online forum for members. CSDA Communities provide our members with an easy-to-use venue for discussing ideas, finding solutions, sharing documents, and building relationships. Use your email address to login at csda.net and get started.

Give Feedback

Join an Expert Feedback Teams to provide CSDA staff with invaluable insights on policy issues. Email marcusd@csda.net to inquire about joining one of the following teams:

- Budget, Finance and Taxation
- Environment
- Formation and Reorganization
- Human Resources and Personnel
- Governance
- Public Works and Contracting

Stay Informed

In addition to the many ways you can **TAKE ACTION** with CSDA's advocacy efforts, CSDA offers a variety of tools to keep you up-to-date and assist you in your district's legislative and public outreach. Make sure you're reading these resources:

- CSDA's weekly e-Newsletter
- Districts in the News
- CSDA's CA Special District Magazine

Email advocacy@csda.net for help accessing these additional member resources.

ACWA



Unapproved Minutes

Employee Benefits Committee Meeting

ACWA JPIA Executive Conference Room
2100 Professional Drive,
Roseville, CA 95661
(800) 231-5742

April 4, 2018

This meeting consisted of a simultaneous WebEx teleconference call at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661 and the following remote sites:

- Boatman – 4004 Salem Street, Concord
- Linthicum – 1021 E Miramar Ave, Claremont
- Peterson – 2936 Triunfo Canyon Rd., Agoura Hills

MEMBERS PRESENT

Chairman: J. Bruce Rupp, Humboldt Bay Municipal Water District
Vice-chair: Melody McDonald, San Bernardino Valley Water Conservation District
Bette Boatman, Contra Costa Water District (via WebEx)
Stephanie Dosier, Orange County Water District
Karen Gish, Amador Water Agency
James Linthicum, Three Valleys Municipal Water District (via WebEx)
Sandy Olson, Walnut Valley Water District
Glen Peterson, Las Virgenes Municipal Water District (via WebEx)

MEMBERS ABSENT

Randy Shilling, Kings River Conservation District

STAFF PRESENT

Chief Executive Officer/Secretary: Walter "Andy" Sells
Sonya Baker, Benefits System Analyst
Veronica Cobian, Benefits Administrator II
Linda Craun (WebEx Coordinator)
David deBernardi, Director of Finance
Robert Greenfield, General Counsel
Allison Hartill, Benefits Analyst I
Ben Hayden, Lead Benefits Analyst
Sandra Smith, Employee Benefits Manager
Daniel Steele, Lead Accountant
Michelle Stites, Benefits Administrator I (recording secretary)
Dianna Sutton, Finance Manager
Karen Thesing, Director of Insurance Services
Melody Tucker, Workers' Compensation Claims Manager (left at 11:20)
Bobbette Wells, Executive Assistant to the CEO

OTHERS IN ATTENDANCE

Thomas A Cuquet, South Sutter Water District
David A. Drake, Rincon del Diablo Municipal Water District (via WebEx)
David Hodgins, Scotts Valley Water District (via WebEx)
W.D. "Bill" Knutson, Yuima Municipal Water District
Kimberly Miller Alliant
Thomas Sher, Alliant
Kathy Tiegs, Cucamonga Valley Water District

WELCOME

Chairman Rupp welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Rupp called the meeting to order at 10:03 a.m. He announced there was a quorum.

ANNOUNCEMENT RECORDING OF MINUTES

Chairman Rupp announced that the meeting would be recorded to assist in preparation of minutes. Recordings are only kept 30 days following the meeting, as mandated by the California Brown Act.

PUBLIC COMMENT

Chairman Rupp noted that, as the agenda stated, members of the public would be allowed to address the Employee Benefits Program Committee on any agenda item prior to the Committee's decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcomed. No comments were brought forward.

INTRODUCTIONS

Chairman Rupp welcomed all in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chairman Rupp asked for any additions to, or deletions from, the agenda; none requested.

CONSENT AGENDA

Chairman Rupp called for approval of the Consent Agenda or approval of the minutes of the last meeting October 25, 2017:

M/S/C (McDonald/Dosier) (Boatman-Yes, Dosier-Yes, Gish-Yes,
Linthicum-Yes, McDonald-Yes, Olson-Yes, Peterson-Yes, Rupp-Yes):
That the Employee Benefits Program Committee approve the minutes of
October 25, 2017 as presented.

REPORT ON MEETINGS ATTENDED ON BEHALF OF JPIA

None reported.

PRELIMINARY RATE PROJECTIONS FOR 2019

Ms. Smith presented a summary of medical plan design changes implemented over the past five years, along with rate history, and 2019 projections. Ms. Smith reviewed the savings estimates for each plan design change. She also reviewed the value added services incorporated for JPIA members.

Ms. Smith noted that there were two participants people enrolled in the CDHP in 2012. There are now 44 districts that offer the CDHP, with a total of 244 Anthem participants and 54 Kaiser participants. Ms. Smith thanked Mr. Hayden for his continued efforts in promoting and educating members about the CDHP, including guiding them through implementation. Several Committee members commented that collaboration between the district and JPIA is a necessity for a successful implementation of the CDHP plans.

Mr. Sher informed the Committee that based on the Anthem Book of Business trends and Alliant Book of Business trends, 2019 appears to be trending lower than expected, due to the economy. Current projections indicate a cost increase of 6.1% for the PPO program.

PHARMACY BENEFIT MANAGER

JPIA's Anthem PPO and HMO medical plans utilize Express Scripts as the Pharmacy Benefit Manager (PBM) for the plans' prescription claims. Prescription expenses make up approximately 25% of JPIA's self-funded plan claims costs. The PBM not only processes prescription drug claims, but also negotiates pricing and rebates with drug manufacturers and maintains drug formulary lists. JPIA's use of Express Scripts is indirect, through contract with Anthem. Anthem will no longer contract with Express Scripts for PBM services effective January 1, 2020.

JPIA will need to secure a new PBM contract by January 1, 2020 because the current arrangement will no longer be an option. Staff is evaluating options and will present more information at the next Committee meeting.

RESERVE TARGET GOALS

Mr. deBernardi explained to the Committee that for the past three years, JPIA has used \$18.5 million as the target goal for the Employee Benefits reserves. This number was based on a January 2015 actuary report using a 99% confidence level.

As of February 28, 2018, the Employee Benefits Program reserves were \$41.3 million. The \$41.3 million figure includes \$7.9 million dollars for estimated incurred but not reported (IBNR) claims. The new actuarial findings estimate the reserve fund would cover total losses at 99% confidence level with \$19.2 million, a \$700,000 increase from the previous estimate.

M/S/C (McDonald/Gish) (Boatman-Yes, Dosier-Yes, Gish-Yes, Linthicum-Yes, McDonald-Yes, Olson-Yes, Peterson-Yes, Rupp-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve to change the reserve goal to \$19.2 million.

SOLERA DIABETES PREVENTION PROGRAM

Ms. Smith presented the Solera Diabetes Prevention Program. Diabetes is a notable contributor to plan costs, according to utilization data provided by both Anthem and Kaiser. Anthem Blue Cross offers an option to add a Diabetes Prevention Program at no cost to the participant. The cost to the plan is about \$400 per person who participates in the program. Costs are anticipated to be offset by reduced medical and prescription claims expenses.

JPIA's Anthem PPO and HMO plans began offering the Solera Diabetes Prevention Program in February 2018. The program launched with a weekly drawing for a \$100 Amazon gift card during the first four weeks. Over 800 participants took the online quiz to see if they qualified for the benefit. Staff will update the Committee as utilization data becomes available.

CARRUM HEALTH UPDATE

Ms. Smith spoke about Carrum Health's bundled surgery benefit available under the PPO plans. Plan savings for surgeries through Carrum Health are passed along to participants by waiving costs, and travel expenses are covered. Communication efforts to get the word out about this feature have included an employer webinar, flyers, and videos on the JPIA website for distribution during open enrollment and at hire, Carrum presence at health fairs and HR group meetings, emails to HR staff to forward to employees, and a postcard mailed directly to Anthem PPO plan participants.

To date, two surgeries have been completed through Carrum Health. Both patients reported high satisfaction, rating the experience a 10 out of 10. Another patient will be having surgery soon, with several more in the beginning phases of arranging their surgeries.

Carrum Health has a data feed with Anthem and is working to identify patients who may be recommended for orthopedic, cardiac, or bariatric surgery. Direct member outreach is occurring to identify patients and is expected to increase as analytics are honed. Staff will provide more utilization data to the Committee as it becomes available.

CLAIMS DATA ANALYSIS UPDATE

Mr. Hayden presented an update on the Claims Data Analysis to the Committee. Medical premiums vary based on two criteria: Standard or Incentive Rates and five geographic regions. Price differentials have changed very little since JPIA began administering Employee Benefits.

JPIA has been reviewing and analyzing detailed claims costs for the self-funded medical plans dating back to 2015. JPIA has validated the four percent differential between Standard and Incentive rates along with the regional pricing differences.

Further analysis to identify which criteria have the greatest impact on claims is ongoing.

STAFFING UPDATE

Ms. Smith informed the Committee that due to a recent retirement there is an opening for an Employee Benefits Account Manager. The position will be adjusted to include more member outreach and service. It is anticipated the employee would work remotely from Southern California which would facilitate more face-to-face interaction and reduce travel expenses. Recruitment is currently underway.

EMPLOYEE BENEFITS MARKET PLACE

Mr. Sher discussed the impacts of current and pending legislation related to healthcare.

NEXT MEETING DATE

Availability for Upcoming Meeting(s)

The next scheduled Employee Benefits Program Committee meeting is Monday, July 9, 2018. No conflicts were noted.

The Employee Benefits Program Committee meeting adjourned at 12:09 p.m.

CONFERENCE AGENDA**ACWA JPIA - MONDAY, MAY 7**

- 8:30 - 10:00 AM**
• ACWA JPIA Program Committee
- 10:15 - 11:15 AM**
• ACWA JPIA Executive Committee
- 1:30 - 4:00 PM**
• ACWA JPIA Board of Directors
- 4:00 - 5:00 PM**
• ACWA JPIA Town Hall
- 5:00 - 6:00 PM**
• ACWA JPIA Reception

TUESDAY, MAY 8

- 8:00 AM - 9:45 AM**
• Agriculture Committee
- 8:00 AM - 6:00 PM**
• Registration
- 8:30 AM - Noon**
• ACWA JPIA Seminars
- 9:00 AM - 4:00 PM**
• Legal Affairs Committee CLE Spring Workshop
- 10:00 - 11:45 AM**
• Groundwater Committee
• Local Government Committee
- 11:00 AM - Noon**
• Outreach Task Force
- Noon - 2:00 PM**
• ACWA 101 & Luncheon
• Committee Lunch Break
- 1:00 - 2:45 PM**
• Energy Committee
• Finance Committee
• Scholarship & Awards Subcommittee
• Water Management Committee
- 1:30 - 3:30 PM**
• ACWA JPIA: Sexual Harassment Prevention for Board Members & Managers (AB 1825)
- 3:00 - 4:45 PM**
• Communications Committee
• Federal Affairs Committee
• Membership Committee
• Water Quality Committee
- 5:00 - 6:30 PM**
• Welcome Reception in the Exhibit Hall

WEDNESDAY, MAY 9

- 7:30 AM - 5 PM**
• Registration
- 8:00 - 9:45 AM**
• Opening Breakfast *(Ticket Required)*
- 8:30 AM - Noon & 1:30 - 5:00 PM**
• Exhibit Hall
- 10:00 - 11:30 AM**
• Attorneys Program
• Energy Committee Program
• Exhibitor Demos
• Finance Program
• Region Issue Forum
• Statewide Issue Forum
• Water Industry Trends Program
- 11:30 - 11:45 AM**
• Networking in the Exhibit Hall
- 11:45 AM - 1:45 PM**
• General Session Luncheon *(Ticket Required)*
- 2:00 - 3:15 PM**
• Attorneys Program
• Communications Committee Program
• Energy Committee Program
• Exhibitor Case Study
• Region Program
• Statewide Issue Forum
• Water Industry Trends Program
- 3:30 - 4:45 PM**
• Exhibitor Case Study
• Finance Program
• Statewide Issue Forums
• Water Industry Trends Program
- 3:30 - 5:30 PM**
• Legal Affairs Committee
- 5:00 - 6:00 PM**
• Prize Drawing Fiesta Night in the Exhibit Hall
- 5:30 - 7:00 PM**
• CalDesal Hosted Mixer
• CH2M Hosted Reception

THURSDAY, MAY 10

- 7:30 AM - 4 PM**
• Registration
- 7:45 - 9:15 AM**
• Regions 6-10 Membership Meetings

8:00 AM - Noon

- Exhibit Hall

8:00 - 9:15 AM

- Networking Continental Breakfast, Exhibit Hall *(Ticket Required)*

9:30 - 11:00 AM

- Attorneys Program
- Exhibitor Demos
- Finance Program
- Region Issue Forum
- Statewide Issue Forum

9:30 - 11:45 AM

- Ethics Training (AB 1234) - *Limited Seating*

11:00 - 11:30 AM

- Prize Drawings in the Exhibit Hall

11:45 AM - 1:45 PM

- General Session Luncheon *(Ticket Required)*

2:00 - 3:15 PM

- Attorneys Program
- Exhibitor Case Studies
- Federal Issues Forum
- Town Hall
- Water Industry Trends Program

3:30 - 5 PM

- Regions 1-5 Membership Meetings

6:00 - 7:00 PM

- Gen Jam Reception

7:00 - 10:00 PM

- Dinner & Entertainment *(Ticket Required)*

FRIDAY, MAY 11**8:00 - 9:30 AM**

- Registration

8:30 - 10:00 AM

- ACWA's Hans Doe Past Presidents' Breakfast in Partnership with ACWA JPIA *(Ticket Required)*

OTHER EVENTS**TUESDAY, MAY 8**

- 7:00 AM - 4 PM**
• ACWA Spring Conference Golf Tournament

THURSDAY, MAY 10

- 6:45 - 8:30 AM**
• San Joaquin Valley Agricultural Water Committee

All conference programs are subject to change.

RREDC/RCEA



Redwood Coast Energy Authority

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633 3rd Street, Eureka, CA 95501
Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777
E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

SPECIAL MEETING MINUTES

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

March 28, 2018
Wednesday, 3:15 p.m.

RCEA will accommodate those with special needs. Arrangements for people with disabilities who attend RCEA meetings can be made in advance by contacting Lori Taketa or front office staff at RCEA, 633 3rd Street, Eureka, or by calling 269-1700, or by e-mail at Ltaketa@redwoodenergy.org, by noon the day of the meeting.

ROLL CALL

Board Vice Chair Winkler called the meeting to order at 3:19 p.m.

Present: Michael Sweeney, Frank Wilson, Dwight Miller, Bobbi Ricca, Michael Winkler, Estelle Fennell

Absent: Sheri Woo, Dean Glaser, Austin Allison

1. REPORTS FROM MEMBER ENTITIES - None

2. ORAL COMMUNICATIONS

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

Wendy Ring, member of the public, presented information on greenhouse gas impacts of biomass and proposed composting mill waste as an alternative.

Vice Chair Winkler stated that Schatz Energy Research Lab is conducting a biomass study which will address environmental and public health impacts.

3. CONSENT CALENDAR

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

3.1 Approve Minutes of February 26, 2018, Regular Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

3.4 Approve Amendment No. 3 to Agreement for Employment of Executive Director with Matthew Marshall, Revising Salary from Step 1 to 2 Effective February 1, 2018.

Director Fennell did not attend the previous meeting and stated she would abstain from voting on its minutes.

M/S: Ricca, Miller: Approve consent calendar items with the exception of 3.1.

Ayes: Unanimous.

Noes: None

Absent: Woo, Glaser, Allison

Abstain: None

M/S: Ricca, Miller: Approve consent calendar item 3.1.

Ayes: Sweeney, Miller, Wilson, Winkler, Ricca

Noes: None

Absent: Woo, Glaser, Allison

Abstain: Fennell

4. REMOVED FROM CONSENT CALENDAR ITEMS – None
Items removed from the Consent Calendar will be heard under this section.

5. OLD BUSINESS

5.1 Offshore Wind Energy Development Partners Request for Qualifications

Select for agreement negotiations the respondent team of Principle Power Inc, Aker Solutions Inc, EDPR Offshore North America LLC, HT Harvey & Associates, and Herrera Environmental Consultants Inc, and direct the Executive Director to negotiate an agreement subject to final Board approval.

Executive Director Marshall stated that RCEA received six exceptional responses that included experienced, international renewable energy producers. Community review team members offered diverse perspectives and their participation did not imply any organization's endorsement of the offshore wind project.

Director Fennell stated Principle Power's presentation showed dedication to the community and that the project is very important for Humboldt County.

Director Wilson reported public support for offshore wind energy and asked whether RCEA will be competing with other entities. Executive Director Marshall stated that he anticipates competitive interest and that the Bureau of Ocean Energy Management will be opening a competitive process. He pointed out that this is an early phase, and some respondents who were not selected expressed interest in partnering with RCEA in potential future phases of development. On inquiry by Director Wilson, Executive Director Marshall stated that out-of-area entities could purchase the power generated offshore and Sonoma Clean Power has indicated preliminary interest.

Director Wilson attended a Harbor District presentation a month ago where the offshore wind project was discussed as potentially bringing harbor development to Humboldt County.

Director Sweeney pointed out that media coverage also focused on an aging local grid infrastructure in need of substantial upgrades to be able to export energy.

Director Winkler reported that Schatz Energy Research Laboratory is working on a grant to study grid infrastructure upgrades with an offshore line to Cottonwood and a major north-south underwater line from the Oregon border to San Francisco with potential tie-ins along the coast as future possible scenarios.

Principle Power representative Antoine Peiffer thanked RCEA for running the RFQ process well on a tight timeline. Peiffer thanked the local community who came together during the RFQ process and promised to gather community input to create a good project.

Jim Zoellick of the Schatz Energy Research Laboratory, Jeff Hunerlach of Operating Engineers Local 3, Sharon Kramer of H.T. Harvey and Associates and Colin Fiske congratulated RCEA for a quick, transparent and professionally run selection process. Public comment emphasized the successful respondents' willingness to work with the community as being very important.

M/S: Fennell, Wilson: Select for agreement negotiations the respondent team of Principle Power Inc, Aker Solutions Inc, EDPR Offshore North America LLC, HT Harvey & Associates, and Herrera Environmental Consultants Inc, and direct the Executive Director to negotiate an agreement subject to final Board approval.

Ayes: Unanimous

Noes: None

Absent: Glaser, Allison, Woo

Abstain: None

5.2 Community Advisory Committee (CAC) Membership

Appoint members to the Community Advisory Committee.

The CAC at-large candidate subcommittee stated they were impressed with the number of strong applicants and nominated four candidates. The subcommittee further suggested that Director Fennell consider Tom Hofweber of Loleta to fill the remaining County seat. Director Wilson stated he was encouraging some Rio Dell residents to consider serving.

M/S: Miller, Sweeney: Reappoint Kathy Srabian to fill the Eureka seat; appoint Jerome Carman, Colin Fiske, Larry Goldberg and Pam Halstead to fill the four at-large seats; and appoint Tom Hofweber to fill the remaining County seat on the Community Advisory Committee.

Ayes: Unanimous

Noes: None

Absent: Woo, Glaser, Allison

Abstain: None

6. NEW BUSINESS

6.1 Regulatory Support Services

Approve Legal Services Agreement with Braun Blaising Smith Wynne, P.C. (BBSW) for regulatory support and legal services in support of RCEA's CCE program and authorize the Executive Director to engage and direct BBSW on specific matters as needed based on his determination, subject to sufficient budgetary allocations.

RCEA Counsel Nancy Diamond reported that RCEA's current contract with the Energy Authority (TEA) provides for regulatory legal counsel but not adjudicatory counsel. Counsel Diamond advises that RCEA retain specialized legal counsel given the potential need to respond quickly to events such as CPUC filings. TEA's legal subcontractors Braun, Blaising, Smith and Wynne, P.C. has already assisted RCEA on compliance issues. Counsel Diamond drafted a scope of services to complement TEA's legal contract and advised formalizing RCEA's attorney-client relationship with BBSW. Counsel Diamond pointed out that Marin Clean Energy, a larger CCA, has three on-staff attorneys, two of which deal exclusively with CPUC interaction.

On inquiry by Director Fennell, Counsel Diamond and Executive Director Marshall clarified that: TEA's contract with BBSW covers contracts and other routine operation matters; RCEA is jointly represented by attorneys retained through the CalCCA group for concerns affecting the entire group, such as CCA regulation lobbying efforts; and RCEA's BBSW contract would cover any CPUC matters solely affecting RCEA.

M/S: Sweeney, Ricca: Approve Legal Services Agreement with Braun Blaising Smith Wynne, P.C. (BBSW) for regulatory support and legal services in support of RCEA's CCE program and authorize the Executive Director to engage and direct BBSW on specific matters as needed based on his determination, subject to sufficient budgetary allocations.

Ayes: Unanimous

Noes: None

Absent: Woo, Glaser, Allison

Abstain: None

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighted voting as established in the RCEA joint powers agreement.

7. OLD CCE BUSINESS - None.

8. NEW CCE BUSINESS

8.1 Approval of Multi-Year Resource Adequacy Procurement

Approve procurement by TEA of multi-year resource adequacy for the period January 2019-December 2022, subject to bid acceptance and negotiation with PG&E.

Power Resources Director Engel reported that RCEA is required by the state to procure resource adequacy, which insures that all CCA's procure enough electricity to ensure adequate grid loads. This insurance is usually sold in one-year increments but RCEA had the opportunity to procure for multiple years at set prices. Competitive bids for half of the adequacy needs were made after consultation with TEA. Executive Director Marshall added that procurement is routine and falls within TEA and the risk management team's purview. The Board is being consulted per the risk management policy because of the length of time involved.

On inquiry by Director Sweeney, staff Director Engel stated that since rates tend to rise, there is an advantage to locking in prices.

M/S: Miller, Fennell: Approve procurement by TEA of multi-year resource adequacy for the period January 2019-December 2022, subject to bid acceptance and negotiation with PG&E.

Ayes: Unanimous

Noes: None

Absent: Glaser, Allison, Woo (non-voting)

Abstain: None

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1 Executive Director

- California Offshore Wind Industry Symposium

Executive Director Marshall and Dave Carter of the Schatz Energy Research Lab spoke at the Sacramento symposium. Humboldt County was of interest at the event since the Navy set limits on offshore wind development in southern California. Executive Director Marshall will attend an offshore wind conference in New Jersey in April and will meet with the acting Bureau of Ocean Energy Management director.

- Terra-Gen Proposed Monument Ridge Wind Project

Executive Director Marshall reported on Terra-Gen's terrestrial wind project, which is of interest to the CCE program. Terra-Gen is conducting grid interconnection evaluations and environmental studies southeast of Scotia and Ferndale and is potentially interested in selling electricity to Humboldt County customers through RCEA. Terra-Gen may make a future presentation to the board. Director Fennel stated she has spoken with the company and looks forward to their presentation.

9.2 Director of Operations

- Electric vehicle DC fast-charging station update

Director of Operations Dana Boudreau reported that the CEC awarded \$2.7 million in grant funding for DC fast charging stations where EV owners can charge their vehicles to 80 percent levels in half an hour. RCEA is assisting in developing stations along the Oregon border to San Francisco and is planning a ribbon cutting this fall. Staff Director Boudreau clarified that while Tesla's proprietary level 3 charging stations are exclusively for Tesla drivers, these charging stations are for use by all compatible EVs, including Teslas. Charging costs will vary depending on the site owners.

10. ADJOURNMENT

Vice-Chair Winkler adjourned the meeting at 4:20 p.m.

Respectfully submitted,

Lori Taketa
Clerk of the Board

NEXT REGULAR MEETING
Monday, April 16, 2018, 3:15 p.m.
Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501



Redwood Coast Energy Authority

633 3rd Street, Eureka, CA 95501

Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777

E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

SECTION 44 PAGE NO. 7

MEETING AGENDA

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

April 16, 2018
Monday, 3:15 p.m.

RCEA will accommodate those with special needs. Arrangements for people with disabilities who attend RCEA meetings can be made in advance by contacting Lori Taketa or front office staff at RCEA, 633 3rd Street, Eureka, or by calling 269-1700, or by e-mail at Ltaketa@redwoodenergy.org, by noon the day of the meeting.

OPEN SESSION Call to Order

1. REPORTS FROM MEMBER ENTITIES

2. ORAL COMMUNICATIONS

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

3. CONSENT CALENDAR

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

3.1 Approve Minutes of March 28, 2018, Special 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 Update on Offshore Wind Development Partnership Negotiations

6. NEW BUSINESS

6.1 Offshore Wind Project Grid Interconnection Study

Approve Agreement to Share Grid Interconnection Study Costs Between Principle Power, Aker Solutions, EDPR Offshore North America, and Redwood Coast Energy Authority and authorize the Executive Director to execute the agreement and any associated documents.

6.2 FY 17-18 Budget Adjustments

Approve proposed adjustments to the FY17-18 RCEA Annual Budget.

6.3 USDA Loan Application

Direct Staff to prepare a loan application to the U.S. Department of Agriculture's Rural Utility Services for a loan guarantee to finance the construction of a 2.25MW-solar electric and battery storage system at the California Redwood Coast – Humboldt County Airport.

Adopt Resolution 2018-3 of the Redwood Coast Energy Authority Authorization to Certify and Submit Required Data to the U.S. Department of Agriculture Loan.

Authorize the Board Chair to sign USDA RUS Program Certificate of Authority to Submit or Grant Access to Data naming Matthew Marshall as Certifier and Lori Biondini as Security Administrator.

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 Energy Risk Management Policy - Minor Administrative/Operational Updates

Adopt Resolution 2018-4 to adopt updates to Redwood Coast Energy Authority Energy Risk Management Policy.

8. NEW CCE BUSINESS

8.1 Review/Update Board Guidelines on CCE-Funded Customer Programs

Consider updates to the CCE customers program guidelines.

8.2 CCE Customer Programs Approval Process

Adopt CCE-funded customer program evaluation and selection process.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1 Executive Director

- International Offshore Wind Partnering Forum
- CEC IEPR Workshop Friday, April 20
- Community Advisory Committee Update

10. ADJOURNMENT

NEXT REGULAR MEETING: Monday, May 21, 2018, 3:15 p.m., Humboldt Bay Municipal Water District Office, 828 7th Street, Eureka, CA.95501.



Redwood Coast Energy Authority

SECTION L4 PAGE NO. 9

633 3rd Street, Eureka, CA 95501

Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777

E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

DRAFT BOARD MEETING MINUTES

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

April 16, 2018
Monday, 3:15 p.m.

RCEA will accommodate those with special needs. Arrangements for people with disabilities who attend RCEA meetings can be made in advance by contacting Lori Taketa or front office staff at RCEA, 633 3rd Street, Eureka, or by calling 269-1700, or by e-mail at Ltaketa@redwoodenergy.org, by noon the day of the meeting.

ROLL CALL

Board Chair Sheri Woo called the meeting to order at 3:15 p.m.

Present: Chair Sheri Woo, Directors Bobbi Ricca, Michael Winkler, Austin Allison, Dwight Miller, and Frank Wilson.

Absent: Director Dean Glaser

1. REPORTS FROM MEMBER ENTITIES

Director Allison will ask the Eureka City Council to consider a resolution to transition to 100 percent renewable energy by 2025. The Council previously asked city staff to consider RCEA's Repower+ 100 percent renewable energy option.

Director Miller reported hearing a Jefferson Public Radio news story on how cities are well-positioned to inspire companies, state and higher levels of government to adopt renewable energy.

Director Wilson asked the Directors for guidance on negotiating with CalTrans for mitigating options during a mid-March to November Scotia-Rio Dell bridge closure, as three local businesses are extremely impacted. Director Allison offered assistance.

Director Winkler reported that US Secretary of the Interior Ryan Zinke recently indicated strong support for offshore wind as part of an all-of-the-above energy policy. Winkler asked if it is possible to contact the Department of the Interior to tie into their new encouraging offshore wind attitude.

2. ORAL COMMUNICATIONS

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

Member of the public Denver Nelson asked the Board to consider purchasing the Potter Valley Project on the Eel River, which generates about 9 MW of hydroelectric power, from PG&E. Mr. Nelson is concerned about the Eel River salmonid populations and believes that, other than RCEA, Sonoma County Water Agency is the only other logical buyer. Mr. Nelson does not believe the water agency would assist Humboldt fisheries by improving Eel River water flow.

Directors Estelle Fennell and Michael Sweeney arrived at 3:25 p.m.

Director Miller asked Mr. Nelson to send a written summary to Executive Director Marshall and Director Wilson requested this topic be placed on a future agenda. Director Fennell reported that she is on the Eel Russian River Commission and asked Mr. Nelson to brief her on his presentation to this Board.

3. CONSENT CALENDAR

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

- 3.1 Approve Minutes of March 28, 2018, Special Board Meeting.
- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.

Chair Woo requested item 3.1 be removed from the Consent Calendar to abstain from voting on the minutes since she was not at the March 28 meeting.

Public Comment: None.

M/S: Sweeney, Miller: Approve consent calendar items with the exception of 3.1.

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler, Woo. Noes: None. Absent: Glaser. Abstentions: None.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

M/S: Fennell, Winkler: Approve consent calendar item 3.1.

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler. Noes: None. Absent: Glaser. Abstentions: Woo.

5. OLD BUSINESS

5.1 Update on Offshore Wind Development Partnership Negotiations

Executive Director Marshall reported that project partners had initial agreement discussions at the offshore wind conference in New Jersey earlier in April. The joint development agreement partners are proposed to be RCEA, EDPR Offshore North America, Aker Solutions and Principle Power, with Herrera Environmental Consultants and HT Harvey and Associates serving as consultants.

6. NEW BUSINESS

6.1 Offshore Wind Project Grid Interconnection Study

Approve Agreement to Share Grid Interconnection Study Costs Between Principle Power, Aker Solutions, EDPR Offshore North America, and Redwood Coast Energy Authority and authorize the Executive Director to execute the agreement and any associated documents.

Executive Director Marshall explained that the rapid partner team selection process was largely due to the California Independent System Operator's (CAISO's) grid interconnection study April 16 application deadline. Staff did not want to wait another year to initiate the CAISO analysis which takes about 2-½ years to complete. The team drafted an agreement to share CAISO study costs. Approval is requested contingent on Counsel Diamond's final review and approval.

Upon inquiry by Director Fennell, Executive Director Marshall explained that out of RCEA's total \$100,000 contribution \$62,500 is a deposit that would eventually be refunded. The final partnership agreement will outline how future development costs will be covered by the four entities. Director Winkler requested to see anticipated costs through completed construction.

Upon inquiry by Director Sweeney, Executive Director Marshall stated either Principle Power or EDPR Offshore North America would be the CAISO applicant, and EDP Renewables is initially paying the fee and deposit and will be reimbursed by the team.

Executive Director Marshall explained that the requested CAISO analysis is for a 150 to 160 MW project, the Humboldt Bay Power Plant substation's maximum capacity. The study would not consider future, larger projects requiring transmission upgrades.

Chair Woo confirmed with Executive Director Marshall that the study fees would be expended from the miscellaneous consulting cost line of the current Community Choice Energy (CCE) program budget.

Public Comment: None.

M/S: Miller, Winkler: Contingent on final review and approval by the RCEA General Counsel, approve agreement to share grid interconnection study costs between Principle Power, Aker Solutions, EDPR Offshore North America, and Redwood Coast Energy Authority and authorize the Executive Director to execute the agreement and any associated documents.

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler, Woo. Noes: None. Absent: Glaser. Abstentions: None.

6.2 FY 17-18 Budget Adjustments

Approve proposed adjustments to the FY17-18 RCEA Annual Budget.

Executive Director Marshall cited higher than anticipated CCE program participation and the City of Arcata and Blue Lake's decision to opt up to 100 percent renewable energy as contributing factors to the budget adjustments. Chair Woo pointed out that the adjustments were all increases. Directors Fennell and Winkler observed that the adjustments coincided with revenue increases.

Director Wilson asked to meet with Executive Director Marshall and Power Resources Director Engel for more details on the relationship between wholesale power costs and retail revenue.

Marshall stated the proposed regulatory increase would contribute to the California Community Choice Association's participation in the CPUC power charge indifference adjustment (PCIA) proceedings. The \$20 million per year RCEA customers pay in PCIA fees warrants strong proceeding participation as a change in how the fee is calculated could have significant impacts.

Executive Director Marshall reported that the agency's auditor recommends adjusting how the Headwaters Fund start-up loan and payments are recorded. Upon inquiry by Directors Wilson and Fennell, Finance and Human Resources Director Edmiston explained that the suggested principal payment acceleration will save RCEA \$50,000 over the five-year loan term.

Public Comment: None.

M/S: Miller, Winkler: Approve the following adjustments to the FY17-18 RCEA annual budget expense categories: Renewable Portfolio Standard Settlements increase to \$1,126,500; Data Management increase to \$1,100,000; Regulatory increase to \$145,000; Program Expenses increase to \$1,150,000; and Non-Operating Costs increase to \$350,000.

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler, Woo. Noes: None. Absent: Glaser. Abstentions: None.

6.3 USDA Loan Application

Direct Staff to prepare a loan application to the U.S. Department of Agriculture's Rural Utility Services for a loan guarantee to finance the construction of a 2.25MW-solar electric and battery storage system at the California Redwood Coast – Humboldt County Airport.

Adopt Resolution 2018-3 of the Redwood Coast Energy Authority Authorization to Certify and Submit Required Data to the U.S. Department of Agriculture Loan.

Authorize the Board Chair to sign USDA RUS Program Certificate of Authority to Submit or Grant Access to Data naming Matthew Marshall as Certifier and Lori Biondini as Security Administrator.

Director of Business Development and Planning Biondini reported that the USDA representative with whom RCEA is working is enthusiastic about the airport microgrid project and future possibilities for RCEA to pursue other USDA funding. Executive Director Marshall clarified that staff will seek the Board's approval prior to application submittal as early as June.

Upon inquiry by Director Fennell, Staff Director Biondini stated the USDA is requesting financial and load forecasts and audits, not customer utility data.

Director Sweeney inquired whether the project's emergency response benefits would help secure the loan. Staff Director Biondini stated that disaster readiness

was beneficial in securing the CEC grant, but was not a goal of this low-interest USDA loan program.

Public Comment: None.

M/S: Allison, Miller: 1) Direct Staff to prepare a loan application to the U.S. Department of Agriculture's Rural Utility Services for a loan guarantee to finance the construction of a 2.25MW-solar electric and battery storage system at the California Redwood Coast – Humboldt County Airport; 2) Adopt Resolution 2018-3 of the Redwood Coast Energy Authority Authorization to Certify and Submit Required Data to the U.S. Department of Agriculture Loan; and 3) Authorize the Board Chair to sign USDA RUS Program Certificate of Authority to Submit or Grant Access to Data naming Matthew Marshall as Certifier and Lori Biondini as Security Administrator.

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler, Woo. Noes: None. Absent: Glaser. Abstentions: None.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

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.

Chair Woo noted a quorum existed and CCE business could be conducted.

7. OLD CCE BUSINESS

7.1 Energy Risk Management Policy - Minor Administrative/Operational Updates

Adopt Resolution 2018-4 to adopt updates to Redwood Coast Energy Authority Energy Risk Management Policy.

Director of Power Resources Engel outlined minor updates to the Energy Risk Management Policy adopted in December 2016: Ferndale's addition as a participating municipality; adding the Director of Finance and Human Resources to the Risk Management Team; and a shift from dollar amounts to megawatt-hours for decision-making thresholds.

Upon inquiry by Director Miller, Staff Director Engel stated that The Energy Authority's (TEA's) monthly report would replace daily reporting. Staff also accesses TEA's continually-updated financial models online. Upon inquiry by Director Miller about why the Director of Business Planning was removed as a signatory on the transaction approval form, Executive Director Marshall replied that the inclusion resulted from an initial overabundance of caution which TEA later deemed unnecessary.

Chair Woo invited public comment. Bob Marino inquired about when to update the Board on DG Fairhaven's latest power generation timeline. Executive Director Marshall offered to add the topic to his staff report. Chair Woo closed the public comment period.

M/S: Sweeney, Winkler: Adopt Resolution 2018-4 to adopt updates to Redwood Coast Energy Authority Energy Risk Management Policy.

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler. Noes: None. Absent: Glaser. Abstentions: Woo (non-voting).

8. NEW CCE BUSINESS

8.1 Review/Update Board Guidelines on CCE-Funded Customer Programs

Consider updates to the CCE customers program guidelines.

Staff Director Biondini reviewed the staff report and Executive Director Marshall proposed two changes to the Board's CCE-funded customer program guidelines:

- 1) Changing "Electric Vehicle Charging Infrastructure" to "Electric Vehicles and Charging Infrastructure" to allow for a wider array of programs; and
- 2) Changing "Energy Efficiency and Conservation" to "Energy Efficiency, Fuel Switching, and Conservation" to allow for fuel switching from natural gas or wood stoves to electric heat pumps.

Upon inquiry by Director Winkler, Executive Director Marshall clarified that offshore and onshore wind are included in the procurement section of the guidelines, not the customer program funding section. All guideline changes must be adopted by resolution at a future meeting.

Director Fennell asked from what budget line would any match funding be taken. Executive Director Marshall explained that the Board decides on any CCE customer program fund allocations.

Upon inquiry by Director Winkler, Executive Director Marshall explained that CCE program funds can supplement PG&E program funding, fill funding gaps or fund unrelated programs.

Public Comment: None.

M/S: Miller, Winkler: Request staff prepare a resolution for the next Board meeting updating the Board guidelines on CCE-funded customer programs with changes proposed by staff.

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler. Noes: None. Absent: Glaser. Abstentions: Woo (non-voting).

8.2 CCE Customer Programs Approval Process

Adopt CCE-funded customer program evaluation and selection process.

Director of Power Resources Engel reported that for CCE-funded customer programs, a staff-driven decision-making process was being proposed for 2018 and, beginning in 2019, a process including community input through the Community Advisory Committee (CAC) was being proposed. The decision-making process directs proposals into either a competitive process or a non-competitive process for cost-neutral programs. The Board would have discretion to fund unique or urgent opportunities that fit approved guidelines.

Director Fennell thanked staff for developing the decision-making process and for making it possible for the Board to allocate funding for innovative programs. Director Winkler added that programs could be new to our region and already implemented elsewhere.

Member of the public Jim Zoellick of Schatz Energy Research Laboratory asked how the CCE customer program funding fits with funding cycles and processes for State agencies and other funding sources with short application response windows.

Staff Director Engel clarified that staff sought Board guidance for a customer program approval process and that power procurement or project development programs could be discussed at a future meeting. Executive Director Marshall noted that the airport microgrid and offshore wind projects are wholesale power procurement projects. Examples of customer programs would be residential and commercial energy efficiency rebates or the public agency solar program.

M/S: Fennell, Allison: Adopt CCE-funded customer program evaluation and selection process.

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler. Noes: None. Absent: Glaser. Abstentions: Woo (non-voting).

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1 Executive Director

- International Offshore Wind Partnering Forum

In April Executive Director Marshall attended a wind energy forum and met with the Bureau of Ocean Energy Management (BOEM) Director to discuss the offshore wind project. The Bureau Director was supportive and intrigued by RCEA's community-driven process. The US Secretary of the Interior who spoke at the event expressed enthusiasm for offshore wind.

- CEC IEPR Workshop Friday, April 20

The California Energy Commission (CEC), BOEM, the Department of Defense, and the Ocean Protection Council will hold a public workshop on the California Integrated Energy Policy Report (IEPR) on Friday, April 20 at Arcata's D Street Neighborhood Center. The workshop features a North Coast perspective on energy resiliency, microgrids and offshore wind. Upon inquiry by Director Winkler, Executive Director Marshall stated that public opportunities to meet CEC Commissioner Karen Douglas include a ribbon cutting at Blue Lake Rancheria's microgrid on April 19 and the IEPR workshop on April 20.

Counsel Diamond clarified that if Board members participate in the meetings, they may comment as individuals, not Board representatives. Counsel Diamond asked that if staff desires a standing Offshore Wind Subcommittee, the subcommittee's scope should be modified at a future meeting.

- Community Advisory Committee (CAC) Update

Executive Director Marshall reported the Committee is a strong and enthusiastic group and they set a quarterly meeting schedule. CAC Board Liaison Sweeney added the Committee requested: that staff or the Board liaison facilitate meetings rather than elect a chair; a formal way to clearly and directly communicate the Committee's recommendations to the Board; Board direction be communicated clearly to the Committee. The Committee will receive Board agenda packets and minutes to stay informed of agency business.

Chair Woo asked if CAC meeting minutes could be included in the Board packet to help the Board stay abreast of Committee business. Executive Director Marshall confirmed that they would and added that future CAC agendas will include a section to gather Board communication requests, which will be passed on by the liaison or staff.

Member of the public Bob Marino reported that DG Fairhaven submitted required paperwork to the ISO and is on track to generate electricity beginning on May 1.

10. ADJOURNMENT

Chair Woo adjourned the meeting at 4:34 p.m.

Respectfully Submitted,

Lori Taketa
Clerk of the Board



Redwood Coast Energy Authority

SECTION 14 PAGE NO. 17

633 3rd Street, Eureka, CA 95501

Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777

E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

BOARD OF DIRECTORS MEETING AGENDA

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

May 21, 2018
Monday, 3:15 p.m.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Clerk of the Board at the phone number, email or physical address listed above at least 72 hours in advance.

Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Board of Directors, including those received less than 72 hours prior to the RCEA Board meeting, will be made available to the public in the agenda binder located in the RCEA lobby during normal business hours, and at www.redwoodenergy.org.

PLEASE NOTE: Speakers wishing to distribute materials to the Board at the meeting are asked to provide 12 copies to the Clerk of the Board.

OPEN SESSION Call to Order

1. REPORTS FROM MEMBER ENTITIES

2. ORAL COMMUNICATIONS

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

3. CONSENT CALENDAR

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

3.1 Approve Minutes of April 16, 2018, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

3.4 Approve Contract Addendum No. 2 "Scope of Services – Peak Day Pricing Alerting Services Pilot" to Professional Services Agreement Between Calpine Energy Solutions, LLC and Redwood Coast Energy Authority, and Authorize Board Chair to Execute the Agreement Addendum and any Associated Documents.

3.5 Adoption Resolution No. 2018-5 of the Redwood Coast Energy Authority Authorization for Electronic Submission of Any and All Data Required by RDAApply Intake System.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

5. OLD BUSINESS

- 5.1 FY 17-18 Budget Revisions
- 5.2 Update on Offshore Wind Development Partnership Negotiations

6. NEW BUSINESS

- 6.1 Preliminary FY 18-19 Budget Presentation

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 Approve Revisions to CCE Program Guidelines

Adopt Resolution 2018-6 Approving Revisions to the Community Energy Program Launch-Period Strategy and Targets.

8. NEW CCE BUSINESS – None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

- 9.1 Director Demand-Side Management
 - PG&E Partnership Update

10. ADJOURNMENT

NEXT REGULAR MEETING
Monday, June 18, 2018, 3:15 p.m.
Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501



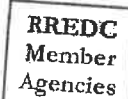
Redwood Region Economic Development Commission
 Prosperity Center 520 E Street, Eureka, California 95501
 Phone 707.445.9651 Fax 707.445.9652 www.rredc.com

SECTION 4 PAGE NO. 19

REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION
Regular meeting of the Board of Directors
 At the Prosperity Center 520 E Street, Eureka
 April 23, 2018 at 6:30 pm
AGENDA

- I. **Call to Order & Flag Salute**
- II. **Approval of Agenda and Minutes**
 - A. Approval of Agenda for April 23, 2018
 - B. Approval of Minutes of the Board of Directors Meeting February 26, 2018
- III. **Public Hearing for Draft FY 2018/2019 RREDC Budget**
- IV. **Public Input for non-agenda items**
- V. **Program – Introductions to Bill McKown, Interim Airport Manager, California Redwood Coast-Humboldt County Airport; and Kenny Spain, Executive Director, Headwaters Fund**
Cassandra Hesseltine, Humboldt Del Norte Film Commissioner – Positive Economic Impact of the Television & Film Industries on our region
- VI. **Consent Calendar**
 - A. Acceptance of Agency-wide Financial Reports: February 28, 2018 and March 31, 2018
- VII. **Reports – No Action Required**
 - A. Loan Portfolio Report: February 2018 and March 2018
 - B. Executive Director's Report
- VIII. **Old Business**
 - A. Discussion of Agency Priorities for FY 2019
- IX. **New Business**
 - A. Report on Housing Forum and Appointment of Ad-Hoc Planning Committee
 - B. Approval of FY 2018/2019 RREDC Budget
- X. **Member Reports**
- XI. **Agenda/Program Requests for future Board of Directors Meetings**
- XII. **Adjourn**

The Redwood Region Economic Development Commission will, on request, make agendas available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the Board Secretary at (707) 445-9651. Notification 48 hours prior to the meeting will enable the Commission to make reasonable arrangements for accommodations.



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 Community Services Districts Humboldt · Manila · McKinleyville · Orick · Orleans · Redway · Willow Creek
 Humboldt Bay Harbor, Recreation and Conservation District · Humboldt Bay Municipal Water District
 County of Humboldt · Hoopa Valley Tribe · Redwoods Community College District



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REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION
Regular meeting of the Board of Directors
At the Prosperity Center 520 E Street, Eureka
May 28, 2018 at 6:30 pm
AGENDA

**This Regular Meeting of the RREDC Board of Directors
will not be held as it falls on Memorial Day.
Next regular meeting is June 25, 2018.**

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**

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