



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Board of Directors Meeting

January 2018

**Happy
New
Year**

MINUTES



Minutes for Meeting of Board of Directors

December 14, 2017

A. ROLL CALL

President Woo called the meeting to order at 9:01 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 and John Winzler of GHD were present for a portion of the meeting.

B. FLAG SALUTE

President Woo led the flag salute.

C. ACCEPT AGENDA

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

D. MINUTES

Ms. Sobol stated there was an error in the minutes on Section D, Page 7, 2018 Membership Dues. The correct amount for the dues is \$14,030 and has been corrected. On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 5-0 to approve the Minutes of November 9, 2017 as amended.

E. PUBLIC COMMENT

There was no public comment.

F. CONSENT AGENDA

Director Rupp requested Item 1 be pulled. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted to approve the Consent Agenda, less Item 1.

Dunes Climate Ready Grant Ninth Quarterly Update

Director Rupp stated it doesn't sound like the study is going well and he has concerns regarding the District's assistance with funding. He noted the District provided some funding for the project to help our infrastructure. Director Fuller stated it's her understanding that this is an experiment to see if native plants can help stabilize the dunes. Director Hecathorn stated the project was presented to the Board as a dune stabilization project and protecting our pipeline. Mr. Friedenbach added the District was asked to provide financial support and the Board agreed to \$2000/year for five years. This year is the third year of contributions. The direct benefit to the District is scientific data gathered from transects across the District pipeline. The data will likely confirm that dune movement does not affect our pipeline. Mr. Friedenbach agreed the experimental planting does not appear to be working and stressed that the District's interest is in the pipeline transects and our pipeline. Director Rupp stated he now feels comfortable that the District's contribution is wisely spent. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to approve Consent Item 1.

G. CORRESPONDENCE

Email from Dan Edrich re: Dune System 540 Rule

Mr. Friedenbach stated Mr. Edrich requested the information be shared with the Board. The item is informational only and not on the agenda for action. Mr. Davidsen stated the District covers the pipeline every eight to ten years and this has been a consistent pattern resulting from weather.



Minutes for Meeting of Board of Directors

December 14, 2017

H. CONTINUING BUSINESS

Water Resource Planning

Mr. Friedenbach stated there is not much to report. He shared an email received expressing interest in barging water and noted that no further communication was received. He also shared the business cards of two people he contacted at the ACWA Conference regarding our available water. Director Rupp stated it is in our best interest to continue to make contacts. Director Latt concurred and added it's important to let people know our door is open.

Director Woo updated the Board on the status of the instream flow grant with the Wildlife Conservation Board. The awardees will be announced in March 2018.

Aquatic Invasive Species

Mr. Friedenbach shared the article "Governors push federal fight against invasive mussels". The Western Governors' Association is trying to get Federal funding to assist with the fight against Quagga. The District implemented an Aquatic Invasive Species Prevention Plan in 2009 and updated it in 2013 at its own expense to protect Ruth Lake. Director Rupp requested an update on Quagga grants. Mr. Friedenbach stated the District applied for three grants, two were approved and we are waiting to hear back on the third, most recent one. The first grant covered the costs of inspection stickers, bands, key cards, gate arms and two new computers dedicated to the inspection process. The second grant was for \$63,500 and not only covered the above items, but will also be used to convert the Old Ruth launch site to a public access site to help alleviate congestion at the Marina. As a result of General Manager changes (3) at Ruth Lake CSD in 2017, the project was delayed. It has now gone out for bid and construction should begin in early Spring 2018. Mr. Friedenbach added that during his recent conversation with the Ruth Lake CSD manager, he requested "space" on the annual leaseholder letter that RLCSD sends out to address the lease lot improvement process and timber removal process. RLCSD was receptive to this.

Cannabis Grows

Mr. Friedenbach stated he included the article "California's State Water Board recently passed new policies that will regulate water impacts from marijuana growing operations" for informational purposes. Director Latt stated he spoke with Fish and Game regarding law enforcement on the Mad River. They informed him that the Mad River is not one of the heavily impacted rivers, such as the Eel or Mattole.

Employee Handbook revised

Mr. Friedenbach stated both JPIA and legal counsel have now reviewed the handbook. He discussed their suggested changes and requested input from the Board. The Board provided input and concurred with the most of the changes. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the Employee Handbook as amended to become effective January 1, 2018.

US Forest Service Fire Suppression Water MOU

The US Forest Service requested and withdrew water from Ruth Lake this past fire season for fire suppression purposes. The Board had requested staff draft a Memorandum of Understanding (MOU) for this activity at Ruth Lake with the US Forest Service. Mr. Friedenbach shared the draft MOU prepared by legal counsel with the Board for possible approval. He noted that he is waiting to hear from the US Forest Service as to who the appropriate staff is to review and accept the MOU. Director Latt stated he carefully reviewed the MOU and is satisfied with it. Director Hecathorn inquired about



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

December 14, 2017

Quagga inspections on the aircraft. Ms. Harris stated the US Forest Service has a very strict policy on Quagga decontamination in place to protect their equipment and highlighted some of the processes. On motion by Director Latt, seconded by Director Rupp, the Board voted 5-0 to approve the MOU.

I. NEW BUSINESS

1. Dam Owners Academy

Mr. Friedenbach stated staff participated in the Association of State Dam Safety Officials pilot webinar of the ASDSO Dam Owner Academy webinar series. The webinar introduced the Dam Owner Emergency Intervention Toolbox that was developed in 2016. Feedback from staff was that it was a good webinar and there is value in the toolbox.

2. Water related legislation

Earlier this year, SB 623 (Water Tax) and AB 1668 and SB606, companion Water Management Planning bills were introduced. The District sent letters opposing these bills. ACWA, a large majority of urban water suppliers, local governments and business groups voiced their opposition was well. These bills failed to pass in the Legislature this year and became two-year bills to be resolved in the 2018 legislative session. Staff recommends the Board authorize the General Manager to issue appropriate correspondence as needed opposing SB 623, AB 1668 and SB 606 and supporting AB 968 and AB 1654 during the 2018 legislative session. On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 5-0 to approve the correspondence as needed.

3. CSDA Certifications

Mr. Friedenbach discussed the CSDA Special District Leadership Foundation Programs. He provided background on the four programs offered and stated he is looking into the Special District Administrator Certification for himself. Director Rupp inquired how much time away from work would be required and what is unique about this training compared to the JPIA training. He added he believes this would benefit the District but would still like to know. Director Latt concurred. Mr. Friedenbach stated the JPIA training was leadership skills and the CSDA training is Effective Public Administrator training. As to the amount of time away from work, he could not say for sure, but noted it would not interfere with District responsibilities. The Board requested the certifications be brought back for approval at another Board meeting.

4. Trinity County Community Alert System CodeRED

The Board previously inquired about the emergency alert system for Trinity County. Trinity County has a community warning system called CodeRED. This is a reverse 911 system. Mr. Friedenbach stated management staff has this app on their phones and he will share the information with Ruth Lake CSD if they are not already aware of it.

5. May and August 2018 Board meeting

Mr. Friedenbach requested the Board consider rescheduling the May and August 2018 Board meetings. The May meeting currently falls during the week of the ACWA Conference. The August meeting occurs when he will be installed as Lt. Governor of the Kiwanis California-Nevada-Hawaii District. The Board agreed to move the May meeting to the 15th and the August meeting to the 16th.



Minutes for Meeting of Board of Directors

December 14, 2017

J. REPORTS (from Staff)

1. Engineering

1 MG Reservoir Roof Replacement/Painting

Mr. Kaspari stated the project is physically complete. Change orders 4 and 5 were the last change orders processed under the contract. He discussed draft change orders 6 and 7. Change order 6 is an addition to the contract of \$20,663.40. This is a result of the paint being thicker than anticipated, resulting in extra time and money to complete the sandblasting. Change Order 7 is for liquidated damages of \$19,000 resulting in a decrease of the contract. The contractor has requested and staff concurs, that we not process change orders 6 and 7 and proceed with filing a notice of completion. Director Latt stated this saves the District money. Director Rupp inquired if the contractor performed the job well. Mr. Kaspari stated they did a good job onsite. He was pleased with the quality of work and would use them again with a new project manager. Mr. Friedenbach agreed the project manager was ineffective. The Board concurred with staff recommendation to not process change orders 6 and 7.

Mad River Cross Sections

Mr. Kaspari discussed the results of the annual Mad River cross sections. He noted that the weir upstream of Pump Station 6 is failing and the channel is deepening. Mr. Halligan of Stillwater Sciences believes we can keep the channel on the south with regular, permitted dredging and it should not be an issue. If it does become an issue however, it will be cumbersome and expensive to the replace the weir. Mr. Friedenbach stated constructing a berm as needed will assist the weir. President Woo stated it is in the District's Habitat Conservation Plan to do this.

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

Mr. Kaspari stated he has not heard back regarding the request for grant extension. He is not too concerned at this point and anticipates going out to bid in February. FEMA representatives were scheduled to see the project site but cancelled their visit. FEMA staff is very busy with the wildfires going on.

Surge Tower Replacement and 12kV Replacement

There are no updates on these projects. FEMA representatives were scheduled to visit these sites as well, but as noted, cancelled their trip.

Kieselhorst Easement Agreement

Mr. Friedenbach stated the District received a request for development on our easement from Nick and Chris Kieselhorst. They have been in discussions the past few months. The Kieselhorst's have stated they are agreeable with keeping the District's floating easement over their parcel as their proposed plan allows for access to our pipelines. Staff is in agreement with this and recommends approval of an Easement Addendum Agreement to be signed by the General Manager. Director Latt inquired if legal counsel has reviewed the agreement. Mr. Friedenbach stated legal counsel drafted the agreement including the exhibits. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the Easement Addendum Agreement and authorized the General Manager to sign it on behalf of the District.



Minutes for Meeting of Board of Directors

December 14, 2017

2. **Financial**

Financial Report

Director Rupp stated he discussed with Ms. Harris the fact that the percentage of budget in the Salary & Employee Benefit Expenditures report is very confusing. Ms. Harris concurred the report is confusing however, it is a limitation of the current software. She explained what the numbers are actually showing and why. Director Latt stated he appreciates Director Rupp's diligence. Ms. Harris provided the rest of the financial report. The vendor bills amount to \$333,522.59. Ms. Harris noted that of that amount, just over \$103,000 is grant funded. Director Hecathorn reviewed the bills. She noticed the fees for permits and dredging at Ruth and stated all looked good. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the November 2017 financial statement and vendor detail report in the amount of \$333,522.59.

Software upgrade: Utility Billing and Finance

Ms. Harris provided background on the current utility billing and finance software. The two programs do not interface and no longer satisfy the needs for the District. She shared some of the current challenges staff is dealing with. Staff has been researching various utility billing and finance software that can meet the needs of the District. She provided a comparison of the three products researched, not only for functionality but costs and maintenance as well. She also shared the programs our Municipal Customers are using and their feedback on them. She stated staff is on board and supportive of a new system. After careful consideration, staff recommends upgrading the utility billing and financial software programs with the Caselle Software product suite during the current fiscal year with the initial funding from the General Reserves and replenishing the Reserve during the FY 18/19 budget unless it can be funded through the year end Project Budget re-allocation process. She detailed why Casselle is the best option for the District, including the security measures and ability to limit access. Director Latt acknowledged the thoroughness of the presentation and stated Ms. Harris did a good job summarizing the details. It is time to upgrade and move forward. Director Rupp agreed and stated the report was well laid out. He added that taking money out of the reserves now and replenishing them makes sense. He inquired if the Board will be seeing a contract for the Casselle software. Ms. Harris stated yes, once the contract is received it will be brought to the Board. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to upgrade the utility billing and finance software with Casselle.

3. **Operations**

Mr. Davidsen provided the November Operational Report. He stated he checked with the weather service and not much rain is forecasted for December and January so he scaled back the hydro-production. This should maintain the lake level. Safety Meeting training included Fall Prevention/Ladder Safety, Cable Car Safety and Trenching & Excavation Safety, Spill Prevention, SDS/Right to Know and Sexual Harassment Prevention Training. Staff also attended additional training, including SCADA training, Silica Exposure training and a Workers Compensation training by JPIA. Mr. Davidsen and his supervisors interviewed seven candidates for the Maintenance Mechanic position and selected Russell Roberts who will start in December. Telestar conducted the annual chlorine system maintenance. Staff conducted the annual R.W. Matthews Dam EAP drill as required by FERC and it was a good exercise. He and Ms. Ryan also went to Ruth for a Trinity County DTSC inspection at Headquarters and the Hydro Plant. He stated the regulator they met with was good and they have a few items to work on.



Minutes for Meeting of Board of Directors

December 14, 2017

K. MANAGEMENT

1. California Special District Association (CSDA)- Certificate for Liability Coverage

Mr. Friedenbach requested authorization to sign the CSDA Certificate of Liability Coverage for the participation by employees and members of the Board of Directors in the meetings and activities conducted by the Humboldt Area Chapter of the CSDA. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to authorize the General Manager to sign the Certificate for Liability Coverage for the CSDA Humboldt Area Chapter.

Mr. Friedenbach reported out on the elected officers for the local chapter. Director Rupp requested minutes from the local chapter meetings be included in the Board Packet.

2. General Manager report out on ACWA/JPIA Conference and Training

Mr. Friedenbach reported out on his attendance at the ACWA/JPIA Conference. He shared the educational sessions he attended and provided a brief summary of them.

3. Other

Mr. Friedenbach was asked to provide a presentation to the Mad River Rotary which he did. The presentation was on Capital Improvement Projects: Past, Present and Future and was well received.

April 15-21, 2018 is Water Week and Mr. Friedenbach shared some ideas, including hosting an open house.

The Board previously requested the District's Mission Statement be displayed in the Board Room. Mr. Friedenbach shared a mock up and stated the font would be larger in the final product. Director Latt stated the font selected was difficult to read and Director Fuller requested a more modern look overall. Mr. Friedenbach will bring back another version.

L. DIRECTOR REPORTS & DISCUSSION

1. ACWA – JPIA

a) President's Special Recognition Awards

Each year at the Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property or Workers' Compensation Programs. These members receive the President's Special Recognition Awards. The District received the award for its Liability and Property Program.

b) Report out on meetings

Director Rupp reported out on his attendance at the Finance Committee Meeting and the Executive Committee Meeting. Topics discussed included captive insurance companies. Currently the JPIA's rate of return is 1.9%. If they go with a captive insurance company in Utah, the rate is about 5% at the same low risk. This means insurance can be purchased for less money, approximately \$1 million less. Since this topic was just introduced it will be several months before moving forward with this. The California State Association of Counties has already switched.



Minutes for Meeting of Board of Directors

December 14, 2017

2. ACWA

Report out on ACWA/JPIA Conference and Training

President Woo and Director Rupp reported out on their attendance. President Woo attended sessions on the water fix, social media, low income water rates and Beyond the Brink. Director Rupp also attended several sessions, including the Keynote Speaker, Jim Thebaut. Other sessions included the Headwaters Forest, Grant Davis/DWR (formerly of Sonoma County Water Agency) on his first 100 days on the job, safeguarding ratepayer funds, One Toke Over the Line-a discussion on cannabis in the workplace.

4. Organizations on which HBMWD Serves: RCEA, RREDC

President Woo reported out on RCEA. Biomass is still a big topic and staff was directed to find a way to make biomass pencil out. She stated there are nine board members on RCEA. In regards to the CCA, the voting is proportional. This means the County has more voting power. She noted that she is not on the committee and has no voting power.

Director Latt reported out on RREDC. Sean McLaughlin of Access Humboldt and Connie Stewart of California Center for Rural Policy were the guest speakers. They also received an update on the Digital 299 Broadband Project. The State informed the Digital 299 Project they are not eligible for bonds.

ADJOURNMENT

The meeting adjourned at 3:20 p.m.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer

CONSENT

Water district looks at Indianola service expansions

Some residents voice fears of development

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

Saturday, December 16, 2017



The Humboldt Community Services District Board of Directors is looking into expanding water services in the Indianola area along Old Arcata Road between Arcata and Eureka, but area residents have expressed concerns over water services being the first step of urbanizing their beloved rural community.

The district's general manager David Hull said this issue dates back two decades.

"The residents, landowners out in the Indianola area, were having problems with their wells," he said.

Wells were running dry, not working or polluted, Hull said.

"It actually turned into a health and safety issue," he said.

Some residents came to the district's board to ask for the area to be annexed so they could be hooked into the water system, Hull said. But Humboldt Local Agency Formation Commission rules at that time would have required the services district to provide other services, such as emergency services, to annexed areas.

Hull said the district dealt solely in water and wastewater services.

"That made it costly and near impossible," he said about the annexation. "Since that time those rules have changed so we can do water service expansion out there."

So the district board started talking about the annexation again and sent out 439 survey letter to gauge public opinion on the annexation, Hull said. Only 141 surveys were returned with 100 respondents interested in the annexation and 41 not interested in it, according to a staff report.

In November the board directed district staff to prepare a second survey letter that would be sent out to the 298 residences that didn't respond to the first survey letter, according to a staff report.

"That's what the discussion was [on] Tuesday night," Hull said.

On Tuesday evening the district board met and heard input from members of the public and instead of voting to send out the second letter as drafted gave staff direction to add to it.

"Based on public input we're going to add more detail into the public letter," Hull said.

About 16 residents came in with concerns about how the district would be profiting or benefitting on the annex, he said.

“I was directed to prepare a second letter to all landowners detailing the entire annexation process by bullet point stating there is no profit to the district, the district will not proceed unless there is the majority of the public interested, that we don’t know what the cost per parcel will be at this time but there will be a cost to landowners most of which would be added to property tax bills under a special assessment,” Hull said.

But this staff direction from the board didn’t quell all the concerns of at least two Indianola area residents.

Indianola resident Aryay Kalaki said he thinks the survey process should start all over again — meaning the second letter CSD staff is in the process of drafting should be considered the first survey letter — because the letter sent out in October only contained the positives of the annexation.

“The problem is they already sent out an initial letter that didn’t have any of the pertinent information that could affect them,” he said.

Kalaki said he’s concerned what annexation and water service expansion could mean in the future.

“Water is the crucial factor in development,” he said.

County Planning and Building Department director John Ford said anytime utilities already installed make that development in that area easier and more attractive.

“That doesn’t translate into planned development at this point,” he said.

Ford said he’s not aware of any future development plans in the Indianola area but that doesn’t preclude any from happening further down the road.

“The first step in all likelihood would be to create new parcels,” he said.

But this would require a subdivision map and public input so concerned citizens would have to opportunity to be heard, Ford said.

Hull said the services district is only focused on providing water to Indianola if the majority of residents want it.

“The Humboldt Community Services District doesn’t do land planning,” he said.

The district board is also in the midst of annexing a separate piece of land along Redmond Road that abuts the southern-most edge of the proposed Indianola annexation area. Redmond Road resident Jonathan Weber said he’s not against the idea of him and his neighbors being hooked up to the water system but is against what development could be put in after water service expansion and how the board went about notifying stakeholders.

“They had very little information in the first [letter],” he said.

But Weber said it’s a good thing that the services district is redrafting the second letter.

“We really want the public to make an informed decision,” he said.

Humboldt Community Services District was created in 1952 to provide water services to the unincorporated areas surrounding Eureka. It maintains 160 miles of water and wastewater pipes, 10 water tanks and 40 water and wastewater pumping stations over 15 square miles, according to the district’s March 2017 water and wastewater rate study. The proposed Indianola expansion area would add 1,090 acres to the district, Hull said in an email.

The Humboldt Community Services District Board of Directors publicly meets twice a month. The redrafted letter will be up for further discussion and possible approval on Jan. 9 at 5 p.m. in the boardroom next to the facility lobby at 5055 Walnut Drive, Eureka, according to the Humboldt Community Services District website.

More information and board meeting agendas are available at humboldtcsd.org.

SECTION F, PAGE NO. 3

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

URL: <http://www.times-standard.com/general-news/20171216/water-district-looks-at-indianola-service-expansions>

© 2017 Eureka Times-Standard (<http://www.times-standard.com>)

North Coast Journal
12/14/2017

12/14/2017

Facebook

Twitter

Google+

FAVORITE

SHARE

Letters + Opinion » Editor

December 14, 2017

Don't Screw This up Again

BY THADEUS GREENSON

SHUTTERSTOCK

One could easily argue that former Humboldt County Public Defender David Marcus' tenure ended much as it began: with a mistake.

The Humboldt County Board of Supervisors voted unanimously Dec. 5 to accept Marcus' resignation after nine tumultuous months on the job, during which nearly every employee of his office signed letters questioning his competence and urging his ouster, a lawsuit sought to prove he didn't meet minimum state qualifications for the job and deputy public defenders fled their jobs. But it appears the board violated state open meeting laws by trying to roll approval of Marcus' severance agreement into the action item accepting his resignation without specifically listing the agreement or its \$25,000 payout to Marcus on the agenda.



SHUTTERSTOCK

Terry Francke, who serves as general counsel for the nonprofit CalAware and helped author sections of the Ralph M. Brown Act, said the board's action seems a clear violation of the act, which is designed to guarantee the public's business is conducted in public. The severance agreement should have been on the agenda, discussed and voted on in open session, Francke said. Because it wasn't, the *Journal* will be sending a "cure and correct" letter to the county essentially asking for a do-over that would force the board to make its decision in the light of day with a historic record of the vote. (Repeated calls and emails to County Counsel Jeffrey Blanck to discuss this have gone unreturned.)

Why does it matter? Because Marcus' hire and subsequent tenure here were an abject disaster, a stain on the county and the board that will not soon be forgotten. It impacted lives — there's at least one man in state prison arguing that he will be there longer than promised thanks to poor legal advice from Marcus. There's also the fact that it kneecapped what was a very strong public defender's office. It will recover but it will likely take far longer than it took to unravel.

And it matters because we, the public, have a right to know who on this board decided Marcus, who had been an at-will employee, should leave Humboldt County with \$25,000 in taxpayer severance funds — an amount that's more than half the county's median household income. There are also some other things in the agreement that we think the county should be aware of.

For instance, the agreement stipulates that neither side is admitting any liability or wrongdoing and both sides agree not to sue one another. Marcus promises not to "seek in the future any type of employment" with the county and the county agrees — "in consideration of employee's promises made herein" — to offer only a neutral reference if a prospective employer should call asking about Marcus, one that will include only his dates of employment, job title and salary. The agreement also includes a mutual "non-disparagement" clause under which the county, the board and Marcus agree not to make any "disparaging or defamatory" comments about one another or to "approach the media regarding this settlement agreement or matters regarding employee's employment and resignation."

There's also section 18(c), which notes that "employee is hereby advised that he should consult with an attorney prior to executing this agreement," that should draw a chuckle from some corners of the courthouse.

While there is, candidly, part of me that's angry that some of my tax dollars are going toward paying Marcus to go away, the severance is probably a defensible move by the board. As an at-will employee, Marcus could be fired at any time — and there appeared to be ample cause — but that doesn't mean he wouldn't have sued the county, a lawsuit that would necessitate staff time and resources to defend and, to some extent, prevent the public defender's office from turning the page and moving on. This was the board's mistake when it hired someone grossly unqualified and unfit for the position.

And because these types of mistakes do have very real consequences, I feel compelled to remind the board of a few things as it embarks on hiring the county's next public defender.

First, if you're going to put together an advisory panel to interview applicants, make sure they know what they're doing. You'll recall that last time the panel was stacked with the district attorney, the undersheriff and the chief probation officer — all of whom generally sit on the opposing side of the courtroom from a public defender — and not a single defense attorney. Just as a city wouldn't hire a police chief without taking the input of police officers, you shouldn't hire your next public defender without talking to someone who practices criminal defense.

Second, do some homework. In Marcus' case, 10 minutes worth of Googling would have told you that just about the only thing you could find about the guy online at the time of his hire was a scathing Lassen County Grand Jury report accusing him of only spending 30 to 40 percent of his days at work. That should have been a red flag. Along the same lines, vet an applicant's resume. In Marcus' case, you would have learned that the law firm he claimed to have been working 10 hours a week for — Cella, Lange and Cella — doesn't have a website or appear in any online news reports. Dig a little deeper and you would have found that it isn't a member of the Contra Costa Bar Association and, in fact, that the association's executive director had never even heard of the firm. You also might have found that Marcus listed his home address with the California State Bar, a strange move for someone purporting to be an employed attorney. And maybe even reach out to some former co-workers. (When we did this to inquire about Marcus, the response was overwhelming and quite negative.)

Finally, if after making a new hire you suddenly get a pair of blistering letters signed by virtually every member of the new hire's staff calling him or her incompetent and unqualified, please take them seriously. Whatever you do, don't go on a local radio show to say it's all a conspiracy from "one of these weekly newspapers" because "they have to sell their papers."

To be perfectly clear, board, you can't screw this up again. You aren't city councilmembers putting in hours where you can, working for a stipend. This is the full-time job you signed up for and you get paid well to do it, pulling in an annual salary that's roughly double the county's median household income. People are counting on you. The Humboldt County Public Defender's Office handles about 80 percent of the local criminal court calendar, and most Humboldt County residents qualify for its services. We are all counting on you not to screw this up again.

— *Thadeus Greenson is the news editor at the Journal. Reach him at 442-1400, extension 321, or thad@northcoastjournal.com. Follow him on Twitter @thadeusgreenson.*

Tags: Editor

Benbow Dam removal completed

NOAA director: 'Removal ... moves us closer to reversing the alarming decline' of salmon

By The Times-Standard

Sunday, December 24, 2017



California State Parks recently announced the completion of the removal of the Benbow Dam, which is the second largest concrete structure to be removed in California, according to a release from the state Department of Parks and Recreation.

The dam, which was built in 1931 on the Eel River, will help the migration of salmon and restore the habitat for other species.

“The removal of Benbow Dam moves us closer to reversing the alarming decline of West Coast fall-run Chinook, Coho salmon and summer-run steelhead by restoring access to an additional 96 miles of

prime habitat along the Eel River,” said Pat Montanio, the director of the office of habitat conservation in NOAA Fisheries, in a news release. “This project benefits surrounding communities by removing a public safety hazard for boaters and park visitors.”

The Benbow Dam removal project began in 2010 with planning and engineering and a grant from American Rivers. State Parks later received a grant from NOAA Restoration Center to begin work following a multi-agency environmental review.

The demolition work began in 2016. Earlier than expected, high flows that year from winter storms and the potential to affect salmonid migration halted the project in mid-October 2016. Work began again in August 2017 and was completed in October.

“The removal of Benbow Dam has significant positive impacts for riparian natural resources and added safety for recreational users of the Eel River, while eliminating costly repairs and maintenance,” said Victor Bjelajac, superintendent of the California State Parks North Coast Redwoods district. “Many thanks to staff and management from the California Department of Parks and Recreation, participating agencies and the public for making the project a success.”

Future phases of the project are planned to help restore and rehabilitate riverine habitat.

Planting will take place over the winter with additional monitoring of the vegetation and river response to follow over the next few years.

URL: <http://www.times-standard.com/general-news/20171224/benbow-dam-removal-completed>

© 2017 Eureka Times-Standard (<http://www.times-standard.com>)

Point

CalPERS exposes taxpayers to needless risks

By Jon Coupal

Listing all the deficiencies of the California Public Employees Retirement System would be a daunting task. A long history of corruption involving so-called "placement fees," dysfunctional governance, undue union influence and poor rates of return are themselves reasons why California needs fundamental pension reform.

Now we can add to that list how CalPERS's mindless pursuit of progressive, feel-good causes exposes taxpayers to even greater risk.

In a scathing report, the American Council for Capital Formation blamed CalPERS' poor investment results over the last decade on its increasing focus on "sustainable" investing strategies. Often referred to as ESG policies (environmental, social and governance) this strategy applies subjective opinions in an effort to measure the sustainability and "ethical impact" of an investment in a company or business. Of course, ESG judgments are as malleable as the varying opinions of those

judging the criteria. Applying ESG standards as a primary investment strategy is the polar opposite of looking at actual financial performance.

According to the report, "During this time of increased ESG investing and activism, the fund's performance has suffered, converting a \$3 billion pension surplus to nearly \$140 billion deficit over the past 10 years."

The shift by CalPERS away from basing investment decisions on objective financial performance has also caught the eye of current employees and retirees who depend on CalPERS for their pensions. According to a recent Sacramento Bee article entitled, "Before CalPERS can save the world, public workers want it to save their pensions," a police officer testified before the

**Ultimately,
the answer is
phasing out
California's
system of
defined
benefits ...**

CalPERS board on ESG investing. The officer, who was also the treasurer of his local police association, stated, "We cannot afford to lose funding for law enforcement officers in exchange for a socially responsible investment policy."

This is not to suggest that investors — either public or private — should shun investments in companies that have strong ethical standards or are focused on clean technologies. Quite the opposite. Many of those companies are solid performers. But so too are oil companies and gun manufacturers.

As noted above, even public employees are beginning to question ESG investment strategies by CalPERS, as well they should. But let's not forget who remains the ultimate backstop for California's public employee retirement plans — California taxpayers. Bad investment decisions and dysfunctional governance have already taken their toll as the slice of general fund budgets for both state and local governments dedicated to pension costs continues to "crowd out" other public needs.

Nothing could be more suc-

cinct than this statement from the Council of Institutional Investors: "When the managers take their eyes off the ball and the funds are mismanaged, taxpayers often have to make up the difference, especially with public systems like CalPERS — the largest public U.S. pension fund."

Ultimately, the answer is phasing out California's system of defined benefits and, as other states have begun to do, shift to defined contributions. For the employees, the latter are similar to 401(k) retirement plans, are portable and allow the employee to choose the level of risk that is right for them. The best feature, however, is eliminating future risk to taxpayers because their financial obligation would be met at the close of every pay period. That's much better than having hundreds of billions in unfunded pension obligations that will burden future generations for decades.

In the meantime, however, Exxon and Smith & Wesson are still good investments.

Jon Coupal is president of the Howard Jarvis Taxpayers Association.

Cases may lead to cutting pensions

By Jonathan J. Cooper

The Associated Press

SACRAMENTO » For decades in California, a sacrosanct rule has governed public employees' pensions: Benefits promised can never be taken away.

But cases before the state Supreme Court threaten to reverse that premise and open the door to benefit cuts for workers still on the job.

The lawsuits have enormous implications for California cities, counties, schools, fire districts and other local bodies facing a sharp rise in their pension costs.

The ballooning expenses are an issue that Gov. Jerry Brown will face in his final year in office despite his earlier efforts to reform the state's pension systems and pay down massive unfunded liabilities.

His office has taken the unusual step of arguing one case itself, pushing aside Attorney General Xavier Becerra and making a forceful pitch for the Legislature's right to limit benefits.

At issue is the "California Rule," which dates to court rulings beginning in 1947. It says workers enter a contract with their employer on their first day of work, entitling them to retirement benefits that can never be diminished unless replaced with similar benefits.

PENSIONS » PAGE 2

Pensions

FROM PAGE 1

It gives workers security that their retirement will be safe and predictable after a career in public service. But it also ties lawmakers' hands in responding to exploding pension costs.

It's widely accepted that retirement benefits linked to work already performed cannot be touched. But the California Rule is controversial because it prohibits even prospective changes for work the employee has not yet done.

"Lots of people in the pension community are paying attention to these cases and are really interested in what the California Supreme Court is going to do here," said Amy Monahan, a University of Minnesota professor who studies pension law. Pension systems around the

country are facing unprecedented pressures from generous benefits, severe losses during the Great Recession, mostly anemic investment earnings since, and retirees living for longer.

California's two major pension funds, which have more than \$570 billion in assets between them, have enough money to pay for only about two-thirds of their anticipated costs.

As a result, both the California Public Employees Retirement System and the State Teachers Retirement System will collect billions of additional dollars from state and local governments, putting pressure on those budgets.

The pending cases stem from a Brown-backed 2012 pension reform law that sought to rein in costs and end practices viewed as abuses of the system. One of those eliminated benefits was a right to buy up to five years of credit when retirement ben-

efits are calculated, so a person who worked 20 years would get a monthly check as if he'd worked 25 years.

Brown, in a brief filed in November, argued benefits have been handed out too generously.

"For years, self-interested parties, overly generous promises whose true costs were often shrouded by flawed actuarial analyses, and failures of public leadership had caused unsustainable public pension liabilities," his office wrote. A ruling is expected before Brown leaves office in January 2019.

The 2012 law also limited the types of income that can be used to calculate pension benefits in an attempt to limit "pension spiking" or driving up final salaries to increase payments in retirement.

A group of Marin County employees sued separately over the changes, arguing the benefits couldn't be altered. The Califor-

nia Court of Appeal in San Francisco disagreed in a ruling that strikes at the heart of the California Rule.

"While a public employee does have a 'vested right' to a pension, that right is only to a 'reasonable' pension — not an immutable entitlement to the most optimal formula for calculating the pension," Judge James A. Richman wrote. The case is now pending at the Supreme Court. Dave Low, chairman of Californians for Retirement Security, a union coalition, said the Supreme Court upholding the lower-court ruling would be a "major setback" for public employees.

"If they base their decision on precedent, I don't think that there's much for the public employees to worry about," Low said. "The key will be if the Supreme Court decides to break away from decades of precedent and dozens of decisions."

Imre Standard
12/29/2017

Oroville Dam: DWR asks for license before report is released

By Risa Johnson, Chico Enterprise-Record

POSTED: 12/27/17, 9:58 PM PST



A worker from Drill Tech Drilling & Shoring, Inc. checks a drilling rig during on Dec. 18 construction of the 1,450-foot underground secant pile, or cut-off wall, downslope of the Lake Oroville emergency spillway. The wall will prevent erosion toward the base of the concrete weir. Ken James — California Department of Water Resources



Workers from Kiewit Infrastructure connect drain piping to the outer sidewalls of the upper chute of the main Oroville Dam spillway on Dec. 19. Ken James — California Department of Water Resources

Oroville >> Just before Christmas, the state Department of Water Resources asked federal regulators for a new license to operate the Oroville Dam complex.

Some hope the department does not get what it wished for.

A big reason for that is the independent forensic team's report, which will identify what caused the main and emergency spillways to fail, has not been released yet. Several entities and individuals, ranging from environmental groups to politicians, have requested the Federal Energy Regulatory Commission, or FERC, hold off on handing out a new license until that report is released and the public has time to process the information.

Despite that, DWR Director Grant Davis has requested FERC approve a new license, via a letter dated Dec. 20.

"Respectfully, the relicensing of the hydroelectric facility is separate from the Commission's administration of Part 12D dam safety regulations, and while considerable work remains on the spillway repairs in 2018, DWR is eager to move forward with the new license implementation," Davis wrote.

He noted that settlement agreement signatories have been waiting for a new license for over 11 years and said that now all requirements were met.

The last big hurdle was a biological opinion which was released in December 2016. Then, with some missing commissioners this year, FERC needed to obtain a quorum before there could be a vote.

Some of those who formally requested a delay included the Oroville Chamber of Commerce, Assemblyman James Gallagher, R-Yuba City, and Sen. Jim Nielsen, R-Nielsen, and two of Oroville's seven city councilors, Linda Draper and Janet Goodson. Gallagher tweeted pictures of the letter Dec. 24, stating the Oroville Dam Coalition still desired a delay.

"We want to review the forensic report on why this happened, we want the impacts of the spillway crisis analyzed and mitigated, and we want to know how the complex will operate long-term," Gallagher said.

The license, if FERC commissioners gave majority approval, would allow the department to continue to operate the dam for up to another 50 years. In the meantime, DWR continues to manage the dam under the terms of the old license.

FORENSIC REPORT

The forensic team that has been investigating what caused the main or auxiliary spillway to collapse announced it is aiming to complete its final report in January.

The report was originally expected to be released in the fall of 2017. Human factors that caused or contributed to the spillway failure will be included, according to a DWR press release.

A list of physical factors that may have contributed to the failure of both the main and emergency spillways was released to the public in March in the group's preliminary report.

In September, the team also released an initial memorandum pointing to faulty design, construction and repairs as factors which led to lifting of a concrete slab on Feb. 7.

FINISHING TOUCHES FOR MAIN SPILLWAY

According to the state Department of Water Resources, the spillway is ready to pass flows of 100,000 cubic-feet per second if needed, but some work there continues.

The contractor for the spillway repairs, Kiewit Infrastructure West Co., is wrapping up the final shotcrete layer of the middle chute and walls made of roller-compacted concrete, or RCC, to "ensure a smooth surface." Next season, that section will be entirely redone with structural concrete.

Most of the drainage work should be done by the end of 2017, according to DWR. Some drain configurations in the middle chute will be kept in place until Kiewit is ready to reconstruct that portion of the spillway.

EMERGENCY SPILLWAY UPDATE

The secant pile wall, also known as the cutoff wall, is expected to be finished by mid-March. It is about 70 percent complete. The purpose of the structure is to prevent massive erosion like what occurred in

February when water ran down the emergency spillway for the first time in history and nearly 200,000 people downstream were ordered to evacuate.

Completion of the wall was initially planned for January. A delay was needed for additional drilling and structural concrete placement, according to DWR.

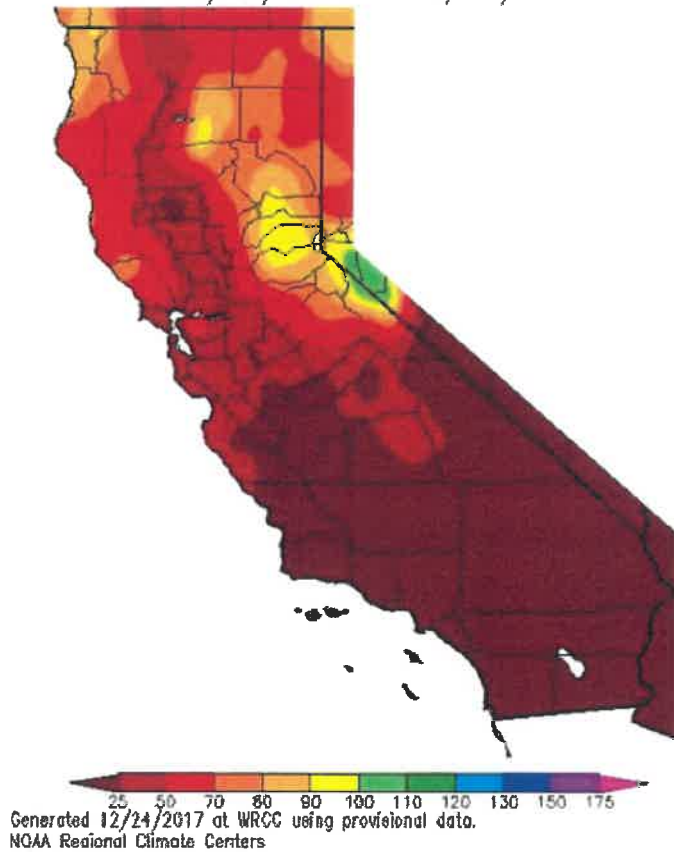
Contact reporter Risa Johnson at 896-7763.

Experts: Sonoma County's bone-dry December does not make a drought



(1 of 2) (File photo) Water from the Eel River collects at the Van Arsdale Reservoir and flows April 6, 2017 over the Cape Horn Dam. A percentage of the water is redirected through a diversion tunnel, at the building in the background, to the Potter Valley Powerhouse and east fork of the Russian River. (Christopher Chung/ The Press Democrat)

Percent of Average Precipitation (%)
9/25/2017 – 12/23/2017



(2 of 2) All of California is now experiencing well-below-average precipitation for the season to date. (WRCC)



GUY KOVNER

THE PRESS DEMOCRAT | December 27, 2017, 8:55AM

A bone-dry December in Santa Rosa and minimal rain anticipated in January may be conjuring up concerns of a renewed drought in a state short on precipitation since fall and with a skimpy Sierra snowpack.

But no worries so far, meteorologists and water managers said Tuesday, citing above-average water supplies in California's major reservoirs and two typically wet winter months ahead.

“I don’t think we’re near a drought now,” said Jan Null, a consulting meteorologist and former National Weather Service forecaster, even though December has been “absolutely a bust” for rain. He cautioned that one month hardly makes for an arid season.

Null acknowledged the similarity between current conditions — a persistent high-pressure ridge shunting Pacific Ocean storms to the north — with the official government forecast he wrote in rhyme in February 1977 during a memorable drought:

“Strong high pressure remains firmly entrenched...

Blocking all storms that might leave us drenched.”

Steve Anderson, a weather service meteorologist, said “only the governor can say the D-word.”

Meteorologist Daniel Swain, who writes the California Weather Blog, said the ridge has forced several atmospheric river storms to “make a hard left turn” over the ocean, veering north and dumping heavy snowfall on the coastal mountains of southern Alaska.

At the same time, the land-to-sea Santa Ana winds that have propelled Southern California’s monster wildfires have blown nearly all the moisture out of the region’s air mass, he said.

Most of California has received less than 70 percent of average precipitation since Sept. 25, according to the Western Regional Climate Center’s latest report. Virtually all of Central and Southern California have less than 25 percent of average.

Snow depth in the Sierra Nevada Tuesday averaged just 2.6 inches and covered only 37 percent of the region, the weather service said. A year ago, it was almost a foot deep on average, blanketing more than 70 percent of the mountains.

With just five days to go, December has delivered a mini-drought to Santa Rosa with just two wet days and .04 inches of rain.

Dry skies and daytime temperatures in the 60s are expected through at least through Sunday morning, with a “chance of rain” on New Year’s Eve and into Monday, the weather service said.

One out of five computer models predicts “moderate rain and gusty winds” to kick off 2018, Anderson said.

Less than an inch of rain in December is far below Santa Rosa’s 30-year average of 6.19 inches, according to government data from 1981-2010. But to illustrate how elusive average is, rain totals for December in Santa Rosa since 1902 range from zero inches in 1989 to 17.89 inches in 1955. In 1956, the city got just 0.38 inches.

In December 2016, Santa Rosa got just above average at 6.75 inches.

December is also the first of three typically soggy months. January averages 5.93 inches of rain in Santa Rosa, followed by February with 6.02 inches, with the city’s annual total averaging 32.2 inches.

March ranks fourth with 4.53 inches, and is known for so-called “March miracle” storms.

The current outlook for January isn’t great, with Accuweather forecasting 4.41 inches in Santa Rosa, compared with 15.61 inches recorded in January, 2017.

But scant rain is just one element of drought, Null said, noting that water supply is another important aspect. The Department of Water Resources reported Tuesday all but one of California’s major reservoirs at or above historic averages for this time of year.

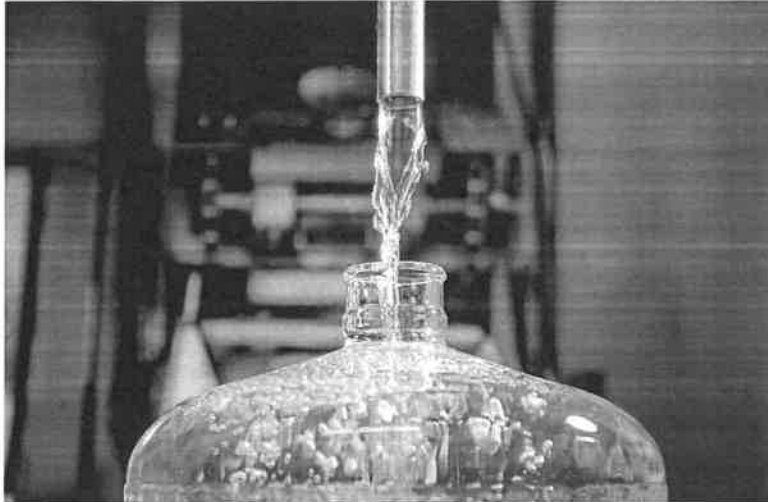
Lake Sonoma and Lake Mendocino, the reservoirs that hold Russian River water for 600,000 customers in Sonoma and Marin counties, are both close to their water storage capacity at 82 percent and 99 percent, respectively.

Brad Sherwood, a Sonoma County Water Agency spokesman, said the dry December has been “somewhat of a miracle” in the wake of the October wildfires that left tons of ash and debris on the ground.

Heavy rains would have swept contaminants into creeks and the river, he said, noting the dry spell has been “better for the watershed.”

Unfiltered Fervor: The Rush to Get Off the Water Grid

By NELLIE BOWLESDEC. 29, 2017 The New York Times



Opal Springs Water Company in Culver, Ore., bottles “raw water” — unfiltered, untreated, unsterilized spring water — for the start-up company Live Water. CreditLeah Nash for The New York Times

SAN FRANCISCO — At Rainbow Grocery, a cooperative in this city’s Mission District, one brand of water is so popular that it’s often out of stock. But one recent evening, there was a glittering rack of it: glass orbs containing 2.5 gallons of what is billed as “raw water” — unfiltered, untreated, unsterilized spring water, \$36.99 each and \$14.99 per refill, bottled and marketed by a small company called Live Water.

“It has a vaguely mild sweetness, a nice smooth mouth feel, nothing that overwhelms the flavor profile,” said Kevin Freeman, a shift manager at the store. “Bottled water’s controversial. We’ve curtailed our water selection. But this is totally outside that whole realm.”

Here on the West Coast and in other pockets around the country, many people are looking to get off the water grid.

Start-ups like Live Water in Oregon and Tourmaline Spring in Maine have emerged in the last few years to deliver untreated water on demand. An Arizona company, Zero Mass Water, which installs systems allowing people to collect water directly from the atmosphere around their homes, began taking orders in November from across the United States. It has raised \$24 million in venture capital.



A Zero Mass Water system, which extracts moisture from the air and stores the water, at a home in Oakland, Calif. Credit Jim Wilson/The New York Times

And Liquid Eden, a water store that opened in San Diego three years ago, offers a variety of options, including fluoride-free, chlorine-free and a “mineral electrolyte alkaline” drinking water that goes for \$2.50 a gallon.

Trisha Kuhlmeier, the owner, said the shop sells about 900 gallons of water a day, and sales have doubled every year as the “water consciousness movement” grows.

What adherents share is a wariness of tap water, particularly the fluoride added to it and the lead pipes that some of it passes through. They contend that the wrong kind of filtration removes beneficial minerals. Even traditional bottled spring water is treated with ultraviolet light or ozone gas and passed through filters to remove algae. That, they say, kills healthful bacteria — “probiotics” in raw-water parlance.

The quest for pure water is hardly new; people have been drinking from natural springs and collecting rainwater from time immemorial. The crusade against adding fluoride to public water began in the 1950s among Americans who saw danger in the protective measures that had been adopted over decades to protect the populace from disease and contamination.



The Crooked River in Oregon, which is fed by the aquifer tapped by Opal Springs Water Company. Credit Leah Nash for The New York Times

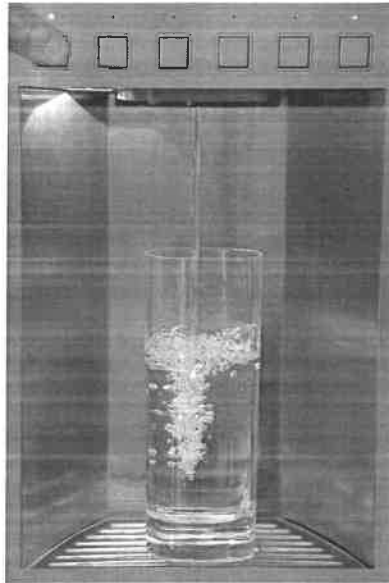
But the off-grid water movement has become more than the fringe phenomenon it once was, with sophisticated marketing, cultural cachet, millions of dollars in funding and influential supporters from Silicon Valley.

One recent morning in the hills of Berkeley, Calif., Cody Friesen, the founder and chief executive of Zero Mass Water, was inspecting water collection panels he had installed for his investor Skip Battle, a longtime tech leader who now sits on the boards of LinkedIn, Netflix and OpenTable.

The system — called Source, which retails for \$4,500, including installation — draws moisture from the air (the way rice does in a saltshaker) and filters it, producing about 10 liters of water a day and storing about 60 liters. The goal, Mr. Friesen said, is to make water “that’s ultra high quality and secure, totally disconnected from all infrastructure.”

“Just take a breath of air,” said Mr. Friesen, a professor of materials science at Arizona State University. “Take a deep breath. No matter how wealthy or poor you are, you can take a breath and own that air that you breathe. And yet water — the government brings it to you.”

Mr. Battle’s system runs on power from its own small solar panel. It feeds into a tap set up in his stone garden, where he goes to drink. He said he’s been making all his meals and drinks with it.



Water from a Zero Mass system filling a glass in a customer's refrigerator door. Credit Jim Wilson/The New York Times

Mr. Battle poured himself a glass. "The water from the tap just doesn't taste quite as refreshing," he said. "Now is that because I saw it come off the roof, and anything from the roof feels special? Maybe."

The most prominent proponent of raw water is Doug Evans, a Silicon Valley entrepreneur. After his juicing company, Juicero, collapsed in September, he went on a 10-day cleanse, drinking nothing but Live Water. "I haven't tasted tap water in a long time," he said.

Before he could order raw water on demand, Mr. Evans went "spring hunting" with friends. This has become more challenging lately: The closest spring around San Francisco has recently been cut off by landslides, so reaching it means crossing private property, which he does under cover of night.

"You have to be agile and tactile, and be available to experiment," he said. "Literally, you have to carry bottles of water through the dark."

At Burning Man, the summer festival in the Nevada desert that attracts the digerati and others, Mr. Evans and his R.V. mate brought 50 gallons of spring water they had collected. "I'm extreme about health, I know, but I'm not alone with this," Mr. Evans said. "There are a lot of people doing this with me. You never know who you'll run into at the spring."

The founder of Live Water, Mukhande Singh, started selling spring water from Opal Springs in Culver, Ore., three years ago, but it was a small local operation until this year. Marketing materials show Mr. Singh (né Christopher Sanborn) sitting naked and cross-legged on a hot spring, his long brown hair flowing over his chest.



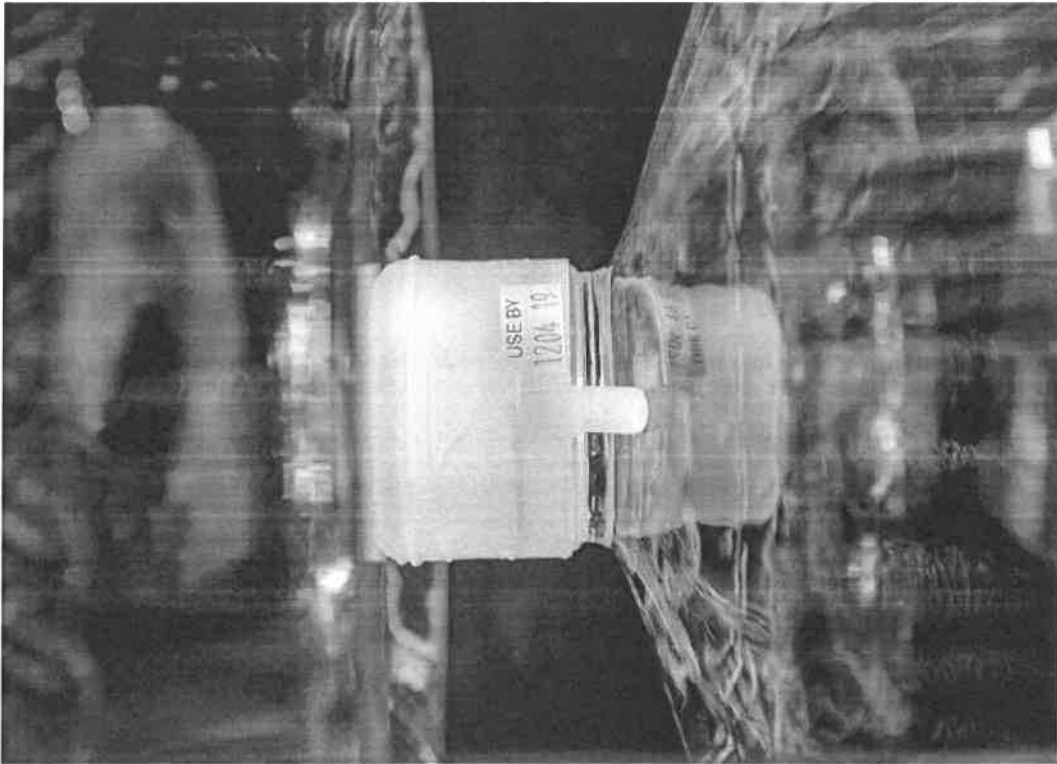
Mukhande Singh, the founder of Live Water, at Ukumehame Beach Park, near Lahaina, Hawaii, where he lives. Credit Marco Garcia for The New York Times

Pure water can be obtained by using a reverse osmosis filter, the gold standard of home water treatment, but for Mr. Singh, the goal is not pristine water, per se. “You’re going to get 99 percent of the bad stuff out,” he said. “But now you have dead water.”

He said “real water” should expire after a few months. His does. “It stays most fresh within one lunar cycle of delivery,” he said. “If it sits around too long, it’ll turn green. People don’t even realize that because all their water’s dead, so they never see it turn green.”

Mr. Singh believes that public water has been poisoned. “Tap water? You’re drinking toilet water with birth control drugs in them,” he said. “Chloramine, and on top of that they’re putting in fluoride. Call me a conspiracy theorist, but it’s a mind-control drug that has no benefit to our dental health.” (There is no scientific evidence that fluoride is a mind-control drug, but plenty to show that it aids dental health.)

Talk like Mr. Singh’s disturbs Dr. Donald Hensrud, the director of the Healthy Living Program at the Mayo Clinic in Rochester, Minn. What the raw-water partisans see as dangers, he says, are important safety measures.



Untreated water, like this bottle with a “use by” date from Live Water, should be discarded after a few months, Mr. Singh said: “If it sits around too long, it’ll turn green.” Credit Leah Nash for The New York Times

“Without water treatment, there’s acute and then chronic risks,” Dr. Hensrud said, including E. coli bacteria, viruses, parasites and carcinogenic compounds that can be present in untreated water. “There’s evidence all over the world of this, and the reason we don’t have those conditions is because of our very efficient water treatment.”

Dr. Hensrud said he has noticed more interest in alternative water sources; a patient recently asked questions about a raw water he had been drinking. “There are people, just like with immunizations, that don’t accept the status quo,” Dr. Hensrud said.

The rules for selling bottled water are imposed by states and the Food and Drug Administration, which does not specify how water be treated but sets acceptable amounts of chemicals and bacteria at a low level. State and federal inspectors make unannounced visits to bottling plants to test for harmful contaminants.

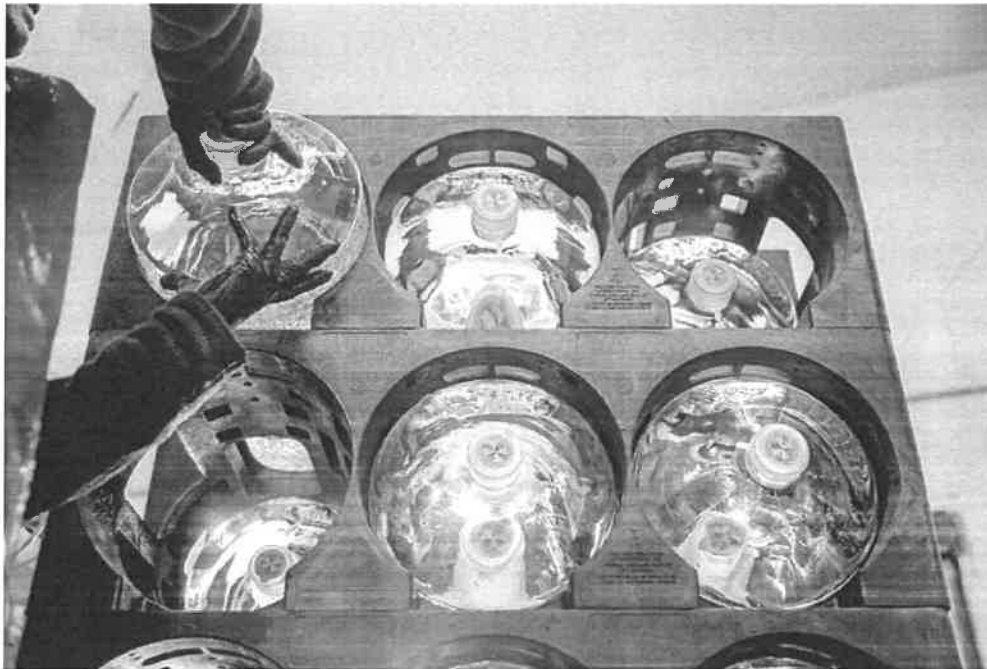
Seth Pruzansky, the chief executive of Tourmaline Spring (whose website touts its “sacred living” water), got an exemption from the State of Maine in 2009 to sell his water untreated. “The natural food industry has been in the dark ages when it comes to water,” he said. “Now there is a renaissance.”

The movement against tap water, like the movement against vaccines, has brought together unlikely allies from the far left and the far right. Conspiracy theorists like Alex Jones, founder of the right-wing website Infowars, have long argued that fluoride was added to water to make people more docile. Similar claims can be heard in the largely liberal enclaves where Live Water is seeing interest spike.

“Fluoride? It’s a deathly toxic chemical,” said Vanessa Kuemmerle of Emeryville, Calif., who does landscape design for large tech companies. She said she was an early adopter of raw water, and has noticed many of her clients following suit.

“They’re health-conscious people that understand the bigger picture of what’s going on,” she said. “Everyone’s looking for an edge: nootropics, Bulletproof coffee, better water.”

The health benefits she reported include better skin and the need to drink less water. “My skin’s plumper,” she said. “And I feel like I’m getting better nutrition from the food I eat.”



At Opal Springs Water Company in Oregon, raw water is prepared for shipping to the company Live Water. Credit Leah Nash for The New York Times

In the community of tap-water skeptics, many talk about water the way others might about fine wine.

“My friends who drink spring water, when they come over now they’re like, ‘Oh yeah, give me the good stuff,’” said Amanda Thompson, a writer in San Francisco. “The consciousness around water is changing.”

Not everyone has been receptive. Many San Franciscans are proud of their tap water, which comes from Hetch Hetchy, a reservoir in Yosemite National Park.

“My landlord lives across the street and thinks I’m crazy,” Ms. Thompson said. “He gave me a big rant around Hetch Hetchy water and how the water’s so good. I always hope he’s not around when there’s a delivery.”

Raw water is such a nascent business that there’s debate over what exactly to call the liquid. Daniel Vitalis hosts a podcast, “[ReWild Yourself](#),” that promotes hunting for food and gathering water; he started the site called [FindASpring.com](#) to help people locate springs. He prefers the term “unprocessed water,” which echoes the idea of processed versus unprocessed food.

“I don’t like ‘raw water’ because it sort of makes people think of raw sewage,” Mr. Vitalis said. “When you say ‘live water,’ that’s going to trigger a lot of people who are into physics and biology. Is it alive?”

[Follow NYT Food on Facebook, Instagram, Twitter and Pinterest. Get regular updates from NYT Cooking, with recipe suggestions, cooking tips and shopping advice.](#)

Correction: December 31, 2017

An earlier version of a caption misstated the connection between the Crooked River in Oregon and the aquifer tapped by Opal Springs Water Company. The aquifer feeds the river, not vice versa.

A version of this article appears in print on January 3, 2018, on Page D1 of the New York edition with the headline: A Rush to Get Off the Water Grid. [Order Reprints](#)| [Today's Paper](#)| [Subscribe](#)

CORRESPONDENCE

John Friedenbach

From: ACWA <heathere@acwa.com>
Sent: Wednesday, December 20, 2017 3:59 PM
To: John Friedenbach
Subject: RESPONSE REQUESTED: ACWA Seeking Member Input On Court Order Impacting Renewable Energy

Click [here](#) if you are having trouble viewing this message.



Bringing
Water
Together

Dec. 20, 2017

Dear General Managers,

In response to a Dec. 6 Federal District Court decision, the California Public Utilities Commission (CPUC) has declared that the investor owned utilities (IOUs) implementing the Renewable Market Adjusting Tariff (ReMAT) must not execute any new ReMAT contracts, hold any new ReMAT program periods, or accept any new ReMAT applications. This ruling is effective immediately, pending further commission action or court order. The letter from the CPUC to the IOUs with more information about the case can be found on ACWA's [website](#).

This order may profoundly impact ACWA members that have current ReMAT contracts, as well as those that are about to sign ReMAT agreements. While the court's order does not affect the validity of already-executed ReMAT contracts, this case leaves uncertain what will happen with current contracts that utilities have executed with developers under the CPUC program. Additionally, the commission will evaluate the implication for the Bioenergy Market Adjusting Tariff (BioMAT) programs.

ACWA is trying to gauge the scope of impact on members with existing ReMAT contracts, as well as those pursuing or considering pursuit of a ReMAT application. If your agency will be affected, please email ACWA Regulatory Advocate [Chelsea Haines](#) and [Michael Minkler](#) by Dec. 29.

Sincerely,
Heather Engel
ACWA Director of Communications

John Friedenbach

From: Todd Thorner <tthorner@jtn-energy.com>
Sent: Thursday, December 21, 2017 9:38 AM
To: John Friedenbach
Cc: 'Mark Henwood'; Chris Harris; chelseah@acwa.com
Subject: RE: ReMAT contracts
Attachments: TSullivan Ltr to IOUs re Re-MAT and Winding Creek Solar Order 12-15-17.pdf

John,

FYI, JTN is closely tracking this case and the CPUC response. That said the CPUC in its Dec 15, 2017 letter to the investor owned utilities (attached) states that "The Court's order does not affect the validity of already-executed Re-MAT contracts, and existing Re-MAT contracts must continue with their full force and effect."

I will update you if there are any indications of any complications for already signed contracts. Meanwhile, let's give a collective sigh of relief that we got the ReMAT done last year and didn't get tangled up in this mess.

Regards,

Todd Thorner
CEO, JTN Energy
1555 Botelho Dr., #121
Walnut Creek, CA 94596
m 415.652.1627

From: John Friedenbach [<mailto:friedenbach@hbmwd.com>]
Sent: Thursday, December 21, 2017 9:05 AM
To: chelseah@acwa.com; mjminkler@uticapower.net
Cc: Todd Thorner (tthorner@jtn-energy.com) <tthorner@jtn-energy.com>; Mark Henwood (markhenwood@henwoodassociates.com) <markhenwood@henwoodassociates.com>; Chris Harris <Harris@hbmwd.com>
Subject: ReMAT contracts

Hi Chelsea and Michael,

I am responding to the ACWA alert regarding ReMAT contracts.

Our water district, Humboldt Bay Municipal Water District, entered into a ReMAT contract in May of 2017. We chose a 20 year term.

We are very interested in any affects that the December 6th Federal District Court decision may have on our existing contract.

Kindly keep us informed on this issue and its possible impact to us.

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

Regards,

John Friedenbach
General Manager

STATE OF CALIFORNIA

EDMUND G. BROWN JR., Governor

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298VIA E-MAIL

December 15, 2017

Matt Gonzales, Regulatory Affairs - MRGg@pge.comMatthew Fogelson, Attorney - MAFV@pge.comAndrea Torres, Staff/Program Manager - AMTd@pge.com

Pacific Gas and Electric Company

77 Beale St.

San Francisco, CA 94105

Dawn Anaiscourt, Regulatory Affairs - dawn.anaiscourt@sce.comLaura Kuhls-Gilcris, Attorney - Laura.Kuhls.Gilcris@sce.comSteve Coulter, Staff/Program Manager - steven.w.coulter@sce.com

Southern California Edison Company

8631 Rush Street

Rosemead, CA 91770

Jennifer Wright, Regulatory Affairs - jwright@semprautilities.comPaul Szymanski, Attorney - PSzymanski@semprautilities.com

San Diego Gas & Electric Company

8330 Century Park Court

San Diego, CA 92123

Subject: Re-MAT Program: *Winding Creek Solar LLC v. Florio, et al.*
Case 3:13-cv-04934-JD (N.D. Cal.)

On December 6, 2017, Judge Donato of the U.S. District Court for the Northern District of California (the Court) issued an order granting summary judgment in favor of Winding Creek Solar LLC (Winding Creek) on the plaintiff's first four requests for declaratory and injunctive relief with respect to Pacific Gas and Electric Company's (PG&E) Renewable Market Adjusting Tariff (Re-MAT) program, in Case No. 13-cv-04934-JD. Each of the utilities implementing Re-MAT – PG&E, Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) – must not execute any new Re-MAT contract and must not hold any new Re-MAT program periods, and must not accept any new Re-MAT applications, effective immediately, pending further Commission action or court order.

Judge Donato's order grants the following of Winding Creek's requests for relief, as such requests are quoted below from Winding Creek's Second Amended Complaint:

- a. *Declaring that the Orders [the CPUC decisions establishing and implementing the Re-MAT program, D.12-05-035, D.13-01-041, and D.13-05-034] violate the Supremacy*

- Clause of the U.S. Constitution insofar as they place numerical limits on utilities' obligations to enter into contracts purchasing electricity from qualifying facilities;*
- b. Declaring that the Orders violate the Supremacy Clause of the U.S. Constitution insofar as they establish a price different than the utility's avoided costs calculated for the length of the contract term at the time the contractual obligation is incurred;*
 - c. Enjoining Defendants [CPUC] from continuing to apply the Re-MAT program as set forth in the Orders;*
 - d. Enjoining Defendants to issue new Orders implementing PURPA [the Public Utility Regulatory Policies Act of 1978] in a manner consistent with federal law;*

See *Winding Creek Solar LLC v. Peevey*, No. C 13-04934, 2017 U.S. Dist. LEXIS 201893, at *37 (N.D. Cal. Dec. 6, 2017). Although Winding Creek sought a Re-MAT contract under Re-MAT's peaking as-available "product type," the Court's order found that Re-MAT's pricing mechanism does not satisfy the avoided-cost pricing requirement under PURPA. *Id.*, at *26. Accordingly, PG&E, SCE, and SDG&E must not sign new Re-MAT contracts, must suspend holding any ReMAT program periods, and must not accept any ReMAT applications, pending next steps.

The Court's order does not affect the validity of already-executed Re-MAT contracts, and existing Re-MAT contracts must continue with their full force and effect. The Commission is evaluating the implications for the Bioenergy Market Adjusting Tariff (BioMAT) programs.

My order contained herein formalizes the informal directive to the utilities contained in Legal Division's emails to the utilities on December 11, 2017, attached hereto.

Sincerely,



Timothy Sullivan
Executive Director

Attachments

cc: Service Lists of R.15-02-020; R.11-05-005; R.06-05-027; R.06-02-012; R.04-04-026;
R.01-10-024; A.08-11-001; R.06-02-013; R.04-04-003; R.04-04-025; R.99-11-022

Commissioners and Advisors

Acting Chief Administrative Law Judge Anne E. Simon

Administrative Law Judge Robert M. Mason III

Administrative Law Judge Nilgun Atamturk

Edward Randolph, Director, Energy Division

Judith Ikle, Energy Division

Cheryl Lee, Energy Division

Arocles Aguilar, Legal Division

Christine J. Hammond, Legal Division

FEDERAL COURT REJECTS CALIFORNIA PUBLIC UTILITIES COMMISSION'S RE-MAT PROGRAM AS NON-COMPLIANT WITH PURPA

Dec 20 2017

By **Buck B. Endemann, William M. Keyser, Molly Suda, and Toks A. Arowojolu**

On Wednesday, December 6, 2017, the United States District Court for the Northern District of California (“the Court”) issued a decision in *Winding Creek Solar LLC v. Peevey* (“*Winding Creek* decision”),[1] finding that the California Public Utilities Commission’s (“CPUC”) Renewable Market-Adjusting Tariff (“Re-MAT”) program violated the federal Public Utility Regulatory Policies Act (“PURPA”). The Court also found that the CPUC’s “Standard Contract” for generators less than 20 MW failed to comply with PURPA, throwing into question the effectiveness and pricing associated with a significant amount of renewable energy generation currently under contract.

I. Background: Where PURPA and Re-MAT Collide

In 1978, Congress enacted PURPA in reaction to a perceived national dependence on fossil fuels. One of PURPA’s goals was to encourage the development of smaller-scale renewable energy and cogeneration resources. PURPA’s regulations, as implemented by the Federal Energy Regulatory Commission (“FERC”), require utilities to purchase electricity from Qualifying Facilities (“QFs”) (which include renewable resources under 80 MW) at the utility’s “avoided costs,” an obligation that has come to be known as a utility’s “must-take obligation.” A utility’s avoided cost is the cost that the utility would have paid to generate the energy itself or from another source. The avoided costs can be calculated based on the cost of energy “at the time of delivery” or “at the time the obligation is incurred.” Because PURPA contains no cap on how much electricity a utility must buy, in recent years, many **commentators** have called for a regulatory overhaul to bring PURPA current with contemporary energy generation and consumption trends.

The CPUC's Re-MAT program is a much more recent procurement tool, having been established in 2013 to encourage renewable energy investment and to meet California's ambitious Renewables Portfolio Standard ("RPS") goals. Re-MAT requires utilities to offer long-term power contracts to small (under 3 MW) renewable energy producers. But unlike PURPA, Re-MAT's contract price and time of delivery factors are determined by an auction held every two months, called "program periods." After each auction, every renewable energy developer in the program period receives the same final price for the entire length of the contract. The Re-MAT program has a statewide cap of 750 MW on the amount of electricity that utilities can purchase from the renewable energy developers. The Pacific Gas & Electric Company ("PG&E"), one of California's three investor-owned utilities, is limited to 218.8 MW under this cap.

II. Winding Creek's Re-MAT Efforts with PG&E

Winding Creek Solar LLC ("Winding Creek") was developing a 1 MW solar project in Lodi, California and intended to sell its power to PG&E under the CPUC's Re-MAT program. Although Winding Creek participated in several Re-MAT auctions, none of the power prices offered by PG&E were satisfactory. Thus, Winding Creek never entered into a power purchase agreement with the utility. In 2014, Winding Creek sued the CPUC, arguing that its Re-MAT program violated PURPA by preventing Winding Creek from entering into a long-term contract to sell power to PG&E at PG&E's avoided costs, which it argued should be higher than the Re-MAT auction prices being offered.

Winding Creek argued that two aspects of the Re-MAT program violated PURPA. First, Winding Creek challenged the Re-MAT program's 750 MW cap on the amount of electricity that utilities had to purchase from renewable energy developers as inconsistent with the utilities' must-take obligations. Second, Winding Creek argued that Re-MAT's "market adjusting tariff," allowing the prices to rise or fall depending on the outcome of the auctions and price adjustments of the previous program period, was not based on a utility's avoided costs.

In response, the CPUC argued that the utilities' "Standard Contract" complied with PURPA and provided a viable alternative to complying with PURPA, regardless of any requirements of the Re-MAT program. The CPUC's Standard Contract was established in 2010 and resolved years of litigation over the terms of PURPA contracts between QFs, utilities, and the CPUC. For QFs that are 20 MW or less, the Standard Contract provides an average term of 10 years, calculates its costs using an avoided cost framework, and does not include a cap on the amount of energy that utilities can purchase from QFs. According to the CPUC, PG&E and other California utilities were free to implement additional programs like Re-MAT because, at a minimum, the Standard Contract provided a backstop solution that complied with PURPA.

III. The Court Invalidates Re-MAT and CPUC's "Standard Contract"

The Court largely agreed with Winding Creek when it held that the Re-MAT program violated PURPA on two grounds. PURPA's must take obligation required PG&E to buy *all* of the energy and capacity produced by QFs like Winding Creek's proposed solar facility, not just the first 750 MW that met Re-MAT requirements. The Court also found that Re-MAT's auction failed to comply with PURPA's definition of avoided costs. While a utility's avoided costs could be determined by the "spot market price" of electricity, the Court held that Re-MAT's complex administrative auction procedure "strayed too far" from PURPA's requirements and was "burdened with arbitrary rules" such as its two month program period and the \$4/MWh increments in which the price could rise or fall. Despite Re-MAT's complexities, the Court viewed both of these legal infirmities as "straightforward" violations of PURPA.

Nor could Re-MAT be salvaged by the Standard Contract because the Court found that it also did not comply with PURPA. Under FERC's PURPA regulations, a QF must have the option to receive the avoided costs "calculated at the time of delivery" or "calculated at the time the obligation is incurred." Even though the Standard Contract calculated its rates based on the utility's avoided costs, it only offered the avoided cost calculation at the time the obligation was incurred, and not at the time of delivery.

Therefore, like *Allco Renewable Energy Ltd v. Massachusetts Electric Company* (“Allco Renewable Energy”), [2] where the court found that that Massachusetts Department of Public Utilities offered QFs the spot market rate only, and not a pricing option at the time the obligation was incurred, California’s Standard Contract did not offer both pricing options as required by PURPA. Being noncompliant with federal law itself, the Standard Contract could not salvage Re-MAT’s failures under PURPA. While the Court granted declaratory and injunctive relief, it declined to order PG&E to contract with Winding Creek at a particular price.

IV. Industry Impact

The Court’s *Winding Creek* decision shows that while state agencies retain some discretion to implement PURPA, they cannot create programs to incentivize renewable resources that directly conflict with the plain language of FERC’s implementing regulations. The *Winding Creek* decision not only throws some uncertainty to the existing power purchase agreements executed under Re-MAT and the Standard Contract, but also contracts under similar programs like the CPUC’s Bio-MAT, which also relies on an auction mechanism to price power from small biomass facilities that can in some circumstances be considered QFs.

Continuing the trend from *Allco Renewable Energy*, under *Winding Creek*, courts will likely find that a state program violates PURPA if the program caps the amount of energy a utility can purchase from a QF, or restricts a QF from choosing between a price based on the time of delivery or a price based on the time of contract. The CPUC will likely have to revisit its implementation of FERC’s regulations through Re-MAT and the Standard Contract. As courts interpret PURPA and FERC’s implementing regulations in ways that limit state agencies discretion to fashion renewable energy procurement programs, states may increase pressure to reform PURPA and the associated regulations. Just this past week, the National Association of Regulatory Utility Commissioners **called on FERC** to reform PURPA, including adopting regulations to permit more competitive solicitations and reduce the burden and transaction costs to state commissions.

While states may push for reforms, QFs may also feel emboldened to explore whether their existing contracts are non-PURPA compliant. K&L Gates' energy lawyers will continue to monitor the shake-out from this consequential ruling.

[1] *Winding Creek Solar LLC v. Peevey*, No. 13-cv-04934-JD (N.D. Cal. Dec. 6, 2017).

[2] *Allco Renewable Energy Ltd v. Massachusetts Electric Company*, 208 F. Supp.3d 390, 398 (D. Mass. Sep. 23, 2016).

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

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

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

FAX 707-443-5731 707-822-8245

EMAIL OFFICE@HBMWD.COMWebsite: www.hbmwd.com**BOARD OF DIRECTORS**

SHERI WOO, PRESIDENT

NEAL LATT, VICE-PRESIDENT

J. BRUCE RUPP, SECRETARY-TREASURER

BARBARA HECATHORN, DIRECTOR

MICHELLE FULLER, DIRECTOR

GENERAL MANAGER

JOHN FRIEDENBACH

January 3, 2018

Humboldt County Planning Commission
3015 H Street
Eureka CA 95501

RE: Application Number 10244; Case Numbers ZR-16-001 and SP16-015

Dear Commissioners,

I am writing on behalf of the Humboldt Bay Municipal Water District in regards to the above referenced application. Our District respectfully submits the following information for consideration in regards to the above referenced project.

Our District is adamantly opposed to heavy industrial development adjacent to our source water intake infrastructure located in and along the Mad River for obvious health and safety reasons. Zoning changes that allow heavy industrial operations have the potential to adversely affect the domestic drinking water supply for nearly two thirds of the population of Humboldt County and should be denied. Our interest in this area involves the health and safety needs to protect and preserve the high quality water source that is the Mad River and its underlying aquifers.

As such we are concerned that a change in the zoning of Assessor's Parcel number 504-161-001 from Agricultural General to Heavy Industrial will allow for activities that could potentially adversely affect the water quality in the general vicinity of that parcel. Although the applicant may profess to install adequate control and mitigation measures for this project, they cannot guarantee that any proposed system is not subject to potential failure or human error causing irreparable damage to Humboldt County's largest public drinking water source. Therefore, any zoning change that would allow heavy industrial activities in close proximity puts the drinking water source for two thirds of the County's population in jeopardy and should not be approved.

The District supplies domestic water to seven municipal agencies on a wholesale basis. The municipalities served by the District are the Cities of Arcata, Blue Lake and Eureka, and the Fieldbrook, Humboldt, Manila and McKinleyville Community Services Districts. Via our wholesale relationship, the District serves water to an estimated population of 88,000 people (approximately 66% of the entire Humboldt County), and to numerous businesses, industries and educational institutions.

The District's diversion works and operational control center are located at Essex, just northeast of Arcata on the Mad River and immediately downstream of the Applicant's parcel.

Four Ranney collectors, "Stations", supply water to the domestic system for drinking water purposes. The Ranney collectors house multiple large electric-driven pumps and associated equipment, and are capable of pumping approximately 20 MGD. The collectors draw water from the aquifer via lateral pipes located 60 to 90 feet beneath the bed of the river. The process of bringing water up from the aquifer through the sands and gravel of the riverbed provides a natural filtration process which results in water that is very high in quality. Two of our Ranney collectors, Station 2 to the west and Station 3 to the east, are located on adjacent parcels (APN 516-27-105 and APN 504-15-110 respectively) to the Applicant's parcel. See the attached GIS aerial view of the locations of our adjacent Ranney collectors. Our Ranney Collector Station 1 is located just one thousand five hundred seventy feet downstream of Station 2. Consequently, any contamination originating from the Applicant's parcel would immediately impact up to 3 (75%) of our domestic water supply sources and our industrial surface water source.

Given the location of the project site and the geology underlying it as part of the Mad River aquifer structure, the domestic sewage septic system proposed by the Applicant, will potentially impact our drinking source water. Consequently, again in the interest of public health and safety, our District is opposed to this zoning change and project.

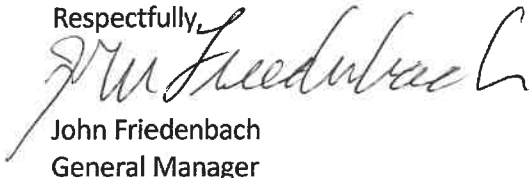
Lastly, the Applicant's parcel is in the 100-year flood zone for the Mad River (FEMA Flood Zones 2017). Any Heavy Industrial activities inundated by a flood have the potential to negatively impact our public drinking water source. Therefore, again in the interest of public health and safety, our District is opposed to this zoning change and project.

There is no public policy justification for this zoning change. There is an ample supply of suitable property located within Humboldt county that is currently zoned Heavy Industrial to which the Applicant may avail themselves and this project. The risks for harmful impacts to our public drinking water source for two thirds of the population of Humboldt County, is not acceptable, and far outweigh the necessity and justification for a zoning change on the Applicant's parcel.

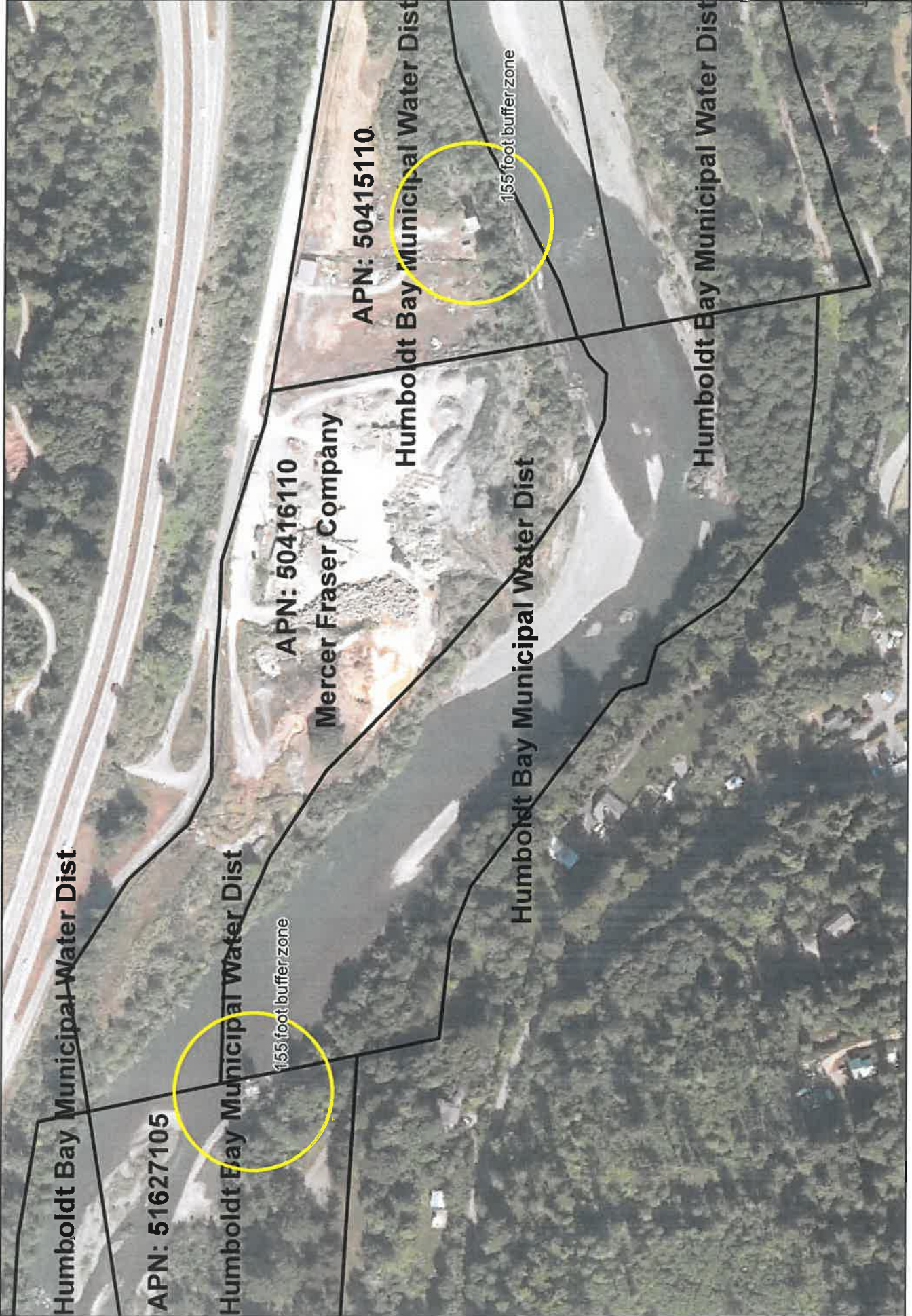
That said, our District is a firm supporter of the Mercer Fraser Company and respect the quality of their workmanship and integrity of the owner and staff. In fact, they were the successful bidder on a multi-million dollar water transmission line with our District recently. That project was completed very successfully. However, the issue before the Commission is protecting the drinking water source for the Humboldt Bay region over increasing private development opportunities

Thank you for your consideration of our submittal.

Respectfully,



John Friedenbach
General Manager



Mercer Fraser APN Map 2018

Distance from PS 2:
 PS 1: 1570'
 PS 6: 1978'



Planning and Building Department
Planning Division
COUNTY OF HUMBOLDT
3015 H Street
Eureka CA 95501

H.B.M.W.D. JAN - 2 2018

SECTION G2, PAGE NO. 4

RETURN SERVICE REQUESTED

Important Public Hearing Notice



HUMBOLDT BAY MUNICIPAL WATER DIST
828 7TH ST
EUREKA CA 95501-1114

PUBLIC NOTICE HUMBOLDT COUNTY PLANNING COMMISSION NOTICE OF PUBLIC HEARING

On **Thursday, January 11, 2018 at 6:00 p.m.**, or as soon thereafter as the matter can be heard, the Humboldt County Planning Commission will hold a public hearing in the Board of Supervisors' Chamber, Humboldt County Courthouse, 825 Fifth Street, Eureka, California, to consider the matter listed below. It is being recommended that the Planning Commission approve the Special Permit contingent on Board of Supervisors approval of the Zone Reclassification. It is also being recommended that the Planning Commission recommend approval of the Zone Reclassification to the Board of Supervisors. If you have specific questions regarding the proposed project contact Michelle Nielsen, Senior Planner, at (707) 445-7541 or mnielsen@co.humboldt.ca.us.

MCMP, LLC, Glendale area; Application Number 10244 (filed February 26, 2016); Case Numbers ZR-16-001 and SP16-015; Assessor Parcel Number (APN) 504-161-001. A Zone Reclassification (ZR) to change the zoning of APN 504-161-001 from Agriculture General (AG) to Heavy Industrial with a Qualified combining zone (MH-Q) in order to implement the General Plan land use designation of Industrial, Resource Related (IR). The proposed zoning change will also better reflect the existing use of the property as Mercer Fraser Company's gravel yard and concrete batch plant operations. Also a Special Permit to develop and operate a cannabis products manufacturing facility of approximately 5,000 square feet in size. The facility will produce medical cannabis products using both nonvolatile and volatile solvents. According to the applicant's plan of operation, the facility may operate 24 hours a day during peak season, and will have a maximum of four (4) full time employees. The facility will not be open to the general public and will not accept visitors. Water is provided by an on-site well and the applicant will develop an on-site septic system to serve the new facility and appurtenant on-site parking facilities. The Zone Reclassification to change the principal zoning of the property from Agriculture General (AG) to Heavy Industrial (MH) must be approved by the Board of Supervisors before the Special Permit for cannabis manufacturing is effective because cannabis activities are allowed on properties zoned MH, but they are not allowed on properties zoned AG. It is

(cont)

being recommended that the Planning Commission consider an Addendum to the Environmental Impact Report (EIR) for the Humboldt County General Plan, State Clearinghouse No. 2007012089, adopted by the Board of Supervisors on October 23, 2017; and the Program EIR on Gravel Removal from the Lower Mad River, April 1994, (State Clearinghouse No. 92083049) and subsequent Supplemental EIR adopted by the Board of Supervisors December 14, 2014, in accordance with Section 15164 of the State CEQA Guidelines. The project is located in Humboldt County, in the Glendale area, on the south side of Glendale Drive, approximately 2,000 feet west from the intersection of Essex Lane and Glendale Drive, on the property known as 90 Glendale Drive.

Any person may appear and present testimony in regard to this matter at the hearing. If you challenge the nature of the proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to, the public hearing. The Planning Commission needs **ONE ORIGINAL AND 14 COPIES** of any materials submitted either prior to or at the meeting. The Planning Commission's decision will become effective if an appeal is not filed within the appropriate filing period. An appeal may be filed by any aggrieved person who has testified in person or in writing on the project and must be submitted in writing with the required fees to the Planning Division of the Humboldt County Planning and Building Department before the end of the appeal period. If appealed, the decision will not become effective until the appeal is resolved. If you challenge the nature of the proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at or prior to the public hearing. **The staff report for this project will be available on our web site <http://humboldt.legistar.com> on the Friday before the Planning Commission meeting.**

General questions regarding the Planning Commission, the permit process, submission of materials, and other information not specific to this project may be obtained from the Planning Division of the Humboldt County Planning and Building Department, 3015 H Street, Eureka, California 95501. Telephone (707) 445-7541.

Humboldt County Planning Commission

December 27, 2017

CONTINUING BUSINESS

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors

From: John Friedenbach

Date: January 11, 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.

b) Transport

No significant activity has transpired on this topic during the past month.

c) Instream Flow Dedication

Waiting to hear back from the Wildlife Conservation Board about our grant application.

John Friedenbach

From: ERICO <erico.tavares@sinclairlimited.com>
Sent: Thursday, December 21, 2017 4:43 AM
To: John Friedenbach
Subject: Water supply

Dear John

We spoke a few weeks ago regarding water supply. We have our engineers working on it and I expect to have news soon.

In the meantime, Merry Christmas, Happy Holidays and all the best in 2018

Erico

Legal or not, cannabis takes a toll on Northern California watersheds

By [ANGELA JOHNSTON](#) · 15 HOURS AGO 12/18/17
[Crosscurrents](#)

Bryan McFadin and Jacqueline monitor one of 33 different locations in the Trinity River watershed.



Ben Durkee is a true Trinity local. He's lived and worked in the Northern California county his entire life.

"I grew up on a little creek on Ransom Road in Weaverville," he says. "We always called the creek the 'wrong creek' because it was near a two-house little dirt road that was labeled 'The Wrong Road.'"

Wrong creek isn't quite right

He remembers swimming there, splashing around with his friends and watching his neighbors tend to their bountiful fruit and vegetable garden with water from the creek.

But Durkee says, for the past decade, things on 'wrong creek' haven't been quite right.

"It's been a dry riverbed for over 10 years now, and it's probably never going to come back, which is just really sad," Durkee says.

Durkee works at a fishing lodge, which caters to visitors casting their lines in the Trinity River watershed.

"If there's no water for people to fish, my job doesn't exist," he says.

Like many people up here, Durkee believes one group is responsible for the loss of his childhood creek: Marijuana farmers, who are "damming up local creeks that are used as the primary water source for residences, effectively stealing that water for their own gain."

There are thousands of cannabis farms near creeks in Trinity County, and Durkee thinks they may be to blame.

Forensic hydrology

Those creeks are where you'll likely find water detective Bryan McFadin, up to his waist in freezing cold water, wading deep in what he dubs "forensic hydrology," investigating Durkee's concerns.

McFadin works for the North Coast Regional Water Quality Control Board. A few years ago, locals approached him wanting to know why their creeks were drying up. To find out, McFadin and his team monitored the water flow at more than 30 locations up and down the Trinity watershed.

"A lot of people feel like cannabis cultivation is taking an extreme amount of water, and I don't know that that's the case, but that's part of why we're doing this project, to shed light on that," McFadin explains as he zips up his fly fishing waders and he shuffles down the riverbank toward the stream.

The monitoring process

First, McFadin stretches a long tape measure across the width of the creek.

Then, he sticks a long metal pole into the water. It's called a flow tracker, and it has a computer at the top and an acoustic sensor at the bottom.



CREDIT ANGELA JOHNSTON

McFadin inches it along the tape measurer, recording the water's velocity and depth at different increments across the creek. Those measurements, plus a little math, tell him the exact flow of the water moving by.

McFadin compares these numbers with the amount of water that historically flows through the creeks at the same time of year.

Although his team hasn't published their final report yet, it's easy to tell where there are some big, big changes.

Back in the car, McFadin shows me some graphs.

"This red line is what we measured, the dotted line is what the equation predicts," he says, "and so this deficit here tells us, 'Hmm there is something going on here.'"

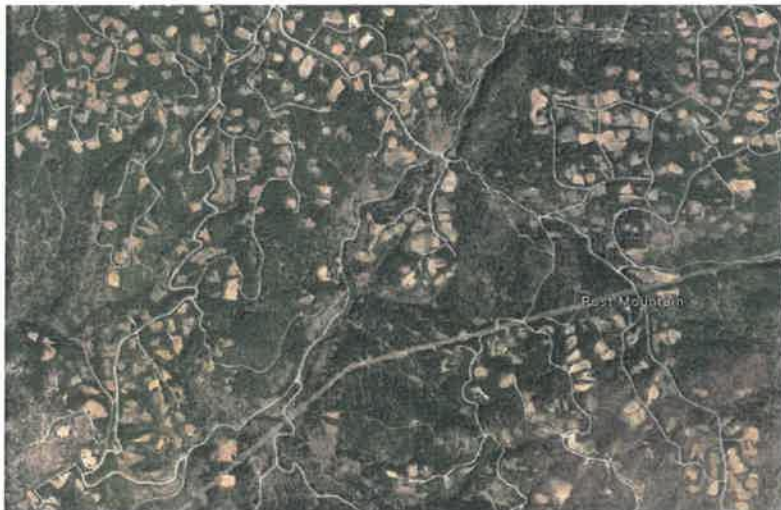
In some spots this year, the flow levels plummeted. Someone, he says, emptied the creek, quickly.

"We can say, 'Oh God, yeah, there's something going on there.' Basically what we see is right around the end of July, somebody turned on a pump ... shut it off, turned it back on, and basically flatlined the stream. It was to the point where we couldn't really measure it, it was so low, just a thin film of water on the top," he says.

In other places around the watershed, it's worse.

"It is everywhere"

Post Creek is downstream from Trinity Pines, an extremely concentrated subdivision of cannabis farms packed on top of each other into the hillsides.



Trinity Pines, as seen from Google Earth.

You can see it from Google Earth — hundreds of beige pockmarks dotting the green landscape.

If you zoom in closer, you can see rows and rows of plants.

"It is everywhere. You can see that they've, in some cases, built terraces into the hillside to make room for the plants," McFadin points as we drive through the subdivision.

What you can't see from the car windows, you can smell.

"I would estimate we've driven past a few thousand marijuana plants in just the last few minutes, and I would imagine it's a lot more than 1,000 plants that are back there," he says.

Not everyone here takes water directly from the creek, but the past two summers, Post Creek dried up.

"It gives you a sense of the scale of the issue."

More than just numbers

The implications are also huge, and far-reaching. After a day of monitoring, McFadin and I sit on the bank of the Trinity River and watch a fly fisherman cast his line into the water. A Chinook salmon slowly swims by our feet.



A fly fisherman in Trinity River in Weaverville.
CREDIT ANGELA JOHNSTON

“He and his kin are a big part of what we’re trying to protect,” McFadin says. “At one time, there were really large runs of fish like this that fed a lot of families and provided a lot for the local economy, and that isn’t the case anymore. We’d sure like to turn that around.”

Photographs, water rights records, and data from the water board’s cannabis-permitting program show it isn’t only marijuana farmers diverting water from these habitats.

Traditional agriculture, and homes, use as much water in the Trinity region, McFadin says, but cannabis irrigation is just incredibly hard to monitor, and wasteful practices are difficult to correct.

“We’ve seen some really egregious things too where people just build the roads in the stream,” he says, “things that we hadn’t seen since the logging days of the ‘60s.”

McFadin hopes his team’s data will help right these wrongs.

The water board’s already understaffed enforcement unit can use info about the most vulnerable streams to decide which water guzzlers they should patrol first.

And, he hopes it’ll encourage growers to get with the programs. If you want to grow recreational cannabis legally next year, you’ll need to get permits with the waterboard, the California Department of Fish and Wildlife, and the county.

And depending on what you’re growing for, you’ll probably need one or more state permit, too.

“If they stay in the cannabis economy and they abide by the regulatory programs that are out there for cannabis, that are designed to protect the environment, then over time I think those things will get fixed,” McFadin says.

But, so far, waterboard enrollment numbers are on the low side.

Getting your marijuana farm up to code costs a lot of money — many farmers find it cheaper to stay under the radar, or just leave the business completely, and leave their mess behind, too.

Since, if you buy marijuana in California, there’s a good chance it’s grown here, McFadin says it’s ultimately up to the consumer to ask where their marijuana comes from.

“You should ask the question, and you should be interested if you're a cannabis user, because market opinions matter,” he says. “And if people don't want to buy marijuana that's grown with water that is impacting the environment, then I think marijuana cultivators will respond. If they're not able to sell it for as high a price as otherwise, that's going to get their attention.”

Growing green

Down in Sonoma County, farmer Mike Benziger says that's what his customers value.

“They're asking the right questions. More and more my customers are younger people who really understand that the environment is in trouble and that their kids, and maybe their grandkids, are going to be paying for the bad actors in the past,” he says as he takes me on a tour.

Benziger grows his 50 cannabis plants alongside persimmon trees, Swiss chard, eggplants, and other colorful fruit and veggies.



Mike Benziger stands in front of his fruit and veggie plot.
CREDIT ANGELA JOHNSTON

“It's a little banana belt. The sun always shines here, the birds always tweet. It's a little bit like la-la land,” Benziger says.

His crops overlook the winery he used to own with his siblings. It's where he started experimenting with biodynamic farming — a process that focuses on cultivating really healthy soil so farmers don't have to use as many other resources.

He likes to think of it as the most advanced form of organic farming.

When Benziger was diagnosed with cancer in 2010, he and his wife wanted a change. So they left the winery and started growing produce and three types of medicinal cannabis.

“We grow a sativa called ‘Tangie,’” he says, “a hybrid called ‘Girl Scout Cookies,’ and a hybrid called ‘Bubba Kush.’”

When I visit, Benziger's harvested it all. He's drying and trimming the buds in the barn behind his house. He stops to show me their empty beds.

Watering on the plant's schedule, not the farmers'

One of the things he's most proud of is how little water he uses, thanks to soil-moisture probes that enable him to determine exactly how much water each plant needs.

“We are not just watering by formula, and we are not just watering from the seat of our pants, but we are watering because we are measuring and we know what the plants need. We know where the roots are so we can hold the water back until the last second,” Benziger explains.

Remember water detective Bryan McFadin? Research he's done shows that many cannabis farmers water their plants with up to six gallons of water a day.

With these moisture meters, Benziger cut that to under two gallons.

"We can water only when the plant wants it, not when the farmer thinks it."



Benziger shows off his biodynamic soil.
CREDIT ANGELA JOHNSTON

Benziger also waters his cannabis, and all his other crops, with recycled water. He captures it from the roofs and stores it in giant green rain barrels.

This technology makes it easy for him to comply with new environmental regulations. Benziger installed this system years ago, not anticipating

that starting in 2018, most cannabis growers in Sonoma County will have to use recycled water.

Indoor growers will have to use 100 percent renewable energy. Benziger's got that covered too — a large plot of solar panels power his small indoor operation. While he says they are scalable at any size farm, he knows they're not cheap.

"Let me put it this way — the expense is usually in building the infrastructure up front," he says.

Now, they spend less on water, soil, and power. Benziger says it cost him \$50,000 to install his recycled water system — a high price for a small operation.

He thinks this is the reason why few growers have signed up for permits: only 127. He says, there could be as many as 8,000 farms in Sonoma County.

"So what's going to happen?" Benziger asks. "They're not going to go away, and it seems like some of these ordinances are so onerous that they're just driving the growers deeper into the woods, unfortunately."

He thinks there should be more flexible regulations, and farmers with water-saving or composting systems should get tax breaks — rewards for growing with care.

That will help protect the watershed, and, he says, that's what's going to produce better marijuana, too.

**BARTLE WELLS ASSOCIATES**
INDEPENDENT PUBLIC FINANCE ADVISORS1889 Alcatraz Avenue
Berkeley, CA 94703
510 653 3399 fax: 510 653 3769
www.bartlewells.com

Date: December 29, 2017

To: Municipal Advisory Clients

From: Bartle Wells Associates

Re: Annual MSRB Rule G-10 Client Notification

As a registered Municipal Advisor, Bartle Wells Associates is required to provide our clients with certain information each year pursuant to Municipal Securities Rulemaking Board (MSRB) Rule G-10, which recently went into effect starting October 2017. The MSRB's mission is to protect investors, municipal entities and the public interest by promoting a fair and efficient municipal market, regulating firms that engage in municipal securities and advisory activities, and promoting market transparency.

To ensure compliance with the new rule, we are sending this notification to clients we served in 2017 for which we a) served as independent financial advisor for the issuance of debt, or b) developed financial plans and/or rate studies that included debt financing projections. The following information is being provided as required by MSRB Rule G-10:

- Bartle Wells Associates is registered with the U.S. Securities and Exchange Commission (SEC Registration No. 867-00740) and the Municipal Securities Rulemaking Board (MSRB ID K0414).
- The website address for the Municipal Securities Rulemaking Board (MSRB) is www.MSRB.org.
- The MSRB's website provides a municipal advisory client brochure that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority. The municipal advisory client brochure is accessible via a link on www.MSRB.org or can directly downloaded from the following web address: <http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure>. The MSRB municipal advisory client brochure is also attached to this disclosure letter.

We appreciate having the opportunity to work with you this past year. Please contact us at 510.653.3399 if you have any questions.



Municipal Securities Rulemaking Board

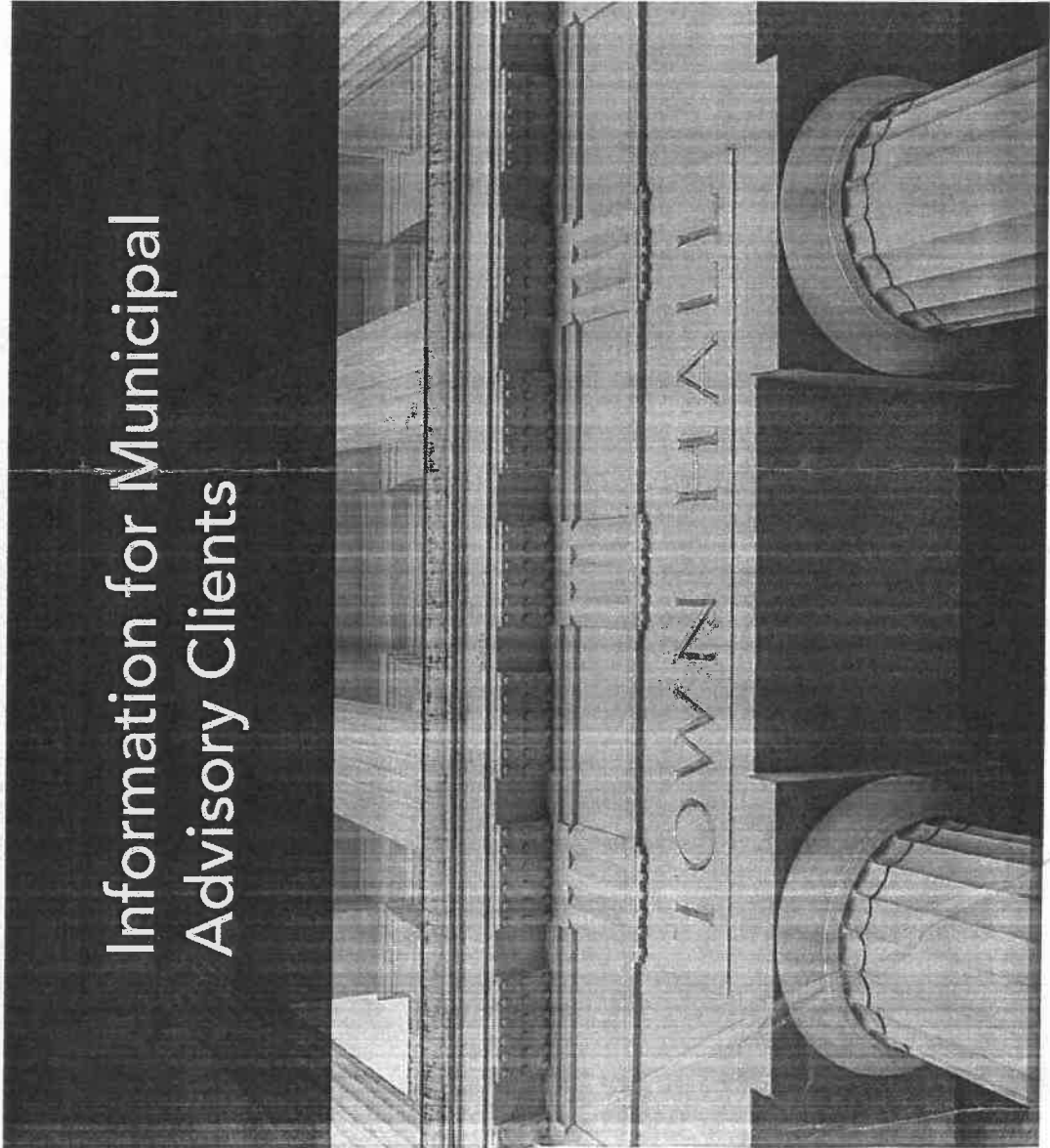
Information for Municipal Advisory Clients

The Municipal Securities Rulemaking Board (MSRB) provides significant protections for municipal entities and obligated persons that are clients of a municipal advisor. Certain of those protections also apply to potential clients of a municipal advisor. Municipal advisors must comply with our rules when engaging in municipal advisory activities.

This document summarizes key principles of our rules that protect you. It also provides information on how to file a complaint against a municipal advisor with the appropriate federal regulatory authority. For the complete text of the rules and additional educational information, visit the MSRB's website at www.msrb.org.

Professional Competency. Our rules require that your municipal advisor meet professional qualification requirements based on its municipal advisory activities. Beginning January 1, 2018, our rules require that municipal advisors also meet continuing education requirements.

Fair Dealing. Our rules require that your municipal advisor deal fairly with you and not engage in any deceptive, dishonest or unfair practice. Your municipal advisor must satisfy a duty of care. Your municipal advisor's recommendations must be suitable, and your municipal advisor's compensation for its recommendations must not be excessive.



To help make sure that your municipal advisor is providing unbiased advice, our rules address potential conflicts of interest, including gift-giving and political contributions. Our rules generally prohibit a municipal advisor from advising or soliciting a municipal entity within two years of a political contribution to an official of that municipal entity.

Our rules also require that you receive certain disclosures from your municipal advisor so you are aware of information that is material to your decision-making. If you are receiving advice from your municipal advisor, your municipal advisor must disclose, in writing, all material conflicts of interest, and all legal and disciplinary events, material to your evaluation of your municipal advisor. We refer to this as a "full and fair" disclosure under our rules.

You are also protected by our fair dealing rules if you are solicited by a municipal advisor on behalf of a third-party municipal securities dealer, municipal advisor or investment adviser to buy certain products or services. That municipal advisor must disclose all material facts about the solicitation, including all material risks and characteristics of the product or service.

Duty of Loyalty. If you are a municipal entity, our rules provide extra protections when your municipal advisor advises you about municipal financial products or the issuance of municipal securities. Your municipal advisor must deal honestly and with the utmost of good faith, and act in your best interests without regard to its financial or other interests.

Periodic Disclosure. Your municipal advisor must periodically provide you with the following:

- a statement that it is registered with the MSRB and the Securities and Exchange Commission (SEC);
- the MSRB's website address; and
- a statement as to the availability of this brochure.

Documentation. When hiring a municipal advisor to provide advice, your municipal advisor must give you a written document outlining certain terms of its relationship with you.

Remedies for Disputes

If you have a dispute with your municipal advisor firm or representative, you should try to — but do not have to — resolve it with the individual or a supervisor. In some cases, you may not be able to resolve the dispute.

Terms as Used in this Brochure

- You: A municipal advisory client, including:
 - **Municipal Entity:** A state, political subdivision of a state, or municipal corporate instrumentality of a state, including a public pension plan.
 - **Obligated Person:** Any person (including the issuer) legally committed to support payment of all or part of an issue of municipal securities, other than certain unrelated providers of credit or liquidity enhancement.
- **Municipal Advisory Activities**
 - The provision of advice to you with respect to municipal financial products or the issuance of municipal securities.
 - Solicitation of you on behalf of certain third parties to purchase a product or service.

Filing a Complaint

Regardless of whether you have tried to resolve your complaint directly, you may file a formal complaint with the regulatory agency that examines your municipal advisor for compliance with MSRB rules. You also may contact the MSRB, at 1300 I Street NW, Suite 1000, Washington, DC, 20005, 202-838-1330, complaints@msrb.org, and we will forward the complaint to the appropriate enforcement agency listed below.

To expedite the handling of your complaint, please be as specific as possible as to the nature of the complaint, including detail about the representative and/or firm involved. Please provide your name, phone number, email address and mailing address.

If you have a complaint about a potential violation of MSRB rules or other federal securities laws, contact:

U.S. Securities and Exchange Commission
SEC Center for Complaints and Enforcement Tips
100 F Street, N.E.
Washington, DC 20549-5990
<https://www.sec.gov/reportspubs/investor-publications/complaints.html>

Or use the online portal at:
<https://denebleo.sec.gov/TCRExternal/index.xhtml>

If you have a complaint about your municipal advisor or about the municipal securities market, contact:

U.S. Securities and Exchange Commission
Office of Municipal Securities
100 F Street, N.E.
Washington, DC 20549
(202) 551-5680

Municipal advisors that also act as municipal securities dealers must follow additional rules. For more information about the regulatory protections for investors, see the [MSRB's Information for Municipal Securities Investors](#) brochure.

If you have a complaint against your municipal advisor that is also registered with FINRA as a dealer, contact:

FINRA Investor Complaint Center
9509 Key West Avenue
Rockville, MD 20850-3329
(240) 386-4357
<http://www.finra.org/investors/problem>

Or use the online portal at:
<http://www.finra.org/investors/investor-complaint-center>

SECTION H3, PAGE NO. 4

About the MSRB
The MSRB protects investors, state and local governments and other municipal entities, and the public interest by promoting a fair and efficient municipal securities market. The MSRB fulfills this mission by regulating the municipal securities firms, banks and municipal advisors that engage in municipal securities and advisory activities. To further protect market participants the MSRB provides market transparency through its Electronic Municipal Market Access (EMMA®) website, the official repository for information on all municipal bonds. The MSRB also serves as an objective resource on the municipal market, conducts extensive education and outreach to market stakeholders, and provides market leadership on key issues. The MSRB is a Congressionally chartered, self-regulatory organization governed by a 21-member board of directors that has a majority of public members. In addition to representatives of regulated entities, the MSRB is subject to oversight by the Securities and Exchange Commission.

NEW BUSINESS

HUMBOLDT BAY MUNICIPAL WATER DISTRICT Officers and Committee Assignments

Officers of the District	Incumbent/Member	Term
President	Sheri Woo	Until new appointment by Board (odd numbered years)
Vice President	Neal Latt	Until new appointment by Board
Secretary-Treasurer	J. Bruce Rupp	Until new appointment by Board
Assistant Secretary Treasurer	Barbara Hecathorn	Until new appointment by Board
General Manager	John Friedenbach	Until new appointment by Board
Attorney	Paul Brisso and Russ Gans of Mitchell, Brisso, Delaney & Vrieze	Until new appointment by Board
Auditor	R.J. Ricciardi, Inc.	Until new appointment by Board
Other Assignments/Appointments		
ACWA Region 1 Board Member	NA	NA
ACWA-JPIA Board Member	J. Bruce Rupp (regular) John Friedenbach (alternate) Barbara Hecathorn (alternate)	Until new appointment by Board
JPIA Employee Benefits Committee	J. Bruce Rupp	Until new appointment
JPIA Executive Committee	J. Bruce Rupp	Until new appointment
ACWA Finance Committee, Vice Chair	J. Bruce Rupp	Until new appointment
RREDC Board Member	Neal Latt (regular) Barbara Hecathorn (alternate)	Until new appointment by Board
RCEA Board Member	Sheri Woo (regular) Barbara Hecathorn (alternate)	Until new appointment by Board
Committee Assignments (Charters Attached)		
Audit Committee	Secretary/Treasurer with Sheri Woo (2013)	Secretary/Treasurer is standing member and second Director appointed year-to-year

HUMBOLDT BAY MUNICIPAL WATER DISTRICT Officers and Committee Assignments

Committee Assignments (Con't) (Charters Attached)		
Water Task Force	One Board/Council member and one management representative from District and each Municipality (may also include a representative from wholesale industrial customer) HBMWD Members: President Sheri Woo and GM Alternate: Neal Latt	Until new appointment
Water Resource Planning Advisory Committee	Bruce Rupp and Sheri Woo	Until new appointment
Committee to Support and Advance Local Water Sales and Advance Consideration of "Transport" Option	J. Bruce Rupp and Neal Latt	Until new appointment
Committee to Support Consideration of an Instream Flow Dedication in the Mad River	Sheri Woo and Michelle Fuller	Until new appointment
Board Policy & Evaluations Committee	President and J. Bruce Rupp	Until new appointment
Education and Outreach Committee	TBD	Until new appointment

INACTIVE COMMITTEES Charters attached

Committee	Prior Members	Status
Ad Hoc Committee for Negotiating Wholesale Contracts	Barbara Hecathorn Bruce Rupp	Inactive Committee
Joint Agency Aquatic Invasive Species Committee	Barbara Hecathorn Aldaron Laird	Inactive Committee
Agenda Review Committee	Board President & Secretary/Treasurer	Inactive Committee
District Website Social Media Ad-Hoc Committee	Sheri Woo and TBD	Inactive Committee

ENGINEERING

2017-022569

Recorded - Official Records
Humboldt County, California
Kelly E. Sanders, Recorder
Recorded by: HUMBOLDT BAY MUNICIPAL WATER

Pages: 1

Recording Fee: \$ 0.00
Tax Fee: \$0
Clerk: sc Total: \$0.00
Dec 15, 2017 at 11:51:33

*** CONFORMED COPY ***

For the benefit of Humboldt Bay Municipal Water District
Exempt from Recording Fees
GC 27383

Return to:
Humboldt Bay Municipal Water District
PO Box 95
Eureka, CA 95502-0095

NOTICE OF COMPLETION

NOTICE is hereby given that the undersigned, John Friedenbach, General Manager of the Humboldt Bay Municipal Water District (HBMWD), 828 Seventh Street, Eureka, CA 95501, the owner of the improvements situated in the County of Humboldt, State of California, and described as follows, to wit:

Completion of the HBMWD 1-MG Reservoir Roof Replacement & Painting Project. Work included the furnishing of all labor, material, equipment, and supervision for the construction and installation of a new metal roof on, and the preparation and painting of, the HBMWD's one million gallon domestic water tank at the HBMWD Turbidity Reduction Facility near 7270 West End Road, Arcata, California.

That Humboldt Bay Municipal Water District as the owner of the improvements in fee did enter into a contract with Paso Robles Tank-Brown-Minneapolis Tank, Inc. for the construction of:

1-MG Reservoir Roof Replacement & Painting Project

That on December 14, 2017 the said contract, as a whole, was actually completed by Paso Robles Tank-Brown-Minneapolis Tank, Inc.

The name and address of the owner of said improvements is as follows:

Humboldt Bay Municipal Water District
7270 West End Road
Arcata, CA 95521

HBMWD

BY



John Friedenbach
General Manager

Verification for NON-INDIVIDUAL owner: I, the undersigned, declare under penalty of perjury under the laws of the State of California that I am the General Manager of the aforesaid interest or estate in the property described in the above notice; that I have read the said notice, that I know and understand the contents thereof, and that the facts stated therein are true and correct.

12/15/17 Eureka Calif.
Date and Place

John Friedenbach, General Manager
(Signature of person signing on behalf of owner)

Sherrie Sobol

From: Mattu, Harji @CalOES <Harji.Mattu@Caloes.ca.gov>
Sent: Wednesday, December 27, 2017 9:17 AM
To: John Friedenbach; Chris Harris; Pat Kaspari
Cc: Miller, Ron@CalOES
Subject: DR4308-0014 Humobldt Bay Municipal Water District

Follow Up Flag: Follow up
Flag Status: Flagged

Good morning Mr. Martin Wilder,

Cal OES has received your subapplication and we are in the process of reviewing it. We expect to make determinations about all projects in mid-to-late January, and you can expect to be notified about the determination with respect to your subapplication/project in February.

If you have any questions, please reach out to me as I have been assigned to the above stated project proposal.

Harji Mattu, Hazard Mitigation Grants Specialist
Associate Governmental Program Analyst
Recovery Branch, Hazard Mitigation Grant Program
California Governor's Office of Emergency
3650 Schriever Avenue
Mather, CA 95655

Phone: (916) 767-3040
Fax: (916) 845-8388
Harji.Mattu@CalOES.ca.gov
www.CalOES.ca.gov

CONFIDENTIALITY NOTICE: This email, including any attachments, from the State of California is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review or use, including disclosure or distribution, is prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message. Additionally, do not print, forward, or copy this email or its attachments.

This e-mail has been scanned for viruses

Collector Mainline Redundancy Project

**COMPREHENSIVE SPILLWAY CONDITION ASSESSMENT
STATUS UPDATE**

for

R. W. MATTHEWS DAM

RUTH LAKE, CALIFORNIA

TRINITY COUNTY

Federal Energy Regulatory Commission Project No. 3430-CA

State Dam No. 1013

December 2017

Prepared by:

Humboldt Bay Municipal Water District

828 Seventh Street

Eureka, CA 95501



INTRODUCTION

This report provides an update on the progress of Humboldt Bay Municipal Water District's (District) Comprehensive Spillway Condition Assessment Work Plan (Plan) for the R.W. Matthews Dam Spillway at Ruth Lake, California. The Plan is a requirement from the Federal Energy Regulatory Commission (FERC) as stated in the May 1, 2017 letter. The FERC letter stated; **"As part of the spillway assessment, we are requesting that you perform a detailed review of all design, construction, inspection, foundation information, and monitoring documentation available for the spillway(s); and perform a close visual inspection of the entire spillway."**

The District has yet to complete the spillway specific geologist analysis; the spillway specific PFMA; and the comprehensive review of the dam construction as-builts. Once completed, the District will submit the full Work Plan with analysis conclusions. Therefore, the District respectfully requests an extension until April 30, 2018 to compile all the necessary information to submit a complete and accurate Spillway Condition Assessment.

In response to FERC's request, we respectfully submit the following Status Update on our Work Plan.

DESIGN

Review in process. The District staff visited the Division of Safety of Dams office in Sacramento in September 2017 to obtain construction and as-built drawings of the dam and spillway. These are currently being reviewed by the District staff, our district engineer, and our dam safety consultant. A focused spillway PFMA will be conducted during the first quarter of 2018.

CONSTRUCTION

Review in process. The District staff visited the Division of Safety of Dams office in Sacramento in September 2017 to obtain construction and as-built drawings of the dam and spillway. These are currently being reviewed by the District staff, our district engineer, and our dam safety consultant. Review will be completed during the first quarter of 2018.

INSPECTION

ANNUAL VISUAL INSPECTION AND SOUNDING OF THE SPILLWAY AND NON-DESTRUCTIVE TESTING

The District completes a visual inspection of the spillway concrete lining yearly while traversing the entire extent of the spillway floor. See attached Exhibit A. The visual inspection is mapped into a GIS database which facilitates monitoring of past repairs and identification of new items. District Maintenance Staff walk every inch of the spillway, inspecting each of the cracks or repairs in the GIS database and looking for additional cracks, concrete spalling or other defects. For documented defects, Staff will compare the picture taken in previous years with the current status of the defect, note any changes, take a new picture of the defect, and enter any notes on the condition, need for repair or other comments into the comment field created in the GIS. Any new defects are also photographed, assigned a unique number, described, and entered into the District's GIS database. District Staff will then return and perform the maintenance outlined and recommended based on the inspection results. See attached Exhibit B.

This year's inspection, and all future annual inspections, also included a sounding of the spillway floor. The sounding was done on June 28th, 2017. The floor of the spillway was tapped with a solid metal rod and/or hammer to listen for a change in pitch or a hollow sound of the concrete, indicating potential separation of the concrete from the underlying foundation or from the reinforcement. Areas with noticeable changes in sound were outlined in paint, and were entered into the District's GIS Database. These areas are being further investigated to determine the cause of the change in sounding. Both the visual inspection and sounding will continue to occur yearly and be reported in the annual Dam Safety Surveillance Monitoring Report (DSSMR).

Non-destructive testing of the spillway floor was conducted by Voss Laboratories in September 2017. See attached Exhibit C. The non-destructive testing consisted of re-bounce hammer testing, Slab Impulse Response (SIR) testing, impact echo testing (IE), and surface penetration radar testing (GPR) of the spillway floor. A half-cell potential survey and corrosion rate survey was also conducted of the floor reinforcement. After the completion of the investigation, recommended repairs were reviewed and two larger areas were repaired in October 2017. See attached Exhibit D. Due to the impending winter season time constraints for construction, the remaining identified areas will be addressed during the 2018 construction season with a detailed description of the repairs provided in the 2018 DSSMR.

In addition to the non-destructive testing, the District explored some destructive testing methods to probe selected areas of drummy concrete and any additional areas identified by the non-destructive testing performed by Voss Laboratories. Repairs to these sections were made in October 2017. See Exhibit D.

INSPECT SPILLWAY PLUNGE POOL BY DIVER EVERY FIVE YEARS OR AFTER DISCHARGES EXCEEDING 20,000 CFS

The District completes an underwater inspection of the plunge pool every five years (or after discharges exceeding 20,000 cfs). A diver is hired to swim and video tape the condition of the bottom of the spillway and the plunge pool and to document any changes that have occurred. The video is compared to the previous video and changes described in the DSSMR for that year. Changes of concern are then addressed through required repairs or other measures.

The most recent underwater inspection of the plunge pool, as well as an underwater inspection of the outlet structure, was completed on March 17, 2015. No erosion or concrete lining distress was observed in the plunge pool observations. No significant rust or erosion of concrete on the outlet structure was observed. All visible unions of the hydraulic control line conduits are threaded and intact, and there have been no significant changes in the exposed rebar in the plunge pool. The next underwater plunge pool inspection will be completed by June 30, 2020 (or after discharges exceeding 20,000 cfs if sooner).

COMPLETE A FORMAL INSPECTION OF THE RIGHT ABUTMENT CUT SLOPE AND THE LEFT ABUTMENT LANDSLIDE EVERY FIVE YEARS BY AN ENGINEERING GEOLOGIST

The District hires a Registered Geologist to perform a detailed inspection of the Right Abutment Cut Slope every five years. The inspection corresponds to the District's FERC Part 12D safety inspection, and is reported in the Part 12 Report as well as the annual DSSMR. As part of this inspection, an engineering geologist conducts a detailed visual inspection of the right abutment cut slope. The Geologist walks each of the benches of the cut slope and visual inspects the face to monitor for any cracks or other changing conditions. The geologist then prepares a detailed

report on the condition of the cut slope. The most recent inspection was on May 19, 2015. Lindberg Geologic Consulting found that the abutments at R. W. Matthews Dam are stable in their present configurations. The next inspection will take place no later than calendar year 2020.

FOUNDATION

Review in process. The District is in the process of hiring a professional geologist to perform an analysis of the geology underlying the spillway. This analysis will be completed during the first quarter of 2018.

MONITORING

Our District has a very comprehensive existing spillway condition assessment regimen as part of its FERC Dam Safety Surveillance and Monitoring Plan. In addition, we enhanced our spillway condition assessment this year with state of the art non-destructive spillway floor testing and analysis. This Plan is primarily based on the District's current practices that are documented in the Dam Safety Surveillance and Monitoring Plan (DSSMP) and annual DSSMR for the R.W. Matthews Dam while considering current industry conditions. The Plan is broken into assessment of the spillway itself and of the adjacent geologic hazards.

This section contains the current inspections and surveys performed on the spillway. The District further explores, monitors, and, if required, repairs any changes or defects found in the spillway during the following inspections and surveys.

PROBE THE SPILLWAY UNDER DRAINS EACH YEAR

The District inspects, probes, cleans, and vacuums the spillway floor drains every year. The floor drains are cleaned out and the depth after cleaning is measured and recorded. Inspection results and the depth are reported in the annual DSSMR. The spillway floor drains were cleaned and measured this year on July 14, 2017.

SPILLWAY SETTLEMENT AND WING WALL MONITORING SURVEY

The District conducts the Spillway Settlement and Wing Wall Monitoring survey bi-annually. The monitoring survey consists of 14 survey monitoring points (2.5-inch domed brass discs) along the horizontal concrete surface of the spillway. Each monitoring point set in the spillway floor is located directly below the monitoring points (5/8-inch stainless steel studs) set on the top of each wing wall. The elevations and positions from the current survey are then compared to the data from previous and historic surveys by the District Engineer and our Qualified Dam Safety Engineer Consultant. Any anomalies or fluctuations are then addressed in the DSSMR for that year. The most recent survey occurred on October 16-17, 2017, with the report to be released in the coming weeks.

COMPLETE DAILY MONITORING OF THE RIGHT ABUTMENT CUT SLOPE

During the construction of the dam, a historic landslide was discovered above and to the right (northeast) of the dam's right abutment. The landslide was terraced back at the time of the dam construction and has not exhibited any movement since. The landslide is visually monitored daily, photographed annually and a detailed geological assessment is performed every five years. For the daily visual monitoring, the District's on-site Dam Tender and Ruth-area representative visits the hydro-plant every day and visually assesses the cut slope above the right abutment for

any changes. If any changes are noted, the District Superintendent is notified. This visual monitoring will continue on a daily basis.

ANNUAL PHOTOS OF THE RIGHT ABUTMENT CUT SLOPE, AT THE SAME TIME AND FROM THE SAME PLACE EACH YEAR

The District takes an annual photograph of the right abutment cut slope. The photo is taken by the photographer standing in the same location each year. This occurs in conjunction with the District's major annual maintenance at the hydro-plant (generally in early May). The photo is then compared to the previous year's photo for any noticeable changes. Any changes (none have been observed to date) and proposed actions are then discussed internally and then reported in the annual DSSMR. The photo was last taken on May 11, 2017.

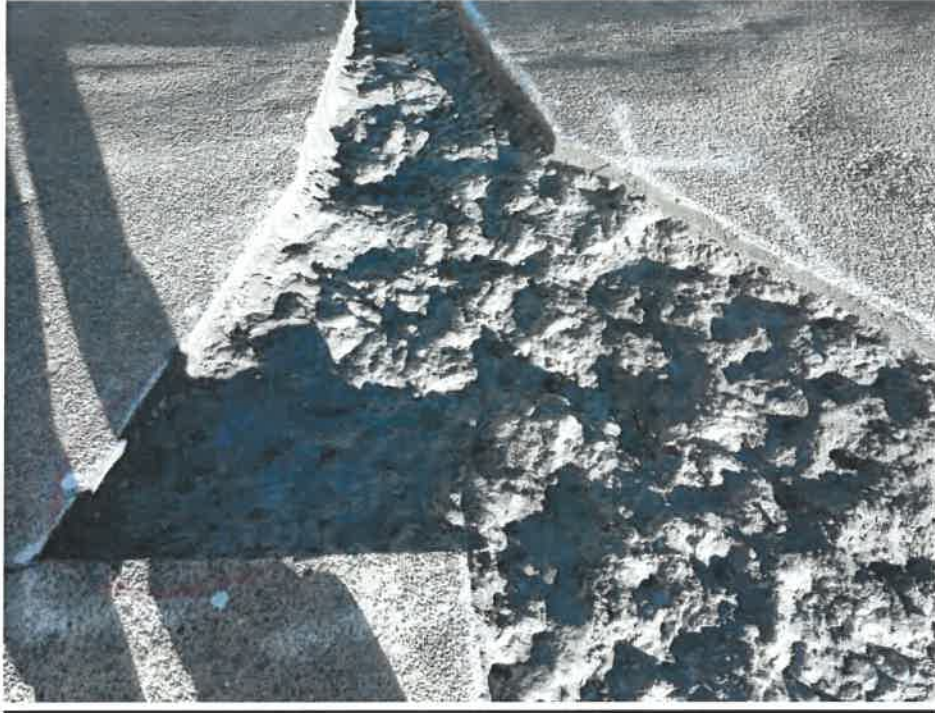
CONTINUE SURVEY MONITORING OF THE LEFT ABUTMENT SLIDE MONUMENTS EVERY TWO YEARS

A surficial landslide was also discovered above and to the left (northwest) of the Dam's Left Abutment after construction of the dam was completed. A detailed assessment and report were prepared by an Engineering Geologist after the discovery of the landslide in 1998. This report, and subsequent inspections by other geologists, has confirmed that this is a shallow seated landslide that does not endanger the stability of the dam. To confirm this, monitoring points were installed at the base of the landslide to measure any deep-seated movement of the slide. The District has been conducting Slide Monitoring Surveys to monitor movement changes in these points since 1998. The survey is conducted every two years, to coincide with the Dam Settlement Survey and the Spillway Wingwall Survey. The results of the survey are compared to the previous year and historic survey results. Any anomalies or fluctuations are noted in the annual DSSMR for that year. The most recent Slide Monitoring Survey occurred on October 16-17, 2017, with the report to be released in the coming weeks.

CONTINUE MONITORING THE LEFT ABUTMENT PIEZOMETERS AND OTHER OBSERVATION WELLS

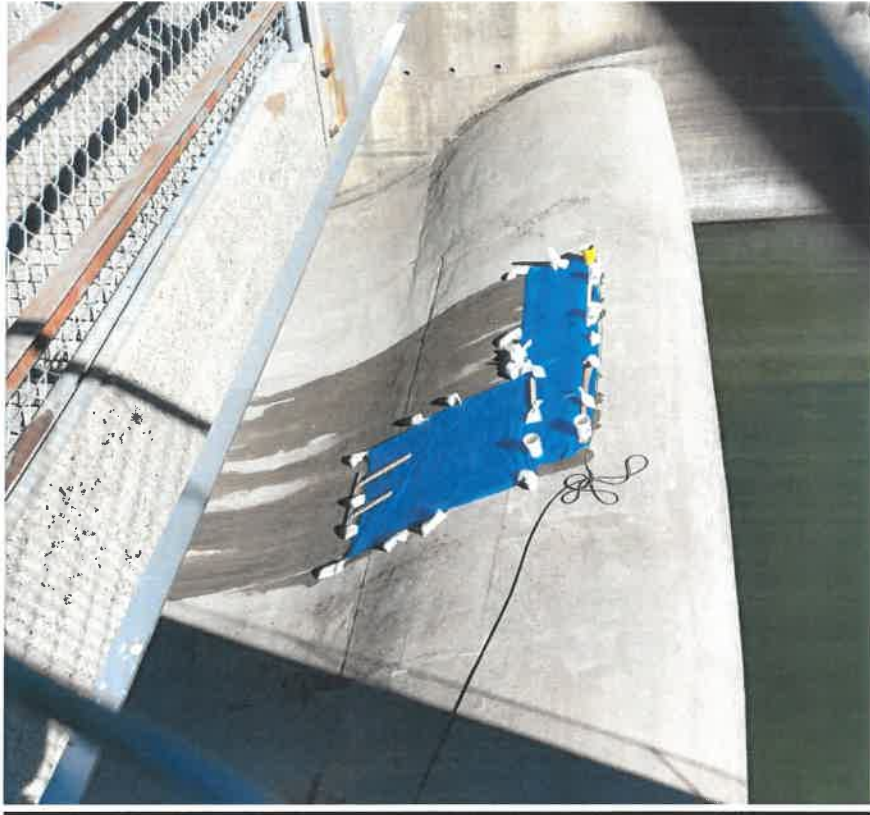
The District maintains and monitors eight observation wells (piezometers) and an under-drain weir at the dam. The piezometers and underdrain weir measure groundwater levels and seepage through the dam and the surrounding bedrock, including the bedrock underlying the spillway. The District's Dam Tender collects groundwater levels and seepage levels on a daily basis. These are reported daily to the District's operations personnel. The data is compared to historic data and correlated with current rainfall and reservoir levels. Any levels above historically high levels are flagged, the reading rechecked, and if they remain high, conditions are more closely monitored until they return to normal levels. Although it has not happened, if the levels do not return to normal, the District's Dam Safety Engineer is notified and further action is determined.

Ogee Repairs





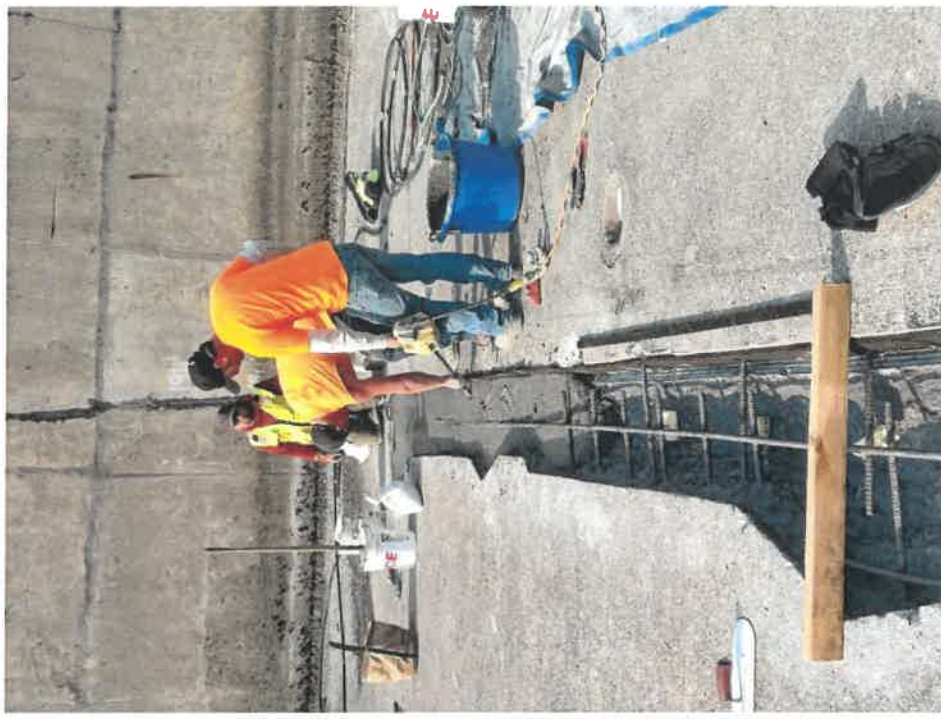




JOINT REPAIR







Exhibits

Exhibit A - Spillway Inspections

Exhibit B - Spillway Repairs

Exhibit C - Voss Laboratories Report

Exhibit D - Spillway Repairs Detail Report

FINANCIAL

To: Board of Directors
From: Chris Harris
Date: January 11, 2018
Re: CalPERS unfunded Liability – PARS Presentation

Review

During the Board Meeting November 9, 2017, staff provided information regarding the District's estimated CalPERS Unfunded Liability. The objective of that staff report was to help educate the Board as to the source and nature of this unfunded liability.

Based on Board direction at that time, staff has invited Mitch Barker from Public Agency Retirement Services (PARS) to give a presentation regarding the District's CalPERS unfunded liability. His presentation will include the advantages and effects of using a 115 Trust Fund instrument to "pre-fund" the liability.

Other Agencies

Staff has reached out to other agencies in our area to get their perspective and understand how those agencies are tackling this shared unfunded liability. Universally, the consensus is that this liability is "scary" with no clear and simple solution. While Humboldt County has successfully funded a trust account (\$750k in 2015), they have not been able to make any additional contributions towards their estimated unfunded liability of \$232M. The City of Arcata has recently transferred funds into a trust account for their OPEB¹ unfunded liability, but has not begun to take on the CalPERS unfunded liability. Many other agencies are reportedly "trying to save a little" as they are able.

"It's a very frustrating issue and I think it will get worse in the next few years as they start lowering the discount rate and increasing the payments."

--Lane Millar, Deputy Finance Director, City of Eureka

Part of the frustration is the inability to lock-down a target amount. As mentioned in the previous staff report:

"Calculating the actual amount of the CalPERS unfunded liability is complicated due to the multitude of factors and assumptions involved. These include the estimated rate of return, estimated average retirement age, estimated average lifespan after retirement – just to name a few. Currently the estimated amount of total CalPERS unfunded liability is \$63 billion. Since the District's unfunded retirement obligations are a proportionate share of the obligation based on payroll dollars, as CalPERS debt grows, unfortunately so does ours."

--CalPERS Unfunded Liability Staff Report 11/9/17

¹ OPEB=Other Post Employment Benefits (other than pension). For most agencies this is medical, dental, vision, etc.. The City of Arcata has had \$840k set aside since FY09, \$500k of these funds were moved into a designated Section 115 Trust.

Since the unfunded liability amount is a perpetually moving target, any fixed dollar amount assigned to it is merely a snapshot in time. The chart below is from the Districts recent GASB 68 Audit (FYE 6/30/17) and shows how sensitive the District's unfunded liability balance is.

	Discount Rate	Estimated Unfunded Liability	Sensitivity
GASB 68 Audit FY17	7.65%	\$2,602,142	
Discount Rate <1%>	6.65%	\$4,097,953	+\$1,495,811
Discount Rate +1%	8.65%	\$1,365,928	-\$1,236,214

A change in discount rates of just 1% either direction has an impressive effect on the amount of the unfunded liability. To effectively manage this "scary" and "frustrating issue," rather than focusing on the current dollar amount of the liability, it is more important to focus on creating a standard practice that will minimize the impact this liability has on the District and the District's future.

Consideration

To create a standard practice that would accomplish this, one option for the District would be to reallocate some of the funds currently languishing in other investment accounts receiving minimal interest rate returns. These funds could be moved into a new trust fund designated for CalPERS unfunded liability obligations. Currently the District has placed approximately \$3.2M in investment accounts managed by Humboldt County, of which approximately \$1M are unrestricted. A comparison of potential earnings between the two different investment mechanisms can be seen below.

	County Investment Funds*	Possible New Trust Fund**	Difference	County Investment Funds*	Possible New Trust Fund**	Difference
Initial Investment	\$500,000	\$500,000		\$750,000	\$750,000	
Est. Annual Rate	1.28%	7.0%		1.28%	7.0%	
5-year Estimate	\$530,000	\$701,000	\$171,000	\$799,000	\$1,051,000	\$252,000
10-year Estimate	\$568,000	\$984,000	\$416,000	\$851,000	\$1,475,000	\$624,000

*Annual Interest Rate for Humboldt County Investment Funds as of 12/2017

**Annual Interest Rate from PARS Moderate Investment Management, 5-year estimate, 01/2017 presentation.

There would be fees (Administration, Consulting, and Investment Management) associated with a new trust account (estimated less than 1%). The increased earnings on a trust account would far exceed these fees. Another consideration is the current Investment Policy allows for investing in only County Funds or LAIF Funds, this would need to be amended to allow for transfer of funds into a trust account.

Recommendation

- A) Staff recommends the District take a proactive position in working to reduce the impact of the unfunded CalPERS pension liability. Based on research and information provided, staff recommends establishing a designated trust account for this purpose.
- B) Staff recommends funding this trust using unrestricted funds currently residing in the County Investment Funds, allowing District funds to grow at a higher rate of return.
- C) Staff recommends utilizing either the moderate or moderately conservative asset allocation presented by PARS as the investing approach, based on the intent of long-term investment in this trust account.
- D) Staff recommends annual contributions to this trust fund be considered as a component piece of the annual District budget beginning with the FY18/19 budget. The amount of this contribution would be based on the budgeted salary & wage expense as a percentage. (As an example, 0.5% of the FY17/18 Salary & Wage Expense of \$2,013,962 equates to \$10,070.) The percentage of the contribution would be at the Board's discretion during the budget approval process.
- E) With the acceptance and approval of these concepts, staff will revise the Investment Policy and bring back to the Board for approval next month. Staff will also obtain appropriate trust fund agreements for the Board to review next month.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Proposal for PARS Pension Rate Stabilization Program (PRSP)
January 11, 2018



TRUSTED SOLUTIONS. LASTING RESULTS.



CONTACTS



MITCH BARKER

Executive Vice President



mbarker@pars.org

(949) 310-4876



FRED HURST

Director



fred.hurst@highmarkcapital.com

(415) 705-5015

BENSON LAO

Analyst, Consulting



blao@pars.org

(800) 540-6369 x182

ANDREW BROWN

Senior Portfolio Manager



andrew.brown@highmarkcapital.com

(415) 705-7605

PARS TRUST TEAM



Trust Administrator & Consultant

- Recordkeeping/sub-trust accounting
- Actuarial coordination
- Monitor contributions/process disbursements
- Monitor plan compliance
- Ongoing client liaison

Trustee

- Safeguard plan assets
- Oversight protection
- Plan fiduciary
- Custodian of assets

Investment Manager

- Investment sub-advisor to U.S. Bank
- Open architecture
- Investment strategy and asset allocation development
- Investment policy assistance

Corporate Experience

34 years (1984 – 2018)

155 years (1863 – 2018)

99 years (1919 – 2018)

Plans Under Administration

1,600+ plans, 850+ public agencies, 400,000+ participants,

Over \$2.6 billion

Over \$4 trillion

Over \$16.6 billion under management

Dollars under Administration

PARTIAL OPEB/PENSION CLIENT LIST (250+)

SPECIAL DISTRICTS

Alameda County MAD Bodega Bay Public Utility District Calaveras County Water District California JPIA California Joint Powers RMA	Moraga-Orinda Fire Protection District Municipal Water District of Orange County	Twentynine Palms Water District** Vallejo Sanitation & Flood Control District Ventura Regional Sanitation District Walnut Valley Water District
Central Contra Costa Sanitary District Central Contra Costa Transit Authority Coastside Fire Protection District Contra Costa MVCD Crestline Village Water District	Napa County Mosquito Abatement District Nevada County Consolidated Fire District* Novato Sanitary District Orange County Vector Control District Orange County Water District Placer County Resource Conservation District	West Bay Sanitary District West County Wastewater District Western Riverside Council of Governments
Delta Diablo (Sanitation District) Desert Recreation District	Rancho Cucamonga Fire Protection District* Rancho Murieta Community Services District Rowland Water District San Mateo County MVCD Santa Barbara County Law Library Santa Cruz Regional 9-1-1 South Montebello Irrigation District	Yorba Linda Water District
East Bay Regional Park District* Eastern Sierra Community Services District El Dorado Hills County Water District Fallbrook Public Utility District Fresno Irrigation District Fresno Metropolitan Flood Control District Glenn-Colusa Irrigation District	South Coast Water District South Orange County Wastewater Authority South Placer Fire Protection District Southern Marin Fire Protection District Superior Court of CA, County of Contra Costa Superior Court of CA, County of Imperial Superior Court of CA, County of Inyo Superior Court of CA, County of Kern Superior Court of CA, County of Marin Superior Court of CA, County of Merced Superior Court of CA, County of Orange Superior Court of CA, County of San Mateo Superior Court of CA, County of Shasta Superior Court of CA, County of Siskiyou Superior Court of CA, County of Sonoma	
Goleta West Sanitary District Great Basin Unified APCD Hayward Area Recreation & Park District Housing Authority of the County of Contra Costa Housing Authority of the County of San Bernardino Humboldt No. 1 Fire Protection District Menlo Park Fire Protection District	Three Valleys Municipal Water District	
Mesa Water District Metropolitan Transportation Commission Mid-Peninsula Water District Mojave Desert AQMD Montecito Fire Protection District Monterey Bay UAPCD		

COUNTIES

Amador
Contra Costa
Humboldt
Imperial
Inyo
Kern
Kings
Merced
Mono
Nevada
Placer
Plumas
Riverside
San Benito
Shasta
Siskiyou
Solano
Sonoma
Sutter
Trinity
Yolo

Bolded agencies have adopted PRSP
* PRSP only

The
**PARS PENSION RATE
STABILIZATION PROGRAM**
for prefunding pension obligations



PENSION FUNDING STATUS

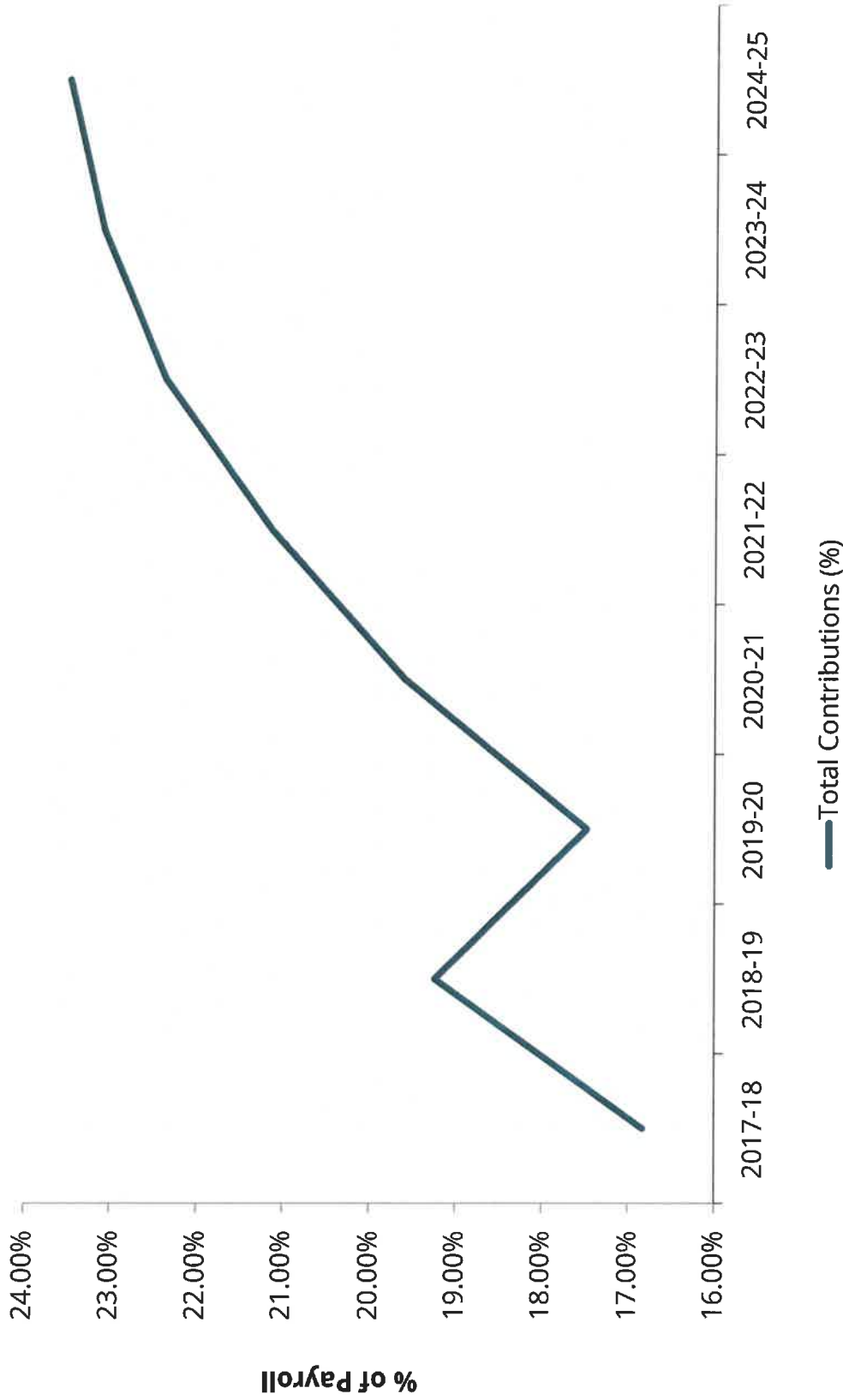
As of June 30, 2016, Humboldt Bay Municipal Water District's pension plan is funded as follows*:

Actuarial Liability	\$11.4 M
Assets	\$8.5 M
Unfunded Liability	\$2.9 M
Funded Ratio	74.6%
Employer Contribution Amount (FY 17-18)	\$340,726
Projected Employer Contribution Amount (FY 24-25)	\$554,413 (62.7% ↑)

* Data from Agency's 2016-17 CalPERS actuarial valuation

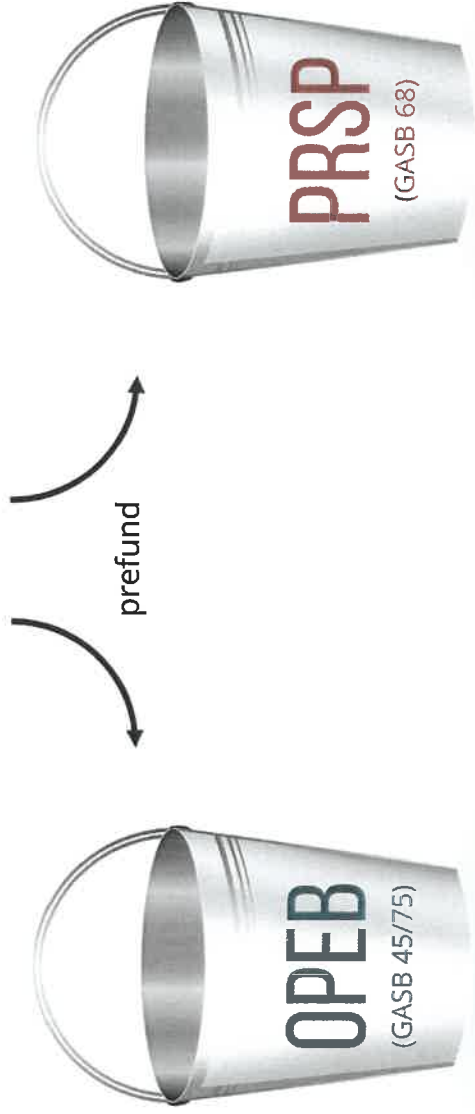
PROJECTED EMPLOYER CONTRIBUTIONS (MISC.)

Projected misc. contributions increase from \$340,726 to \$554,413 (62.7% ↑)



* Data from Agency's 2016-17 CalPERS actuarial valuation

THE PARS IRS-APPROVED COMBINATION 115 TRUST



Retiree Medical Benefits

Reimburse agency or pay provider

- Assets are sub-accounted for separately
- Prefund one now and the other later
- Addresses unfunded liabilities
- Can choose different investment risk tolerance levels for each

Pension Rate Stabilization Program

Reimburse agency or pay retirement system

- Can access funds at anytime; OPEB for OPEB and pension for pension
- Assets (OPEB and Pension) aggregate and reach lower fees on tiered schedule sooner – saving money!
- No cost to set up; no fees until assets are added

WHY PREFUND PENSION OBLIGATIONS?

- 1 Complete Local Control over Assets**

District has complete control over contributions and disbursements; timing, amount, and risk tolerance level
- 2 Pension Rate Stabilization**

Assets can be transferred to retirement system plan at the District's direction, which can reduce or eliminate large fluctuations in Employer contributions to retirement system
- 3 Rainy Day Fund**

Emergency source of funds when Employer revenues are impaired based on economic or other conditions
- 4 Lower Costs**

115 Trust might have lower overall administrative and investment management costs compared to the retirement system

WHY PREFUND PENSION OBLIGATIONS?

- 5** | **Addresses Pension Liabilities for GASB 68**
Contributions placed in an exclusive benefit trust addresses District's unfunded pension liability
- 6** | **Improved Credit Ratings**
Rating agencies may look favorably upon actions to reduce liabilities
- 7** | **Actuarially Sound Retirement System**
Provide integrity and security for the source of funding for retirement benefits
- 8** | **Diversified Investing/Potential for Greater Return than General Fund**
Can choose risk tolerance level for District's unique needs

HIGHMARK CAPITAL MANAGEMENT

About HighMark Capital Management, Inc.

LONGEVITY

Managing assets for clients since **1919***

TALENT

52 investment professionals
31 professionals hold the Chartered Financial Analyst® (CFA) designation
23 years average industry experience

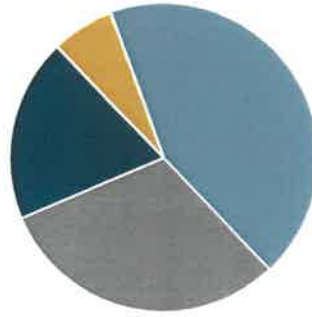
STABILITY

Investment boutique structure headquartered in San Francisco backed by **global strength** within MUFG Union Bank, N.A. and Mitsubishi UFJ Financial Group

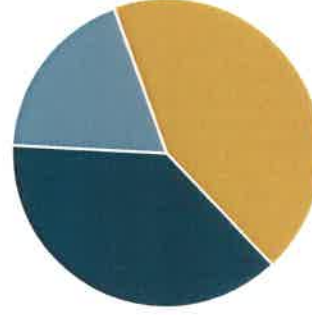
ASSETS UNDER MANAGEMENT

\$16.6 billion as of 9/30/2017

Asset Class



Client Base





SIMPLE INVESTMENT APPROACH

1. Input Phase

- Target Discount Rate
- Risk Tolerance
- Investment Philosophy
- Asset Allocation



- Cap. Appreciation – 65%-85% Equity
- Balanced – 50%-70% Equity
- Moderate – 40%-60% Equity
- Mod-Conservative – 20%-40% Equity
- Conservative – 5%-20% Equity



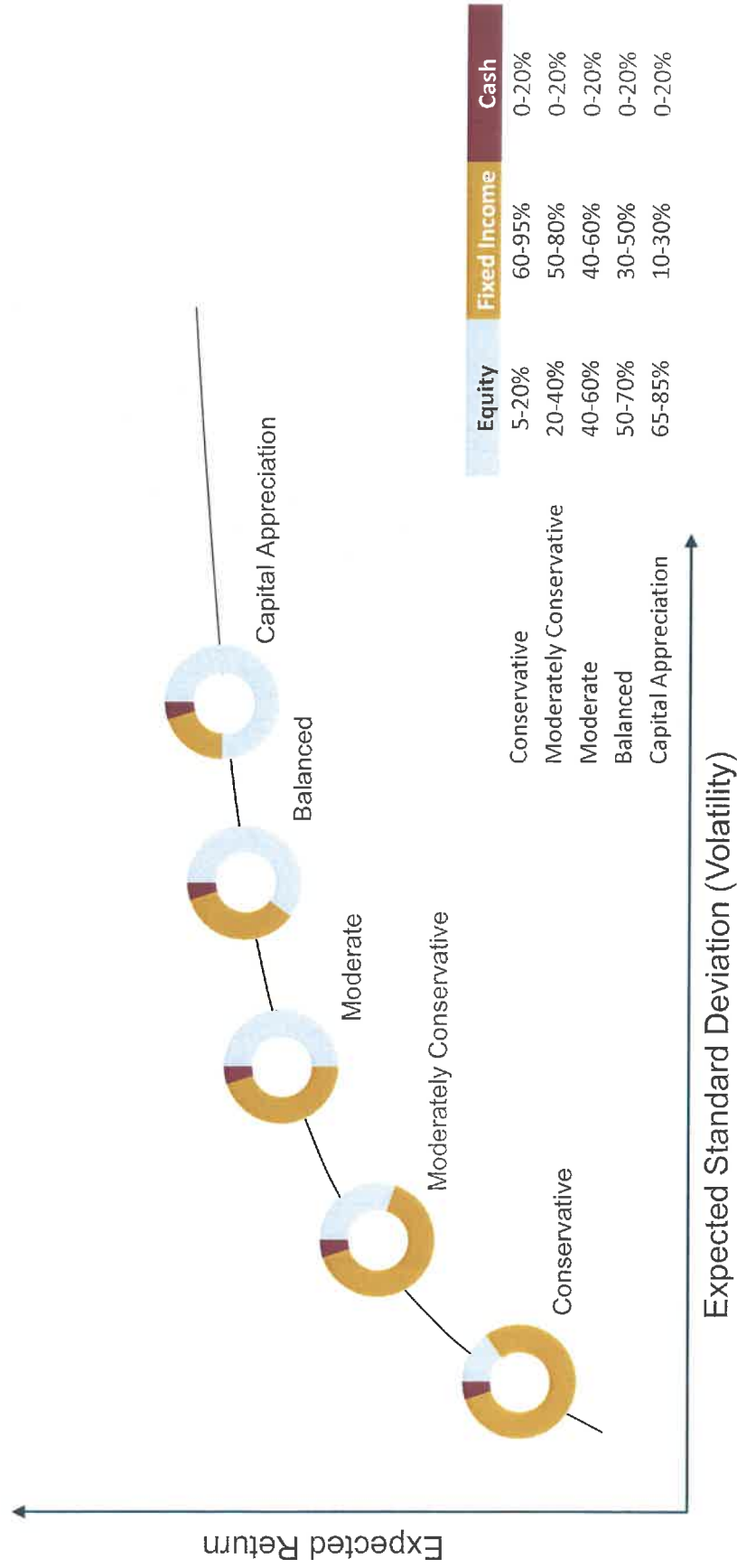
2. Model Portfolios

3. Dedicated Portfolio Manager

- Makes Recommendation
- Fiduciary Responsibility
- Drafts Investment Policy
- Annual On-site Reviews
- Cell phone access

Establish: Determine your Strategic Asset Allocation Strategy

Efficient frontier of portfolios with varying ranges of equities and fixed income



Each Investment Objective reflects the associated PARS Diversified Portfolio as of 9/30/2017. A client's portfolio construction may vary depending on the client's investment needs, objectives, and restrictions as well as the prevailing market conditions at the time of investment.

HIGHMARK CAPITAL MANAGEMENT RETURNS

RETURNS AS OF SEPTEMBER 30, 2017

	Equity (%)	1 Year	3 Years	5 Years
Capital Appreciation	65-85%	14.07%	7.54%	9.56%
Balanced	50-70%	12.25%	6.63%	8.12%
Moderate	40-60%	10.14%	6.00%	7.03%
Moderately Conservative	20-40%	6.51%	4.67%	5.14%
Conservative	5-20%	3.88%	3.69%	3.71%

* Past performance does not guarantee future results

PROGRAM FEES

Trust Administration/Consulting Fees*

Plan Set-Up Fee:	Ongoing Fees:
None	0.25% for assets \$0-10 million
	0.20% for assets \$10-15 million
	0.15% for assets \$15-50 million
	0.10% for assets over \$50 million



Discretionary Trustee/Investment Management Fees*

Plan Set-Up Fee:	Ongoing Fees:
None	0.35%* for assets under \$5 million
	0.25% for assets \$5-10 million
	0.20% for assets \$10-15 million
	0.15% for assets \$15-50 million
	0.10% for assets over \$50 million



* PARS does not receive any compensation from the investments or any commissions, back-end loads, or any other forms of compensation.
 ** Fees as of September 30, 2017. Subject to change due to rebalancing.



TOP 5 REASONS TO PREFUND

1. Addresses rising pension contribution rates and unfunded liabilities
2. Potential for greater return than leaving in general fund (about 1% in GF vs. 4% historical 10 year return of Conservative strategy)
3. "Rainy Day" access if needed for emergency purpose
4. Rating agencies look favorably at prefunding; improves balance sheet
5. District has complete local control over assets (can only be used for pension)

Humboldt Bay Municipal Water District

To: Board of Directors

From: John Friedenbach

Date: January 5, 2018

Re: Capital Improvement Plan (CIP) Update 2018

Background

In 2011 the Board approved the first comprehensive long-term CIP. The CIP is a multi-year planning document intended to identify projects that will ensure the regional water system reliably meets our communities' water supply needs in a cost-effective manner.

The original water system was well designed, well built, and it has been very well maintained. It has reliably served the drinking and industrial water needs of our community since 1962. However, the original infrastructure – at Ruth Lake and in the Humboldt Bay region – is over 50 years old and it was time to address it. Upgrades and replacement of key infrastructure are now necessary to ensure the regional water system continues to reliably deliver high quality drinking water to two-thirds of Humboldt County's population. While the CIP identifies projects and costs deemed necessary over the next 20 years (FY 16/17 to FY 35/36), it advances the "service life" of the regional water system by 40 to 50 years. The proposed projects in essence constitute long-term investments in the regional system.

Projects identified in the CIP include improvements or replacement of existing infrastructure, and projects necessary to meet growth and development. Projects are defined in four categories – Source of Supply, Domestic Water System, Industrial Water System and Hydro-Electric Plant. These categories were defined to appropriately segment projects given that funding considerations are different for each. The Regional Domestic Water System was further broken down into the following sub-categories: Diversion and Pumping; Water Treatment; Water Storage and Transmission; and Support Systems.

As a component of the CIP development, the District completed a comprehensive inventory and condition assessment of all key assets and infrastructure. A prioritization process was also developed to support decisions regarding "what projects are required when". Evaluation criteria included: 1) estimated remaining useful life of the asset, 2) importance of the asset; and 3) redundancy (I.E. if the asset fails, can we still meet our mission to deliver water?).

The CIP is intended to guide and support future District budgets, and assist the District's municipal customers with their financial planning and rate studies. Most importantly, the CIP will directly support the District in its mission to reliably supply and deliver high-quality water to customers in the Humboldt Bay region at a reasonable cost. As with all planning documents,

the CIP is intended to be a “living document” that will be updated based on changing needs, circumstances, and opportunities presented to the District. You may think of it like a well thought out and designed game plan that will be implemented during the future that must be adjusted to the realities of the moment.

CIP Update 2018

The 2018 Update documents are too voluminous to include in the Board packet. They are being distributed as a separate set of documents.

The original 2011 CIP and the current 2018 CIP Update have segregated projects into incremental time blocks of five years. This facilitates rate study cost of service in accordance with Prop 218 requirements for our municipal customers and near term budgeting for the District. For the 2018 CIP Update, only those sections from the original 2011 CIP that have changed were updated. Those sections which are new tabs in the CIP binders are:

1. CIP 2018 – project costs and sequences for the fiscal years 2016/17 to 2035/36.
2. Project Worksheets.
3. 10 Year Financial Plan.
4. Focused Engineering Studies.
5. CIP Actual vs Budget for 2011 to 2016.

Staff will provide details about the various components of the updated CIP to the Directors during the January Board meeting. Since these were the only sections requiring updates, they have been inserted into the front section of the CIP document. All of the original 2011 CIP documents are also kept for ease of reference. Kindly refer to your updated CIP binders that have been distributed with your Board packets.

Recommendation and Action

Staff recommends that the Board accept and approve the updated 2018 CIP.

Once adopted, staff will continue to work with the Board to support the District’s mission during the annual budgeting process to implement the CIP guidelines as necessary while considering all influencing factors.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
Statement of Fund Balances at December 31, 2017

Account Fund Balance at Month End	AT 12-31-17	AT 12-31-16
<u>U.S. BANK ACCOUNTS</u>		
- Commercial Account - General Fund Account	32,941.27	136,038.87
- Money Market Account (DWR Contract for SRF Loan) ①	162,136.24	160,343.73
- Certificate of Deposit (DWR Contract for SRF Reserve) ②	547,336.94	547,701.94
Subtotal	<u>742,414.45</u>	<u>844,084.54</u>
<u>HUMBOLDT COUNTY:</u>		
- Investment Account	2,495,732.75	2,729,437.53
- DWFP Reserve (in accordance with Ordinance 16) ④	231,591.12	469,547.92
- MSRA Reserve (Municipal Supplemental Reserve Account) ⑤	424,334.34	420,511.21
- SRF Loan Payment ⑥	3,318.73	48,545.05
- ReMat Account ⑦	69,197.61	0.00
- 1% Tax Account ③	0.00	56.13
Subtotal	<u>3,224,174.55</u>	<u>3,668,097.84</u>
<u>L.A.I.F.</u>	1,618.88	1,604.99
Cash on Hand	650.00	650.00
TOTAL CASH	<u>\$ 3,968,857.88</u>	<u>\$ 4,514,437.37</u>
Less: Encumbrances & Reserves (Funds Dedicated for Specific Purposes and Projects)		
<u>RESTRICTED</u>		
Municipal Customers PF2 Prior Year Reconciliation	(217,244.50)	(305,823.95)
1% Tax Account ③	0.00	(56.13)
Municipal Customer Adv. Chrg. - Ranney Collector 1 & 1A Rehabilitation	0.00	(868,421.06)
Municipal Customer Adv. Chrg. - Collector 1 Pump Motors	0.00	0.00
Municipal Customer Adv. Chrg. - 1MG Domestic Reservoir Roof	(112,795.32)	0.00
Municipal Customer Adv. Chrg. - Replace Ruth Bunkhouse	(403,500.00)	(195,000.00)
Municipal Customer Adv. Chrg. - SCADA System Upgrade	(105,936.62)	0.00
Municipal Customer Adv. Chrg. - Blue Lake/FGCSD River Crossing	(56,544.76)	0.00
Municipal Customer Adv. Chrg. - Surge Tower Replacement	0.00	0.00
DWR Reserve Fund for SRF Loan ②	(547,336.94)	(547,701.94)
DWR Contract Payment for SRF Loan for DWFP (Drinking Water Filtration Plant-PF1 Charges from Munis) ①	(162,136.24)	(160,343.73)
SUBTOTAL RESTRICTED RESERVES (Net Position)	<u>(1,605,494.38)</u>	<u>(2,077,346.81)</u>
<u>UNRESTRICTED:</u>		
<u>Board Restricted:</u>		
Paik-Nicely Development	(4,158.00)	(4,158.00)
DWFP Reserve ④	(231,591.12)	(469,547.92)
MSRA Reserve (Municipal Supplemental Reserve Account) ⑤	(424,334.34)	(420,511.21)
PG&E REMAT Deposit	(27,000.00)	(27,000.00)
PG&E REMAT Reserve (County Fund) ⑦	(69,197.61)	0.00
<u>Unrestricted Reserves</u>		
SRF Loan Payment ⑥	(3,318.73)	(48,545.05)
Municipal Customer Accumulation for Debt Service for US Bank	7,334.55	7,168.60
Ranney & Techite Project Loan Payment	(1,611,098.25)	(1,474,496.98)
General Fund Reserve	<u>(2,363,363.50)</u>	<u>(2,437,090.56)</u>
SUBTOTAL UNRESTRICTED RESERVES (Net Position)	<u>(3,968,857.88)</u>	<u>(4,514,437.37)</u>
Total Net Position	<u>(3,968,857.88)</u>	<u>(4,514,437.37)</u>

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 AT DECEMBER 31, 2017 (6 MONTH - 50%)

	DECEMBER RECEIPTS	YTD TOTAL AT 12-31-17	BUDGET	% OF BUDGET	YTD TOTAL AT 12-31-16
MISCELLANEOUS RECEIPTS (RETURNED TO CUSTOMERS VIA PF2)					
RETAIL WATER SALES	\$ 24,011.30	\$ 148,474.72	\$ 312,151	48%	\$ 205,595.64
SUBTOTAL RETAIL WATER SALES	\$ 24,011.30	\$ 148,474.72	\$ 312,151	48%	\$ 205,595.64
GENERAL REVENUES					
INTEREST	0.00	8,180.43	\$12,000	68%	23,926.64
FCSD CONTRACT FOR MAINT. & OPERATIONS	0.00	111,123.01	175,000	63%	107,879.90
POWER SALES NET REMAT	8,948.99	37,776.17	197,000	19%	38,373.75
MISCELLANEOUS (SEE NEXT PAGE)	\$655.36	\$22,222.76	50,000	44%	\$ 25,546.73
SUBTOTAL GENERAL REVENUES	\$ 9,604.35	\$ 179,302.37	\$434,000	41%	\$ 195,727.02
TAX RECEIPTS					
1% TAXES	0.00	74,026.60	775,000	10%	45,680.18
TOTAL PF 2 CREDIT	\$ 33,615.65	\$ 401,803.69	\$1,521,151	26%	\$ 447,002.84
WHOLESALE CONTRACT RECEIPTS					
INDUSTRIAL / HARBOR DISTRICT	\$340.92	\$340.92	\$10	3409%	\$764.66
TOTAL INDUSTRIAL	\$340.92	\$340.92	\$10	3409%	\$764.66
CITY OF ARCATA	\$ 96,515.90	\$ 554,014.68	\$1,162,728	48%	\$ 575,306.70
CITY OF EUREKA	223,793.29	1,314,449.02	2,758,065	48%	1,378,490.54
HUMBOLDT CSD	73,283.00	434,011.44	923,496	47%	462,913.43
MANILA CSD	3,905.11	29,134.37	74,513	39%	37,236.52
MCKINLEYVILLE CSD	76,663.98	443,912.50	935,846	47%	467,937.57
FIELDBROOK CSD	12,361.20	73,132.99	151,117	48%	76,454.54
BLUE LAKE	13,430.88	78,250.24	164,116	48%	81,543.71
TOTAL MUNIS	\$ 499,953.36	\$ 2,926,905.24	\$6,169,881	47%	\$ 3,079,883.01
REMAT REVENUE less Consultant fee	18,528.83	70,982.67	300,000	24%	0
TOTAL RECEIPTS	\$ 552,438.76	\$ 3,400,032.52	\$7,691,042	44%	\$ 3,527,650.51

MISCELLANEOUS RECEIPTS

	DECEMBER	YEAR TO DATE
Administrative		
<i>Parking Lot Rent</i>	\$25.00	\$175.00
<i>Employee Telephone</i>	0.00	357.52
<i>Employee Gas</i>	0.00	541.48
<i>Retirees' Reimbursement of Health Insurance Premium</i>	382.80	11,860.23
<i>COBRA Vision Ins & Admin Fee - Retiree</i>	0.00	302.88
<i>COBRA Dental Ins & Admin Fee - Retiree</i>	0.00	1,147.48
<i>Water Processing Fees</i>	0.00	240.00
<i>Hydrant Rental Deposit</i>	175.00	350.00
<i>Meter Installations</i>	0.00	0.00
<i>Retail Connection Charge</i>	0.00	0.00
<i>Mainline Connection Charge</i>	0.00	0.00
<i>Right of Way Fees</i>	0.00	0.00
<i>Special Event Liability Insurance</i>	0.00	514.75
<i>ACWA/JPIA Retrospective Premium Adjustment</i>	0.00	0.00
<i>ACWA/JPIA Insurance Claim</i>	0.00	0.00
<i>Dividend Check (Principal Life)</i>	0.00	496.62
<i>Bad Debt Recovery</i>	0.00	81.20
<i>Miscellaneous Payments for Copies &/or Postage Costs</i>	39.56	151.41
<i>Diesel Fuel Tax Refund</i>	0.00	72.80
<i>Park Use Fees</i>	0.00	50.00
<i>Sale of Surplus Equipment</i>	0.00	4,950.00
<i>Reimbursement for District Coffee Mugs</i>	0.00	97.39
<i>Reimbursement for personal charge on District credit card</i>	33.00	103.00
<i>Reimbursement for safety apparel</i>	0.00	38.00
<i>Reimbursement for District Hats</i>	0.00	283.00
Ruth Area		
<i>Use of Ruth Cabin</i>	0.00	210.00
<i>RLCSD-Water System Permit Fees</i>	0.00	0.00
<i>Ruth Area Water Use Permit</i>	0.00	100.00
<i>Buffer Strip Right of Way License Fee</i>	0.00	0.00
<i>Ruth Buffer Strip PG&E Right of Way Fees</i>	0.00	100.00
<i>Ruth Sale of Merchantable Timber</i>	0.00	0.00
<i>Ruth Sale of Surplus Gravel</i>	0.00	0.00
<i>Don Bridge Lease</i>	0.00	0.00
Miscellaneous		
<i>Other</i>	0.00	0.00
Total Miscellaneous Receipts	\$655.36	\$22,222.76
OTHER RECEIPTS or GRANTS		
<i>Prop 84 - Ranney Collector 1</i>	0.00	93,755.50
<i>CalEMA Blue Lake/Fieldbrook Pipeline Crossing</i>	0.00	0.00
<i>Quagga Grant 2015/16 on behalf of RLCSD*</i>	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 DECEMBER 31, 2017 (6 MONTHS - 50%)

	DECEMBER EXPENSES	YTD TOTAL 12/31/2017	BUDGET	% OF BUDGET	TOTAL 12/31/2016
PAYROLL: See next page for detail					
Total Compensation	\$175,000.37	\$1,112,774.23	\$ 2,273,365	49%	\$1,047,401.67
Taxes/Benefits	117,733.17	713,220.59	1,468,911	49%	741,937.09
TOTAL PAYROLL	\$292,733.54	\$1,825,994.82	\$ 3,742,276	49%	\$1,789,338.76
SERVICE & SUPPLY					
O & M					
Engineering	\$1,206.00	\$45,239.50	\$ 75,000	60%	\$17,575.25
Maint., Repairs, Supplies	11,191.36	136,686.27	115,000	119%	48,322.38
TRF Maint, Repairs, Supplies	1,601.83	12,816.60	62,000	21%	24,252.28
Lab	655.00	5,745.00	13,000	44%	4,084.70
Auto Maintenance	2,904.35	17,125.52	46,000	37%	15,320.72
Radio Maintenance	512.65	3,075.90	10,500	29%	4,104.91
USGS Meter Station	0.00	0.00	7,800	0%	0.00
Ruth Lake License	0.00	1,500.00	1,500	100%	1,500.00
A&G					
Accounting Services	2,750.00	4,307.50	\$ 25,000	17%	9,011.03
Legal	573.50	1,023.00	28,000	4%	2,287.93
Professional Services	0.00	6,836.68	20,000	34%	1,881.32
Insurance	0.00	60,560.75	105,000	58%	55,980.50
Telephone/Internet	4,660.69	29,645.08	51,000	58%	23,589.33
Office Building Maintenance	1,725.57	10,860.45	18,500	59%	8,768.00
Office Expense	2,400.24	22,015.40	54,000	41%	29,910.63
Travel & Conference	802.20	4,359.80	22,000	20%	4,940.85
Dues & Subscriptions	356.81	15,346.59	11,300	136%	14,629.40
CSDA Dues	0.00	8,039.00	5,200	155%	0.00
Technical Training	656.73	1,768.78	14,500	12%	4,744.87
General Manager Training	80.00	997.08	5,000	20%	0.00
Safety Apparel	2,899.12	2,899.12	3,000	97%	0.00
County Tax Fee	0.00	0.00	21,000	0%	0.00
County Property Taxes	945.00	998.60	1,100	91%	998.60
LAFCO	0.00	0.00	7,000	0%	0.00
Regulatory Agency Fees	3,576.17	49,886.61	76,000	66%	46,962.67
Ruth Lake Programs	0.00	0.00	5,000	0%	0.00
Miscellaneous	948.93	7,133.07	11,500	62%	3,924.98
TOTAL SERVICE/SUPPLIES W/OUT POWER	\$40,446.15	\$450,577.73	\$814,900	55%	\$322,790.35
POWER					
Essex Pacific Gas & Electric	\$42,710.17	\$318,216.02			\$329,951.46
Fuel For 2 MW Generator	0.00	0.00			2,513.59
Subtotal Essex Pumping	\$42,710.17	\$318,216.02	\$595,803	53%	\$332,465.05
All Other Pacific Gas & Electric	7,857.98	34,667.72	71,662	48%	35,154.76
POWER EXPENSE SUBTOTAL	\$50,568.15	\$352,883.74	\$667,465	53%	\$367,619.81
TOTAL SERVICE/SUPPLIES WITH POWER	\$91,014.30	\$803,461.47	\$1,482,365.00	54%	\$690,410.16
PROJECTS, FIXED ASSETS & CONSULTING SERVICES					
	\$325,524.84	\$1,610,668.03	\$7,563,490.00	21%	\$1,421,378.07
TOTAL OPERATING	\$709,272.68	\$4,240,124.32	\$12,788,131.00	33%	\$3,901,126.99
DEBT SERVICE - SRF LOAN (1)	\$273,668.48	\$273,668.48	\$547,337.00	50%	\$273,668.48
TOTAL EXPENDITURES	\$982,941.16	\$4,513,792.80	\$13,335,468.00	34%	\$4,174,795.47
DEBT SERVICE - US Bank	\$0.00	\$81,094.05	\$162,200.00	50%	\$81,094.05

Humboldt Bay Municipal Water District

Salary & Employee Benefit Expenditures

December 2017

SECTION J2C PAGE NO. 5

Ordinary Income/Expense	Dec 17	Budget	% of Budget	Jul - Dec 17	YTD Budget	% of Budget	Annual Bud...
Expense							
SALARIES & EMPLOYEE BENEFITS							
00 · PAYROLL EXPENSE							
11 · Salaries & Wages							
01 · Wages-Regular	158,990.91	165,993.50	95.8%	898,201.04	995,961.00	90.2%	991,922.00
02 · Wages-Part-time	3,337.24	4,238.89	78.7%	24,270.89	27,255.55	89.0%	53,600.00
03 · Wages-Overtime	308.32	1,800.00	17.1%	12,871.01	13,200.00	97.5%	24,000.00
04 · Wages-Standby	7,416.88	7,500.00	98.9%	39,661.42	45,000.00	88.1%	90,000.00
05 · Wages-Holiday	1,618.16	1,600.00	101.1%	4,826.08	5,600.00	86.2%	11,000.00
07 · Shift Differential	746.36	1,000.00	74.6%	4,645.72	6,000.00	77.4%	12,000.00
08 · Director Compensation	2,320.00	2,370.83	97.9%	11,440.00	13,225.02	86.5%	26,050.00
09 · Secretarial Fees	262.50	262.50	100.0%	1,575.00	1,575.00	100.0%	3,150.00
Total 11 · Salaries & Wages	175,000.37	184,765.72	94.7%	997,491.16	1,107,816.57	90.0%	2,211,722.00
220 · Employer P/R Tax Expense	12,736.26	14,725.59	86.5%	76,772.30	88,783.46	86.5%	177,137.00
Total 00 · PAYROLL EXPENSE	187,736.63	199,491.31	94.1%	1,074,263.46	1,196,600.03	89.8%	2,388,859.00
158 · EMPLOYEE BENEFITS							
E.B. - Medical & Life	62,169.35	62,473.67	99.5%	426,440.17	374,841.98	113.8%	749,684.00
E. B. - Dental	2,559.43	3,370.50	75.9%	18,032.28	20,223.00	89.2%	40,446.00
E. B. - Vision	575.37	631.00	91.2%	3,909.85	3,786.00	103.3%	7,572.00
E. B. - Retirement Benefits							
164 · 457b District Contribut...	2,500.00	2,550.00	98.0%	15,300.00	15,300.00	100.0%	30,600.00
164a · PERS Expenses	35,895.55	36,345.83	98.8%	197,859.60	218,075.02	90.7%	436,150.00
Total E. B. - Retirement Benefits	38,395.55	38,895.83	98.7%	213,159.60	233,375.02	91.3%	466,750.00
E. B. - Other Benefits							
159 · Workers' Comp. Ins.	0.00	0.00	0.0%	18,108.87	35,286.00	51.3%	70,572.00
168 · Long-Term Disability Ins.	1,229.07	1,442.92	85.2%	8,014.06	8,657.48	92.6%	17,315.00
172 · Employee EAP	68.14	89.83	75.9%	521.69	539.02	96.8%	1,078.00
Total E. B. - Other Benefits	1,297.21	1,532.75	84.6%	26,644.62	44,482.50	59.9%	88,965.00
Total 158 · EMPLOYEE BENEFITS	104,996.91	106,903.75	98.2%	688,186.52	676,708.50	101.7%	1,353,417.00
Total SALARIES & EMPLOYEE BENE...	292,733.54	306,395.06	95.5%	1,762,449.98	1,873,308.53	94.1%	3,742,276.00

Humboldt Bay Municipal Water District

Overtime Pay

December 2017

	54TRF		52		54		56		TOTAL	
	Hours	Dec 17	Hours	Dec 17	Hours	Dec 17	Hours	Dec 17	Hours	Dec 17
Employee Wages, Taxes and Adjustments										
Gross Pay										
Overtime	0.5	23.04	2.5	115.20	3.25	138.70	0.5	31.38	6.75	308.32
Total Gross Pay	0.5	23.04	2.5	115.20	3.25	138.70	0.5	31.38	6.75	308.32
Adjusted Gross Pay	0.5	23.04	2.5	115.20	3.25	138.70	0.5	31.38	6.75	308.32
Net Pay	0.5	23.04	2.5	115.20	3.25	138.70	0.5	31.38	6.75	308.32
Employer Taxes and Contributions		0.00		0.00		0.00		0.00		0.00

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

I. CAPITAL PROJECTS	DECEMBER		YTD TOTAL		% OF BUDGET
	EXPENSES		12/31/2017	BUDGET	
A. Projects Charged to All Customers via Price Factor 2 (BWF)					
Ranney Collectors Communication Upgrade	\$0.00		\$0.00	\$3,250	0%
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		0.00	6,000	0%
Replace Collector 1 - Pump 1.1 Funded by Current Budget	0.00		116,458.05	134,000	87%
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	0.00		0.00	30,250	0%
Purchase Vehicle Lift	0.00		0.00	17,250	0%
Superintendent Office Remodel	0.00		0.00	6,000	0%
Ruth Hydro Protective Relay Replacement - Phase 1	0.00		0.00	42,000	0%
Ruth Dam Access Road Culvert System	0.00		0.00	4,750	0%
SUBTOTAL A:	\$0.00		\$244,959.87	\$361,250	68%
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		0.00	5,500	0%
TRF Storage Area Slab & Drainage System	0.00		0.00	7,500	0%
SUBTOTAL B:	\$0.00		\$0.00	\$36,000	0%
C. Projects Funded by Other Sources (BWF)					
Blue Lake/FGCSD River Crossing Funded by Prop 84 & FEMA Grants & Adv. Charges	\$43,494.64		\$143,455.24	\$3,579,750	4%
Surge Tower Replacement - CEQA, Bidding & Construction Assistance] Funded by FEMA Grant & Adv. Char	811.75		45,899.19	960,000	5%
1 Mg Domestic Water Reservoir Roof & Painting] Funded by Advanced Charges	210,742.72		512,204.68	625,000	82%
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:	\$255,049.11		\$801,559.11	\$5,264,750	15%
TOTAL CAPITAL PROJECTS:	\$255,049.11		\$1,046,518.98	\$5,662,000	18%

I. FIXED ASSETS		DECEMBER	YTD TOTAL	% OF
A. Projects Charged to All Customers via Price Factor 2 (BWF)		EXPENSES	12/31/2017	BUDGET
Essex- Replace Two Administrative Computers		\$0.00	\$0.00	0%
Spare Bottles for SCBAs		0.00	0.00	0%
Wall Mounted EyeWash Station		0.00	0.00	0%
Fall Protection Equipment		0.00	2,301.36	58%
Electrical Safety Equipment		0.00	0.00	0%
Control System Computer Backup Devices		0.00	0.00	0%
Customer Service - Metal Detector		0.00	0.00	0%
Customer Service - Dewatering Equipment		0.00	1,282.21	85%
Replace Unit 7		0.00	0.00	0%
Replace Unit 9		48,182.07	48,182.07	68%
Replace District Portable Radios		0.00	4,352.03	92%
Parts Cleaner - NonToxic Environmentall Safe		2,168.92	2,168.92	108%
Purchase Drone		0.00	0.00	0%
Chlorine System PLC		0.00	0.00	0%
AED Ruth Hydro		1,213.95	1,213.95	81%
Eureka - Replace Computer		0.00	0.00	0%
Replace Business Manager Desk		0.00	3,323.27	111%
Replace/Upgrade Eureka Computer Main Server		0.00	0.00	0%
Screens for Board of Directors		0.00	0.00	0%
SUBTOTAL A:		\$51,564.94	\$62,823.81	31%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
TRF Spare Parts Inventory		\$1,318.25	\$4,196.65	93%
Chemical Transfer Pump		0.00	1,602.63	107%
SUBTOTAL B:		\$1,318.25	\$5,799.28	97%
TOTAL FIXED ASSETS PROJECTS:		\$52,883.19	\$68,623.09	33%

II. MAINTENANCE PROJECTS		DECEMBER	YTD TOTAL	% OF
A. Charged to All Customers via Price Factor 2 (BWF)		EXPENSES	12/31/2017	BUDGET
Collector 2 Meter Calibration	\$0.00	\$0.00	\$2,000	0%
Pipeline Maintenance	0.00	0.00	13,500	0%
12KV Electric System Maintenance	0.00	0.00	4,000	0%
Mainline Meter Flow Calibration	0.00	0.00	4,000	0%
Replace HCSD Meter	0.00	0.00	8,250	0%
Technical Support & Software Updates to Include Control System	990.00	7,913.87	21,000	38%
Generator Service	710.22	710.22	3,500	20%
Hazard & Diseased Tree Removal	0.00	0.00	6,250	0%
Catholic Protection	0.00	0.00	6,500	0%
Maintenance Emergency Repair	0.00	15,591.42	50,000	31%
Fleet Paint Repairs	0.00	0.00	5,000	0%
Lead Free Brass Inventory	0.00	0.00	7,500	0%
Essex Fire Alarm System Upgrade	0.00	0.00	8,000	0%
Essex Office Single Pane Windows Replacement	0.00	0.00	2,750	0%
Samoa Booster Pump Station Expansion Joint Replacement	0.00	0.00	6,000	0%
Construction Equipment Tire Replacement	0.00	0.00	3,750	0%
Asphalt Repair	0.00	3,375.56	7,000	48%
Ruth Lake - Brush Abatement	0.00	0.00	5,540	0%
Licensed Timber Operator	0.00	3,102.45	5,000	62%
Picketts Peak Radio System Modifications	0.00	0.00	9,000	0%
Ruth Spillway Review & Improvement	121.99	53,220.46	50,000	106%
Ruth Hydro - Repair PRV Discharge Pipe	0.00	0.00	7,500	0%
SUBTOTAL A:	\$1,822.21	\$83,913.98	\$ 236,040	36%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
TRF - Generator Service	\$189.40	\$189.40	\$500	38%
TRF Limitorque Valve Retrofit Supplies - Phase 1	0.00	16,210.06	16,750	97%
TRF- Removal of Sodium Hydroxide and waste Aluminum Sulfate	0.00	0.00	14,750	0%
SUBTOTAL B:	\$189.40	\$16,399.46	\$ 32,000	51%
TOTAL MAINTENANCE PROJECTS:	\$2,011.61	\$100,313.44	\$ 268,040	37%

III. PROFESSIONAL & CONSULTING SERVICES	DECEMBER EXPENSES	YTD TOTAL 12/31/2017	BUDGET	% OF BUDGET
A. Charged to All Customers via Price Factor 2 (BWF)				
Collector 2 Underground Power & Fiber Optic Line	\$0.00	\$0.00	\$24,000	0%
Collector 1 Transformer & Electrical Evaluation	0.00	0.00	5,000	0%
Collector 1 Pump & Motor Upgrades	0.00	0.00	6,000	0%
Essex Control Building Expansion Plans & Specifications	0.00	0.00	44,000	0%
Crane Testing/Certification	0.00	6,507.14	7,500	87%
Control/SCADA Software Training	0.00	21,610.22	30,250	71%
Technical Training	800.00	3,553.86	7,500	47%
Backflow Tester Training	0.00	0.00	2,000	0%
HazMat Training	0.00	5,073.00	5,500	92%
Transformer Oil Testing	0.00	0.00	4,500	0%
GIS/Facilities Information System	0.00	0.00	12,000	0%
GIS/Facilities Information System - Ruth	0.00	0.00	12,000	0%
Essex Mad River Cross-Sectional Survey	0.00	0.00	4,750	0%
Essex Protective Relay Testing	201.00	9,345.75	10,000	93%
Mad River Watershed Regulatory Compliance	0.00	0.00	12,000	0%
Dune Monitoring Program - Component of Coastal Conservancy Climate Ready Grant	0.00	500.00	50,000	1%
Grant Applications	0.00	2,000.00	2,000	100%
Public Education	0.00	8,033.25	20,000	40%
Water Resources Planning	0.00	0.00	5,000	0%
Ruth Protective Relay Testing	0.00	1,345.50	5,000	27%
FERC Dam Safety Surveillance & Monitoring Report(DSSMR)/FERC Dam Safety Review (Part 12)	0.00	0.00	12,000	0%
FERC Chief Dam Safety Engineer	100.50	229.50	3,000	8%
FERC Matthews Dam Monument Survey	0.00	0.00	10,000	0%
FERC Matthews Dam Spillway Wall Survey	1,835.25	6,356.50	9,000	71%
FERC Matthews Dam Left Abutment Monitoring Survey	2,627.25	8,946.25	11,000	81%
Matthews Dam River Cross-Sectional Survey	2,561.25	8,726.25	11,000	79%
	0.00	1,827.50	5,000	37%
SUBTOTAL A:	\$8,125.25	\$84,054.72	\$ 318,000	26%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
Chlorine System Maintenance	\$7,455.68	\$7,455.68	\$16,100	46%
SUBTOTAL B:	\$7,455.68	\$7,455.68	\$ 16,100	46%
C. Projects Funded by Other Sources (BWF)				
Quagga Grant/RLCSD] CA Dept of Boating & Waterways	\$0.00	\$0.00	9,150	0%
Industrial System Single Line Mad River Slough Assessment] District Reserves	0.00	0.00	24,000	0%
Industrial & Domestic System Intertie] District Reserves	0.00	0.00	11,000	0%
SUBTOTAL C:	\$0.00	\$0.00	44,150	0%
TOTAL PROFESSIONAL & CONSULTING SERVICES	\$15,580.93	\$91,510.40	\$ 378,250	24%

IV. INDUSTRIAL SYSTEM PROJECTS			
A. Charged to All Customers via Price Factor 2 (BWF)	DECEMBER EXPENSES	YTD TOTAL 12/31/2017	% OF BUDGET
- Maintain Water Supply to Industrial Pump Station (Pump Station 6) During Low-Flow Months	\$0.00	\$0.00	0%
SUBTOTAL A.	\$0.00	\$0.00	0%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)			
SUBTOTAL B.	\$0.00	\$0.00	0%
C. Projects Funded by Other Sources (BWF)			
Industrial Reservoir Painting, Specs, Bidding & Construction Management	\$0.00	\$0.00	0%
SUBTOTAL C:	\$0.00	\$0.00	0%
TOTAL INDUSTRIAL SYSTEM PROJECTS:	\$0.00	\$0.00	0%

CARRY-OVER PROJECTS FROM 2016/17			
I. CAPITAL PROJECTS	DECEMBER EXPENSES	YTD TOTAL 12/31/2017	% OF BUDGET
A. Charged to All Customers via Price Factor 2 (BWF)			
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%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)			
SUBTOTAL B:	\$0.00	\$0.00	0%
C. Projects Funded by Other Sources (BWF)			
SCADA System Upgrade - Phase 2] Advanced Charges	\$0.00	\$294,953.38	98%
Replace Ruth Bunkhouse] Advanced Charges	0.00	0.00	0%
SUBTOTAL C:	\$0.00	\$294,953.38	42%
C. Projects Funded by Other Sources (DWTF)			
TRF SCADA System Upgrade - Phase 2] Advanced Charges	\$0.00	\$110.00	0%
SUBTOTAL C:	\$0.00	\$110.00	0%
TOTAL CAPITAL PROJECTS	\$0.00	\$295,063.38	32%

Carryover Projects continued					
I. FIXED ASSETS					
A. Projects Charged to All Customers via Price Factor 2 (BWF)					
Purchase Shop Manual & Diagnostic Equipment to service Heavy Fleet Vehicles	\$0.00	\$0.00	\$0.00	\$5,000	0%
SUBTOTAL A:	\$0.00	\$0.00	\$0.00	5,000	0%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)					
SUBTOTAL B:	\$0.00	\$0.00	\$0.00	0	0%
TOTAL FIXED ASSETS	\$0.00	\$0.00	\$0.00	5,000	0%
III. MAINTENANCE PROJECTS					
A. Charged to All Customers via Price Factor 2 (BWF)					
Repair/Upgrade Line Shed 6	\$0.00	\$3,170.82	\$15,000		21%
SUBTOTAL A:	\$0.00	\$3,170.82	15,000		21%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)					
SUBTOTAL B:	\$0.00	\$0.00	0		0%
TOTAL MAINTENANCE PROJECTS	\$0.00	\$3,170.82	15,000		21%
III. PROFESSIONAL & CONSULTING SERVICES					
A. Charged to All Customers via Price Factor 2 (BWF)					
CIP Financial Plan Update	\$0.00	\$3,379.81	\$7,500		45%
SUBTOTAL A:	\$0.00	\$3,379.81	7,500		45%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)					
SUBTOTAL B:	\$0.00	\$0.00	0		0%
TOTAL PROFESSIONAL & CONSULTING SERVICES	\$0.00	\$3,379.81	7,500		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	\$2,088.11	\$5,200		40%
SUBTOTAL A:	\$0.00	\$2,088.11	5,200		40%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)					
SUBTOTAL B:	\$0.00	\$0.00	0		0%
TOTAL INDUSTRIAL SYSTEM PROJECTS:	\$0.00	\$2,088.11	5,200		40%
2016/17CARRYOVER PROJECTS TOTAL	\$0.00	\$303,702.12	967,200		31%
PROJECTS GRAND TOTAL:	\$325,524.84	\$1,610,668.03	\$7,563,490		21%
Less Projects Funded from Other Sources (Grants/Loans/Advanced Charges/Reserves)	\$255,049.11	\$1,096,622.49	\$6,174,745		18%
PF2 Project Total Charged to Customers excluding Debt Service (US Bank)	\$70,475.73	\$514,045.54	\$1,388,745		37%

Humboldt Bay Municipal Water District Expenses by Vendor Detail

December 2017

Memo	Amount
101Netlink	
Ruth Data Link/Internet	-170.00
Total 101Netlink	-170.00
ABP Engineering	
repair Jesco TRF chemical pump	-417.63
Total ABP Engineering	-417.63
AirGas NCN	
replace gas detector sensor	-711.15
welding supplies	-152.38
Total AirGas NCN	-863.53
Almquist Lumber	
painting supplies	-12.10
Total Almquist Lumber	-12.10
Arcata Fire Prot. District	
Fire Assessment 2017/18	-945.00
Total Arcata Fire Prot. District	-945.00
Arcata Stationers	
Essex office supplies	-245.92
Total Arcata Stationers	-245.92
AT & T	
Ruth HQ	
TRF	
Essex office	
Eureka office	-181.44
Ruth Hydro	
Valve Building Samoa	
Ruth HQ	-161.15
TRF	-13.07
Essex office	-229.34
Eureka office	-6.41
Ruth Hydro	-280.98
Valve Building Samoa	-96.44
Total AT & T	-968.83
AT&T	
Eureka/Essex Landline	-34.95
Arcata/Essex Landline	-34.95
Samoa/Essex Landline	-234.36
Blue Lake Meter Signal	-60.34
Eureka Office Modem	-134.15
Eureka Office Alarm	-39.62
Samoa Booster Pump	-80.12
Valve Building	-134.15
Eureka Office	-324.53
Essex Office	-812.84
TRF	-132.29
Ruth Dataline	-129.96
Total AT&T	-2,152.26
AT&T Advertising Solutions	
white page listing	-21.00
Total AT&T Advertising Solutions	-21.00
ATS Communications	
TRF Control Firewall Support Renewal	-880.00
TRF Control Firewall Support Renewal	-110.00
Total ATS Communications	-990.00
Borges & Mahoney	
TRF lab supplies	-142.14

Humboldt Bay Municipal Water District Expenses by Vendor Detail

December 2017

Memo	Amount
Total Borges & Mahoney	-142.14
Burlington Safety Lab Safety test High voltage gloves	-35.00
Total Burlington Safety Lab	-35.00
Campton Electric Supply upgrade chlorine booster pump	-201.18
Total Campton Electric Supply	-201.18
Chris Merz expense reimbursement for safety shoes	-271.24
Total Chris Merz	-271.24
Citi Cards Eureka office supplies	-17.35
Total Citi Cards	-17.35
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	-879.00
Total Coastal Business Systems Inc.	-879.00
Cummins Pacific LLC 2MW Generator maintenance TRF 75KW generator maintenance	-701.54 -149.21
Total Cummins Pacific LLC	-850.75
Eureka Oxygen cylinder rental	-104.00
Total Eureka Oxygen	-104.00
Eureka Readymix TRF sludge beds maintenance	-128.58
Total Eureka Readymix	-128.58
FEDEX ship particle counter for repair ship SCBAs for flow testing	-24.32 -52.86
Total FEDEX	-77.18
FleetPride PS #6 screens latch repair/ Diesel truck maintenance	-20.97
Total FleetPride	-20.97
Found.Cross-Connection Backflow prevention Annual Membership	-120.00
Total Found.Cross-Connection	-120.00
GAN Conferencing Conference call re Spillway Repairs	-0.91
Total GAN Conferencing	-0.91
GHD (92014) Blue Lake/Fieldbrook River Crossing (92024) Mad River Cross Sections (92020) 1 MG Reservoir Roof Replacement (92395) Ruth Spillway Repair (90535) Ruth Dam Crest Monument Survey (90515) Ruth Left Abutment Slide Survey (92386) Ruth Dam Spillway Wall Survey (91751) Surge Tower Replacement (92025) DSSMR Assistance	-43,065.47 -201.00 -31,907.90 -21.50 -1,835.25 -2,561.25 -2,627.25 -811.75 -100.50

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

SECTION Jac PAGE NO. 15

11/04/18

December 2017

Memo	Amount
(92014) General Engineering - Eureka	-1,206.00
Total GHD	-84,337.87
GR Sundberg, Inc Sheriff's Cove Dredging - Final Payment Retention	-4,468.76
Total GR Sundberg, Inc	-4,468.76
Hach Company TRF lab supplies	-74.41
Total Hach Company	-74.41
Harbor Freight Tools transfer pump for oil shed	-59.66
Total Harbor Freight Tools	-59.66
Harper Motors Unit 3 repairs	-34.29
Total Harper Motors	-34.29
Hensel Hardware shop supplies disinfection supplies Essex office maintenance office supplies mounting hardware for Ruth Hydro AED and Bloodborne pathogen kit	-83.10 -34.63 -5.42 -0.50 -10.06
Total Hensel Hardware	-133.71
Henwood Associates, Inc Consultant Services Agreement	-539.68
Total Henwood Associates, Inc	-539.68
Humboldt Fasteners Fieldbrook-Glendale CSD tank tiedowns	-15.95
Total Humboldt Fasteners	-15.95
Humboldt Redwood Company, LLC Mt Pierce Lease site	-262.65
Total Humboldt Redwood Company, LLC	-262.65
Ian Ivey expense reimbursement for hydraulic hose for Unit 5	-209.09
Total Ian Ivey	-209.09
Industrial Electric Collector 2 motor wiring chlorine booster pump upgrade	-513.60 -1,781.01
Total Industrial Electric	-2,294.61
Jasson KlingonSmith expense reimbursement for safety boots	-130.18
Total Jasson KlingonSmith	-130.18
John Friedenbach expense reimbursement Working Luch expense reimbursement CSDA Conference expense reimbursement employee appreciation expense reimbursement ACWA Conference expense reimbursement business cards and coffee mugs auto mileage reimbursement to attend Blue Lake/Fieldbrook CSD river crossing pr... auto mileage reimbursement to attend 1 MG reservoir roof and painting project me... auto mileage reimbursement to attend Ruth Storm Damage FEMA Disaster meeting auto mileage reimbursement to Sacramento for Dam construction plans auto mileage reimbursement to attend various meetings related to Essex operations auto mileage reimbursement to attend CDPH meetings related to District operations auto mileage reimbursement to attend conferences and various meetings related t...	-42.26 -13.69 -31.86 -18.64 -270.60 -13.91 -27.82 -79.18 -171.74 -111.28 -41.73 -826.57

Humboldt Bay Municipal Water District Expenses by Vendor Detail

December 2017

Memo	Amount
Total John Friedenbach	-1,649.28
JTN Energy, LLC	
Consultant Services Agreement	-539.68
Total JTN Energy, LLC	-539.68
Kernen Construction	
Blue Lake/Fieldbrook-Glendale CSD river crossing	-278.40
TRF sludge beds maintenance	-323.30
Total Kernen Construction	-601.70
Lithia Chrysler Jeep Dodge	
Purchase new Unit 9	-42,356.72
Total Lithia Chrysler Jeep Dodge	-42,356.72
Mario Palmero	
Spillway Repair	-62.34
Essex office supplies	-3.99
chlorine building maintenance	-3.24
maintenance supplies	-8.67
Collector 2 maintenance	-10.83
Retirement BBQ	-14.11
safety training	-14.00
Total Mario Palmero	-117.18
McMaster-Carr Supply	
Essex diesel fuel pump maintenance	-25.23
pressure washer maintenance	-17.36
Total McMaster-Carr Supply	-42.59
Mission Linen	
maintenance supplies	-106.06
Uniform Rental	-477.76
Total Mission Linen	-583.82
Mitchell, Brisso, Delaney & Vrieze	
Legal services Ruth Lake- November 2017	-186.00
Legal Services Essex - November 2017	-294.50
Legal Services Eureka - November 2017	-93.00
Total Mitchell, Brisso, Delaney & Vrieze	-573.50
Napa Auto Parts	
mats for parts washer	-245.30
vehicle maintenance	-19.12
purchase non-toxic parts washer	-2,168.92
ditch witch maintenance	-7.15
35 KW generator maintenance	-8.68
TRF 75 KW generator maintenance	-40.19
shop supplies	-32.42
equipment maintenance	-11.80
refund- battery core deposits	10.00
Unit 3 service	-87.48
Total Napa Auto Parts	-2,611.06
Norcal Eureka Group	
Times-Standard newspaper subscription for Eureka office	-236.81
Total Norcal Eureka Group	-236.81
North Coast Cleaning Services, Inc	
Eureka office building maintenance	-545.00
Total North Coast Cleaning Services, Inc	-545.00
North Coast Laboratories	
lab tests	-655.00
Total North Coast Laboratories	-655.00
North Coast Unified Air Quality Mangement	

Humboldt Bay Municipal Water District Expenses by Vendor Detail

December 2017

Memo	Amount
Ruth HQ burn permit	-15.00
Ruth Hydro burn permit	-15.00
Essex burn permit	-30.00
Total North Coast Unified Air Quality Mangement	-60.00
Northcoast Awning Company	
Collector Well covers Pump Station 1	-305.97
Total Northcoast Awning Company	-305.97
Northern California Safety Consortium	
membership fee	-50.00
Total Northern California Safety Consortium	-50.00
Pacific Gas & Electric Co.	
Eureka Office	-467.68
Jackson Ranch Rectifier	-19.31
299 Rectifier	-92.81
West End Rd. Rectifier	-120.23
TRF	-6,582.56
Ruth Valve Control	-33.39
Ruth Hydro	-23.53
Samoa Booster Pump Station	-401.97
Samoa Dial Station	-56.52
Essex Pumping 11/1/2017 to 11/30/2017	-42,710.17
Ruth Bunkhouse	-59.98
Total Pacific Gas & Electric Co.	-50,568.15
PasoRoblesTank-Brown-Minneapolis Tank,Inc	
1 MG D/W Reservoir Roof & Painting - Progress Payment 3	-119,940.00
1 MG D/W Reservoir Roof & Painting - Progress Payment 4	-58,867.00
Total PasoRoblesTank-Brown-Minneapolis Tank,Inc	-178,807.00
Pitney Bowes	
refill postage meter	-500.00
Total Pitney Bowes	-500.00
Platt Electric Supply	
Pump 2-1 wiring	-35.24
Total Platt Electric Supply	-35.24
Price Paige & Company	
GASB 68 Calculations and Supplementary Information	-2,750.00
Total Price Paige & Company	-2,750.00
Recology Arcata	
Essex Garbage Service	-469.55
Total Recology Arcata	-469.55
Recology Humboldt County	
Eureka office garbage/recycling service	-85.40
Total Recology Humboldt County	-85.40
Redi-Rents, Inc	
equipment rental for Eureka office rock placement	-217.00
Total Redi-Rents, Inc	-217.00
Renner Petroleum	
cardlock fuel - pumping & control	-333.46
cardlock fuel - water quality	-333.47
cardlock fuel - maintenance	-333.47
cardlock fuel - customer service	-333.47
barrels for Ruth Hydro DOT waste disposal	-67.27
barrels for Essex DOT waste disposal	-134.54
Total Renner Petroleum	-1,535.68
RESA Power Solutions-Transformer Svcs,LLC	

Humboldt Bay Municipal Water District Expenses by Vendor Detail

December 2017

Memo	Amount
Collector 2 transformer oil testing	-202.00
Total RESA Power Solutions-Transformer Svcs,LLC	-202.00
Rescue Northwest SKED Rescue System	-664.67
Total Rescue Northwest	-664.67
Reynolds RV New Unit 9 Flat Bed, Lumber Racks and Tool Box installation	-5,825.35
Total Reynolds RV	-5,825.35
Rogers Machinery Company, Inc Collector 2 air compressor maintenance	-40.66
Line Shed 4 air compressor maintenance	-40.65
Total Rogers Machinery Company, Inc	-81.31
Russell Roberts expense reimbursement for safety boots and safety rubber boots	-387.87
Total Russell Roberts	-387.87
SCBA Safety Check, Inc Annual SCBA test	-86.65
Annual SCBA test	-86.68
Total SCBA Safety Check, Inc	-173.33
Scrapper's Edge District Mission Statement	-53.56
Total Scrapper's Edge	-53.56
Security Lock & Alarm Eureka office lock maintenance	-10.00
Total Security Lock & Alarm	-10.00
Sequoia Gas Ruth Bunkhouse propane tank rental	-69.25
Total Sequoia Gas	-69.25
Shafer's Ace Hardware Eureka office lighting maintenance	-11.48
Eureka office bench repair	-115.05
Total Shafer's Ace Hardware	-126.53
Shape Products TRF supplies	-79.97
Total Shape Products	-79.97
Sheri Woo expense reimbursement for attending ACWA Conference November 28-30, 2017	-1,220.81
Total Sheri Woo	-1,220.81
Sitestar Nationwide Internet Essex Internet	-52.90
Total Sitestar Nationwide Internet	-52.90
Solo Sports Employee hats	-744.31
Total Solo Sports	-744.31
Springville Safety/Supply purchase rain gear and safety equipment for new employee	-105.19
Total Springville Safety/Supply	-105.19
Sudden Link Essex Internet	-124.95

Humboldt Bay Municipal Water District

Expenses by Vendor Detail

December 2017

Memo	Amount
TRF Internet	-105.38
Eureka office Internet	-204.95
Fieldbrook-Glendale CSD Internet	-271.02
Essex Internet	-124.95
Total Sudden Link	-831.25
SWRCB	
NPDES Drinking Water Purveyors Annual Permit Fee	-2,062.00
Total SWRCB	-2,062.00
SWRCB-DWOCP	
Water Distribution D4 Certification Application	-90.00
D2 Certification Renewal -Keith Daggs	-60.00
Total SWRCB-DWOCP	-150.00
Telstar Instruments, Inc	
TRF Spare Parts Inventory	-1,318.25
water quarterly equipment maintenance	-411.48
chlorine system maintenance	-5,128.00
chlorine system maintenance	-345.49
Total Telstar Instruments, Inc	-7,203.22
The Mill Yard	
Blue Lake/Fieldbrook-Glendale CSD River Crossing	-33.42
Total The Mill Yard	-33.42
Three G's	
Blue Lake/Fieldbrook-Glendale CSD river crossing	-8.62
Total Three G's	-8.62
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	-12.97
Ruth Hydro dump fees	-12.98
Total Trinity County Solid Waste	-25.95
U.S. Bank Corporate Payment System	
Ruth Spillway Repair	-37.24
Retirement celebration	-64.89
purchase AED for Ruth Hydro	-1,213.95
Ruth Hydro water system pump	-172.16
working lunch	-51.50
ACWA Conference	-14.06
Essex office maintenance	-32.30
Leadership Training M. Palmero & L. Raschein	-296.73
Essex office maintenance	-52.05
Essex office supplies	-25.97
AWWA Conference Registration	465.00
Total U.S. Bank Corporate Payment System	-1,495.85
U.S. Postmaster	
Annual PO Box Rental	-112.00
Total U.S. Postmaster	-112.00
United Rentals, Inc	
Blue Lake/Fieldbrook-Glendale CSD river crossing	-94.82
graffiti cleanup at Samoa Booster Pump Station	-74.35
Confined Space and Excavation Safety Training 4 employees	-800.00
Total United Rentals, Inc	-969.17
USDA-Forest Service	
US Forest Service Special Use Permit	-727.08
US Forest Service Special Use Permit	-727.09

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

SECTION Jac PAGE NO. 20

11/04/18

December 2017

Memo	Amount
Total USDA-Forest Service	-1,454.17
USTI, Inc	
Humboldt Bay eBilling Utility Billing System	-3.28
Fieldbrook-Glendale CSD eBilling Utility Billing System	-17.52
Fieldbrook-Glendale CSD eBilling Utility Billing System bill cards	-10.00
	-123.00
Total USTI, Inc	-153.80
Verizon Wireless	
General Manager	-38.69
Superintendent	2.41
Customer Service	-50.14
Operations 2	-0.61
Water Operations Supervisor	4.41
Electrician	-0.29
Unit 6	-6.55
Unit 6	-6.55
Assistant Water Operations Supervisor	-45.72
Opererations 1	-0.22
Total Verizon Wireless	-141.95
William B. Newell	
expense reimbursement for D2 renewal	-60.00
expense reimbursement for Ruth HQ maintenance	-14.09
expense reimbursement for Ruth Hydro maintenance	-67.82
expense reimbursement for Ruth HQ range/oven replacement	-1,032.75
Total William B. Newell	-1,174.66
TOTAL	-414,029.33

To: Board of Directors
From: Chris Harris
Date: January 11, 2018
Re: Caselle Software Upgrade – Contract

Review

During the Board Meeting held December 14, 2017, staff apprised the Board of current inefficiencies and challenges with both the Utility Billing and Financial software systems. The staff report and discussion included review of the following:

Opportunities for Efficiency Improvement: The elimination of redundant data entry and multitudes of work arounds will vastly increase operating efficiencies in accounting, payroll, and utility billing. The ability to provide better customer service and overall improved productivity are also expected benefits.

Product Selection: After reviewing three different software options, staff found a wide variance in services provided as well as the associated costs. Based on the capacity to resolve current processing issues as well as provide a means to further improve processes, staff recommended and Board approved the selection of Caselle Software.

Implementation Timing: Based on the desire to implement new software at the beginning of a new fiscal year, staff has selected a go-live date of July 1, 2018. The choice of this date requires locating funding within the current budget.

Funding: Staff recommended and Board approved initial funding from the General Reserves with replenishment of these Reserves during the FY18/19 budget, unless the project can be funded through the year-end Project Budget re-allocation process.

Current Status

Staff has worked with the representative from Caselle Software to develop a contract that includes terms acceptable to the District staff, and has included a copy for the Board’s review and approval.

Recommendation

Staff recommends Board approve District entering into contract with Caselle Software as outlined in the attached contract.

Attachments

Table of Costs for Caselle Software with Fieldbrook allocation (12/14/17 Staff Report)
Contract from Caselle Software

Caselle Software - Additional Detail Regarding Costs

<u>Caselle Software</u>	Utility Billing	Finance/Budgeting	Totals
One-Time Implementation	\$26,470	\$31,215	\$57,685
Less Fieldbrook	(\$19,804)		(\$19,804)
Total Implementation	\$6,666	\$31,215	\$37,881
Maintenance Fees*	\$5,324	\$7,968	\$13,292
Less Fieldbrook	(\$4,514)		(\$4,514)
Total Maintenance Fees	\$810	\$7,968	\$8,778
Add'l Training Costs			\$6,300
Server Upgrade		Required	
Grand Total First-Year Costs			\$52,959

*Caselle Software proposal lists Maintenance Fees (Software Assurance) as a monthly amount of \$1,166 (\$13,992 annually). The amount listed of \$13,292 includes the 5% discount of \$700.00 when paid annually.

Caselle® Software & Services Proposal

Humboldt Bay Municipal Water District, CA

January 2, 2018
(Valid for 90 days)

From:

Wade Walker, Territory Manager
pww@caselle.com

Proposal Summary

Total Software License	\$44,050
Special Consideration Discount	<8,810>
Net Software License	\$35,240
Total Training	6,500
Total Setup	10,950
Total Conversion	4,995
Total Investment	\$57,685

A deposit of 50% of the total proposal price is required with order. The remaining balance will be due upon completion of training.

Software Assurance will be \$1,166.00 per month.

The monthly Software Assurance amount will remain fixed for three (3) years providing You license no new applications or increase user levels. Following the third year, the monthly charges may be increased at Caselle's discretion, however, such an increase shall in no event exceed five percent (5%) in a given calendar year.

I have read and agree to all terms & conditions proposed herein. I understand if Humboldt Bay Municipal Water District is unable to provide data to Caselle in the requested format, additional fees will apply.

Signature

Printed Name & Title

Date

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Proposal Detail

<i>Caselle®</i> Application Software	License Fees	Training	Setup	Conversion	Total
General Ledger	\$5,500	\$1,500	\$700	\$400	\$8,100
Budgeting	Incl. w/GL	Included	-	-	-
Bank Reconciliation	Incl. w/GL	Included	-	500	500
miExcel GL	500	Included	500	-	1,000
Payroll/Direct Deposit	9,200	1,500	1,750	595	13,045
Timekeeping	2,700	375	500	-	3,575
Accounts Payable	5,500	375	500	1,900	8,275
Utility Management	5,500	1,500	*3,000	*1,600	11,600
Utility Electronic Reading Interface	2,700	Included	250	-	2,950
Utility Service Orders	2,700	375	500	-	3,575
Online Mapping	-	-	-	-	-
Cash Receipting	4,500	375	**1,000	-	5,875
Online/Electronic Payments	2,250	500	2,250	-	5,000
Three (3) Concurrent User Licenses	Included	-	-	-	Included
Two (2) Additional Concurrent User Licenses (5 Total)	3,000	-	-	-	3,000
Sub Total	\$44,050	\$6,500	\$10,950	\$4,995	\$66,495
Special Consideration Discount	(8,810)	-	-	-	(8,810)
Grand Total	\$35,240	\$6,500	\$10,950	\$4,995	\$57,685

*Utility Management Setup includes 2 (Two) databases and Conversion for 800 customers.

** Cash Receipting includes setup for 2 (Two) databases.

Notes:

1. The training will take place at Caselle.
2. Two (2) years of Utility historical data is included at no extra charge. It is the customer's responsibility to submit their historical data in the Caselle Load Table which will be provided. Data not submitted in the load table will be billed at normal hourly rates.
3. The monthly credit card and electronic payment transaction fees will be billed by Xpress Bill Pay.
4. Online Paystubs includes 35 employees paid semi-monthly and annual W2's. Software Assurance will be adjusted if the number of employees exceeds this estimate.
5. History Conversion is available on a per bid basis. Additional fees may apply upon review of existing legacy data.

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Software Assurance Detail

<i>Software Assurance</i>	Monthly Fee
General Ledger	\$138
Budgeting	Incl. w/GL
Bank Reconciliation	Incl. w/GL
miExcel GL	25
Payroll/Direct Deposit	230
Timekeeping	68
Accounts Payable	138
Utility Management	138
Utility Electronic Reading Interface	68
Utility Service Orders	68
Online Mapping	10
Cash Receipting	113
Online/Electronic Payments	70
Three (3) Concurrent User Licenses	Included
Two (2) Additional Concurrent User Licenses (5 Total)	100
Sub Total	1,166

Optional On-site Training: \$18,000

Travel expenses will be invoiced when training is complete and include actual airfare, hotel, and car expenses, plus Caselle's food per diem of \$40.00. These are not included in the total proposal price.

On-site Training Requirements

In order to receive the full benefit and value of our software products, it is imperative that the on-site training be conducted in an organized, professional and uninterrupted manner. To insure this, Caselle Inc. requires the following conditions:

- Training class size will be limited to the number of workstations available in the training area.
- Each training area will have one workstation for each student and one workstation for the instructor or data conversion specialist. Each training workstation must have access to a common network.
- Each training room must have a dedicated printer networked to all the training workstations.
- Training rooms must be set up and completely functional before the first day of training.
- Training rooms should provide an education environment and be free from interruptions or distractions for students. Equipment such as a whiteboard or easel, three-hole punch, and stapler should be available in the training room.
- Key personnel must be available before and after normal working hours to discuss data conversion issues, assist with implementation, or if a "live" run of Accounts Payable, Utility Billing or Payroll etc., is to be done.

Caselle will be in contact with the customer prior to scheduling the training to insure the above conditions can be met. If delays result from the above conditions not being met during on-site training, additional training fees may apply.



Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

General Information

In order to further define and clarify the various products and services offered in this proposal, the following notes will apply based on the software applications and/or services quoted:

- | | |
|--|--|
| Hardware, Network, & Database Software Requirements | It is the responsibility of the customer to meet the attached Caselle System Requirements. Prior to the implementation, your SQL Server installation must be complete. Customers requesting additional assistance with Microsoft SQL Server installations are asked to contact Executech, Caselle's authorized contractor at (801) 253-4541. Charges will be billed at the rate of \$105 per hour upon approval by the customer. You will be invoiced by Caselle for these services. |
| Source Code | Source code is held in escrow with InnovaSafe, Inc. Technology Protection Services and requires a beneficiary enrollment form, available upon request. An annual fee of \$200 will apply. |
| Software License Fees | The price quoted is based on the number of concurrent users listed in the proposal. Additional concurrent user licenses are \$2,000 each. |
| Training | Unless otherwise quoted, training will take place at Caselle's Education Center, located in Provo, Utah. Your staff will be trained on your data. Approximately one half of the training time will be spent reviewing and validating your converted data files. Training hours are from 8:30 a.m. to 4:30 p.m., Monday through Friday. |
| On-site Implementation Assistance | If on-site implementation assistance is quoted, this may include a pre-implementation customer process evaluation meeting. We will review your current processes and determine what is required to make a smooth transition to the Caselle software system. Additional on-site assistance days may be quoted to assist during and after the implementation. This insures that you are utilizing the Caselle application features to the full benefit of your organization. |
| Travel Expenses | If on-site training or implementation assistance is quoted, travel expenses will be estimated based on the number of days and trips required. Actual expenses will be invoiced when implementation is complete. |

Implementation Services

Data conversion is an involved, sometimes complicated procedure that must be completed with a high level of accuracy and precision. To make this process run smoothly, Caselle requires your assistance in providing the required materials for preliminary data conversion, offering clarification as needed during the conversion process, and supplying updated materials for the final data conversion. **Please read the following information carefully.**

Gathering Preliminary Data

Assemble the following information and send it to Caselle.

- Complete the **Information Worksheets** during each phase of the conversion.
- Provide **data to be converted**.
 - You may need to clarify the data, as needed, during the conversion process.
 - Caselle will not convert the prior period detail during data conversion unless optional history conversion is specified in the contract.
- Send **printed or PDF reports** to verify account balances at the time data is sent to Caselle for preliminary conversion and again for final data conversion.

Submitting Conversion Data

You will be provided a file layout for each application that will have data conversion. The file layout details the required and/or optional fields that Caselle will need to provide the conversion. The cost of conversion quoted in this proposal is based on your submission of the necessary data in the requested formats. If data cannot be supplied in this format, additional costs will be billed to get your existing data into the desired formats ready for conversion, and could delay any proposed timeline. We may also need file layouts or descriptions of tables and where all of the necessary information is located within your existing data to complete the conversion.

Data Conversion Timeline

The timeline begins when the requested data and all required preliminary information has been received by Caselle. The timeline to complete an accurate data conversion can range from 90 – 120 days. This is dependent upon the condition of the data and the client's willingness to review the preliminary information for accuracy, including information requested in the discovery phase of the conversion.

Scheduling Training

Important! Training will only be scheduled after Caselle has completed the mock conversion and the customer has reviewed and approved the conversion.

After training is scheduled, a representative from the Implementation team will review the remaining steps to ensure a successful implementation, prior to going Live on Caselle.

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Software Setup & Data Conversion

This section contains the items, per directory, that will be setup and converted in each module. Since estimating the exact quantity may be difficult, we will adjust the calculated conversion cost if the actual number of items converted is greater than or less than 25% of the original estimate.

Data conversion requires that data be submitted in the required format. It is the responsibility of the customer to provide data to Caselle. Conversion services to retrieve or modify your data to the required formats are available at an additional cost. These services will be billed at Caselle's current hourly rate and are not included in this proposal.

General Ledger Setup

- Set up the control table in the General Ledger and Account Masks with the appropriate segments for funds, departments, revenue sources, object codes, and other account classifications.
- Modify the existing chart of accounts to utilize the advanced reporting features available with Caselle, if needed.
- Format five standard financial statements:
 - Balance Sheet with Revenue/Expenditures compared to budget
 - Allocation Reconciliation
 - Income Statement (All Funds)
 - Balance Sheet (All Funds)
 - Fund Summary Income Statement

Note: Additional fees may be required to set up additional financial statements.

- Establish all necessary journals for interfaced subsystems to allow the subsystems to update transactions to the General Ledger.
- Create a custom Checklist to document your organization's daily, monthly, and fiscal year-end steps; as well as budget procedures.

Data Conversion

- The current year-to-date trial balance and budget will be entered and balanced to your existing system. Caselle will provide supporting reports that document the balance sheet accounts, revenues, and expenditure balance for auditing purposes. A trial balance period will be established and all periods from that period forward will contain detail transaction information, if provided.

200 accounts are included

Bank Reconciliation Data Conversion

- Bank reconciliation for the desired cash accounts with outstanding deposits and checks will be established. A bank reconciliation will be completed and balanced to cash for the appropriate beginning period.

1 bank accounts are included

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Payroll/Direct Deposit Setup

- Set up necessary pay codes for gross pay, deductions, taxes, and benefits.
- Set up check formats for the Employee Payroll Check and Vendor Remittance for applicable deductions.
- Create a custom Checklist to document all necessary payroll procedures for pay periods and year-end.
- Set up default reports for all necessary payroll reporting, including:
 - Transmittals
 - Standard State/Federal Reporting
- Set up header and batch information with the appropriate ACH/NACHA file information.
- Set up bank file with all necessary employee bank routing information.
- Format one direct deposit voucher and one transmittal voucher.
- Additional form set up, such as timesheets will be billed at the rate of \$100 per form. Forms that have multiple pages will be billed \$100 for each additional page included in the form.

Data Conversion

- Each employee's information will be converted. This information includes the employee name, address, Social Security number, exemptions, and worker's compensation status.
- Each employee's wage distribution for salary and benefits will be established.
- Employee pay codes for all wages, deductions, taxes, benefits, and reimbursements will be converted.
- Payroll YTD information will be entered and reviewed to ensure W-2 information is accurate at year-end.
- Payroll processing to verify data conversion is accurate will be completed.
- Payroll YTD totals, leave time, hours, and benefits will be balanced to the existing system if supporting reports are provided.
- Caselle will provide reports of the converted data for auditing purposes.
- Each employee file will be set up with the employee's bank routing account information for full ACH compatibility. A pre-notification test file will be generated and verified to ensure accuracy.

35 employees are included

Timekeeping Setup

- Establish activity codes and appropriate payroll overrides.
- Set up and define task codes, including descriptions and General Ledger override accounts, if necessary.
- Set up employee defaults for tasks, activities, and shifts.
- Set up applicable FLSA shifts with beginning dates, ending dates, and default hours.

Accounts Payable Setup

- Establish vendor defaults.
- Format one check form with requested stub detail.
- Create a Checklist to document Accounts Payable procedures, including the printing of 1099's.

Data Conversion

- Each vendor's information will be converted. This information includes the vendor name, street address, mailing address, remittance addresses, city, state, zip code, and 1099 status.
 - Exception: 1099 balances can be established, if provided.

950 vendors are included

Utility Management Setup

- Set up services, taxes, rate tables, and other fees for billing.
- Format one form for each of the following: utility bills, delinquent notices, and shut-off notices.
- Set up default reports for billing, meter proofing, and reviewing customer information.
- Create table lists to generate customer labels, reports for new connects, terminated customers with credit balances, and terminated customers with a zero balance.
- Create a Checklist to document daily, monthly, and billing procedures.
- Additional forms will be billed at the rate of \$100 per form. Forms that have multiple pages will be billed \$100 for each additional page included in the form.

Data Conversion

- Each customer's information will be entered and verified. This information depends on what is provided. Information will be converted as is and normally includes the customer number, name, service address, mailing address, city, state, zip code, telephone numbers, meter number, location, balances, and previous reads.
- All appropriate transactions for balancing the billing will be converted.
- Balancing totals, billing totals, receivable by service totals, if provided, will be balanced to the existing system using supporting reports.
- Caselle will provide reports of the converted data for auditing purposes.

800 meters or customers are included

Utility Electronic Reading Interface Setup

- Create the appropriate import/export formats and test with the interfaced meter reading equipment.

Utility Direct Pay Setup

- Set up header and batch information with the appropriate information for the direct payment file.
- Set up bank options with bank account and routing information.

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

- Service Orders Setup**
- Set up the Service Order options (including user, department, and actions).
 - Customize Service Order data entry screens.
 - Format three Service Order form layouts.
 - Set up the Utility Management interface.
 - Additional form layouts will be billed at the rate of \$100 per form. Forms that have multiple pages will be billed \$100 for each additional page included in the form.
- Cash Receipting Setup**
- Set up the General Ledger accounts for bank deposits and standard receipting revenue.
 - Set up category and distribution codes.
 - Set up payment types, for example, check, cash, and credit card, and associated reports for balancing.
 - Create default reports to assist in daily operation.
 - Create a Checklist to document procedures for daily cash receipting transactions, updates, and posting of receipts.
- Online/Electronic Payments Setup**
- Set up Online and Electronic Payment Processing (credit cards, electronic funds transfer, and online bank bill pay consolidation).
 - Set up Utility Direct Pay.
 - Set up Xpress Bill Pay, Caselle's authorized electronic payment vendor, including online bill presentation, online bill history, automatic recurring payments, and payment wallets with full integration to Cash Receipting.
- Materials Management Setup**
- Create the inventory number mask.
 - Set up the Department, Category, and Location files.
 - Establish inventory levels, turnover, and valuation reports.
 - Create a Checklist to document daily, monthly, and inventory procedures.
- Data Conversion**
- Inventory items will be converted. This includes the inventory number, description, location, category, quantity, and unit cost for each item. Inventory valuation will be balanced if available.

ATTACHMENT A – General Ledger Conversion Layout

The following tables detail the required format for your data migration to Caselle General Ledger. All exported data should be delivered in a CSV format, Access or SQL database, or an additional format previously approved by a Caselle migration specialist.

Please review the following tables, and notice that each required field is marked with an ‘R’ for required, while optional fields are marked ‘O’ for optional.

Account Table – Stores all information for the Organizations Chart of Accounts.

Field	Req/Opt	Format	Comments
Account Number	R	Text, 30 char	Account number; must be unique
Title	R	Text, 30 char	Account title
Expanded Title	O	Text, 60 char	Expanded account title
Closing Account	R	Yes/No	Each fund must have only one closing account
Normal Balance	R	Text, 6 char	Debit or Credit
Account Type	R	Text, 11 char	Asset, Liability, Equity, Revenue or Expenditure
Header Account	R	Yes/No	Yes indicates that the account is non-posting
Notes	O	Text	Account notes

Bank Table – Stores the banks that will be used in the General Ledger for Reconciliation purposes.

Field	Req/Opt	Format	Comments
Bank Name	R	Text, 50 char	Bank of America, Wells Fargo, etc.
Account Description	R	Text, 15 char	Checking, savings, etc.
Routing Number	O	Numeric, 9	R if this bank is to be used for direct deposit
Bank Account	O	Text, 20 char	Account number at bank

Budget Transaction Table – Stores all transactions that are only related to the Budget.

Field	Req/Opt	Format	Comments
Account Number	R	Text, 30 char	GL Account number
Date	R	Date	Budget date
GL Period	R	Numeric	MMYY
Amount	R	Numeric	Budget amount; negative if revenue
Reference Number	O	Numeric	Reference number
Sequence Number	O	Numeric	Sequence within Reference Number
Description	R	Text, 60 char	Budget transaction description

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Transaction Table – Stores all of the transactions that make up the account actual balances. All period balances will be determined by the actual transactions that are identified in the Data. For example the 12/21/2012 date will be stored within the 12/31/2012 General Ledger period.

Field	Req/Opt	Format	Comments
Account Number	R	Text, 30 char	GL Account number
Date	R	Date	Transaction date
GL Period	R	Numeric	MMYY
Amount	R	Numeric	Transaction amount
Journal Code	O	Text, 10 char	Journal Code if transactions are grouped by journal
Reference Number	O	Numeric	Check numbers, etc.
Sequence Number	O	Numeric	Sequence within Reference Number
Description	R	Text, 60 char	Transaction description

Payroll Conversion Layout

The following tables detail the required format for your data migration to Caselle Payroll. All exported data should be delivered in a CSV format, Access or SQL database, or an additional format previously approved by a Caselle migration specialist.

Please review the following tables, and notice that each required field is marked with an ‘R’ for required, while optional fields are marked ‘O’ for optional.

Employee Table – Stores all employee information for Payroll.

Field	Req/Opt	Format	Other Info
Employee Number	R	Numeric	Employee number
Name	R	Text, 40 char	Employee name
Address 1	R	Text, 40 char	Employee address – line 1
Address 2	O	Text, 40 char	Employee address – line 2
City	R	Text, 30 char	Employee city
State	R	Text, 30 char	Employee state
Zip	R	Text, 10 char	Employee zip code
Phone 1	O	Text, 18 char	Employee phone 1
Phone 2	O	Text, 18 char	Employee phone 2
Fax	O	Text, 18 char	Employee fax
Email	O	Text, 250 char	Employee email
Social Security No	R	Numeric	Social security number without formatting
Hourly Rate	R	Numeric	Hourly rate of pay
Annual Wage	R	Numeric	Annual salary amount

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Employee Table Continued			
Field	Req/Opt	Format	Other Info
Birth date	R	Date	Date of birth
Driver License	O	Text, 20 char	Driver License number
Annual Hours	R	Numeric	Estimated annual hours; default is 2080
Gender	O	Text, 7 char	Employee gender
Department	O	Text, 30 char	Department this employee works in
Hire Date	R	Date	Date of hire
Job Class	O	Text, 20 char	
Job Position	O	Text, 60 char	
Pay Frequency	R	Text, 12 char	Biweekly, semimonthly, monthly, etc.
Payroll Type	R	Text, 10 char	Salary, hourly, etc.
Status	R	Text, 10 char	Full time, part time, seasonal, etc.
Termination Date	O	Date	Date employee was terminated
Workers Comp class	R	Text, 10 char	Workers Compensation class code
Pay Schedule	O	Text, 30 char	Only use if pay is based on salary schedule
Pay Grade	O	Text, 30 char	Only use if pay is based on salary schedule
Pay Step	O	Text, 30 char	Only use if pay is based on salary schedule
Notes	O	Text	Notes about this employee

Disbursement Table – Stores all information for the Direct Deposit Information for employees.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
Sequence Number	R	Numeric	Sequence of employee disbursements
Bank Name	O	Text, 50 char	Name of bank
Routing Number	R	Numeric	Bank routing number
Account Number	R	Text, 30 char	Bank account number
Type	R	Text, 30 char	Amount or Percent
Transaction Type	R	Text, 30 char	Checking or Savings
Amount	R	Numeric	Zero for remainder

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Employee Allocation Table – Stores information where the employee wages are charged. More than one allocation for an employee can exist as long as total allocations equal 100%.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
GL Account	R	Text, 30 char	GL Account for employee's salary expense
Allocation Percent	R	Numeric	Percent of salary to allocate to GL Account
Workers Comp class	R	Text, 10 char	Workers compensation class code
GL Activity Number	O	Numeric	Only needed if Activity Reporting is set up in GL
Job Number	O	Text, 20 char	Only needed if Project Management is used

Employee Transaction Table – All Payroll transactions for Employees are stored in this table.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
Check Issue Date	R	Date	Actual check issue date MM/DD/YYYY
Check Number	R	Numeric	Physical check number/ voucher for Direct Deposit
Pay code	R	Text	Earning, deduction or tax code
Hours	R	Numeric	Number of hours for calculation
Rate	O	Numeric	Rate of Pay
Amount	R	Numeric	####.##
Workers Comp Code	O	Text	Workers compensation class code
GL Account	O	Text	

Employer Transaction Table – All Benefit Transactions for the Employer are stored in this table.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
Check Issue Date	R	Date	Actual check issue date MM/DD/YYYY
Pay code	R	Text	Benefit code
Hours	R	Numeric	Number of hours for calculation
Rate	O	Numeric	Rate of Pay
Amount	R	Numeric	####.##
Workers Comp Code	O	Text	Workers compensation class code
GL Account	O	Text	

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Leave Transaction Table – All employee transactions for any type of leave (Vacation, Sick, Personal Time off, etc.) are stored in this table.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
Check Issue Date	R	Date	Check issue date MM/DD/YYYY
Pay code	R	Text	Leave code – sick, vacation, comp time, etc.
Leave Hours	R	Numeric	Number of hours accrued
Leave Rate Level	O	Text	Employee leave rate level

Employee Code Table – Paycode information for individual employees is stored in this table.

Field	Req/Opt	Format	Comments
Employee Number	R	Numeric	Employee number
Pay code	R	Text	Earning, deduction, tax or benefit code
Pay code type	R	Text	Earning, deduction, tax, benefit
Amt/Rate/Percent	R	Numeric	Employee amount, rate or percent
ARP Code	R	Text	Amount in previous field is amount, rate or percent

Accounts Payable Conversion Layout

The following tables detail the required format for your data migration to Caselle Accounts Payable. All exported data should be delivered in a CSV format, Access or SQL database, or an additional format previously approved by a Caselle migration specialist.

Please review the following tables, and notice that each required field is marked with an 'R' for required, while optional fields are marked 'O' for optional.

Vendor Table – Stores all information for the Accounts Payable Vendors.

Field	Req/Opt	Format	Comments
Vendor Number	R	Numeric	Vendor number
Sequence	R	Numeric	Should be 1 unless multiple addresses are provided
Name	R	Text, 40 char	Vendor name
Address 1	R	Text, 40 char	Vendor address – line 1
Address 2	O	Text, 40 char	Vendor address – line 2
City	R	Text, 30 char	Vendor city
State	R	Text, 30 char	Vendor state
Zip	R	Text, 10 char	Vendor zip code
Phone 1	O	Text, 18 char	Vendor phone 1

Vendor Table Continued			
Field	Req/Opt	Format	Comments
Phone 2	O	Text, 18 char	Vendor phone 2
Fax	O	Text, 18 char	Vendor fax
Email	O	Text, 250 char	Vendor email
Contact	O	Text, 40 char	Contact name
Vendor Type	R	Text, 15 char	Normal or 1099
GL Account	O	Text, 30 char	Default GL account for this vendor
1099 ID number	O	Text, 15 char	Federal tax ID number; required if 1099 vendor
1099 Type	O	Text, 20 char	Type of 1099 – Nonemployee, Rent, Attorney, etc.
Department	O	Text, 30 char	Department that uses this vendor
Terms	O	Text, 30 char	Terms – 2/10 net/30, etc.
Notes	O	Text	Notes about this vendor

Invoice / Invoice Detail Tables – Stores the invoice information that is tied to the vendors.

Field	Req/Opt	Format	Comments
Vendor Number	R	Numeric	Vendor number
Invoice Number	R	Text, 20 char	Invoice number
Sequence	R	Numeric	Invoice line number
Invoice Date	R	Date	Date of invoice
Payment Due Date	R	Date	Date payment is due
Terms	O	Text, 30 char	Payment terms
Description	R	Text, 250 char	Description of goods/services purchased
Amount	R	Numeric	Amount to pay
GL Account	R	Text, 30 char	GL Account number this expenditure posts to
IRS 1099 Type	O	Text, 20 char	If purchase qualifies for 1099 reporting

Check / Check Detail Tables – This table stores the check information that is tied to the vendors.

Field	Req/Opt	Format	Comments
Vendor Number	R	Numeric	Vendor number
Check Number	R	Numeric	Check number
Check Sequence	R	Numeric	Line number on check
Invoice Number	R	Text, 20 char	Invoice number paid by this check
Invoice Sequence	R	Numeric	Invoice line number paid by this check sequence
Check Issue Date	R	Date	Date of payment
Amount	R	Numeric	Amount to pay
Bank	R	Text, 50 char	Name of bank this check is drawn on

Utility Management Conversion Layout

The following tables detail the required format for your data migration to Caselle Utility Management. All exported data should be delivered in a CSV format, Access or SQL database, or an additional format previously approved by a Caselle migration specialist.

Please review the following tables, and notice that each required field is marked with an 'R' for required, while optional fields are marked 'O' for optional. Required tables will be noted in the table description.

Location Table – Stores service address (or location) information. *This is a required table.*

Field	Req/Opt	Format	Other Info
LocationNumber	R	Numeric	Requires unique value
ServiceAddress	R	Text, 40 char	Requires unique value
City	R	Text, 30 char	Service Address City
State	R	Text, 30 char	Service Address State
Zip	R	Text, 10 char	Service Address Zip
DeliveryPoint	O	Text, 3 char	
MailRoute	O	Text, 14 char	
Country	O	Text, 30 char	
ParcelID	O	Text, 30 char	
InCity	O	1, 0, or NULL	Yes/No
NumberOfUnits	O	Numeric	
WeatherRegion	O	Text, 20 char	
Latitude	O	Text, 15 char	
Longitude	O	Text, 15 char	
Notes	O	Text	Location Notes Only
NotesDTS	O	Date/Time	Date/Time Stamp for Location Notes

Customer Table – Stores data specific to the customer including mailing information, customer types, and Billing Cycles. *This is a required table.*

Field	Req/Opt	Format	Other Info
Customer Number	R	Numeric	Must be unique for each customer
Name	R	Text, 40 char	
Location Number	R	Numeric	Should be the same as location number listed for the Location table
Address1	R	Text, 40 char	Billing Address Line 1
City	R	Text, 30 char	Billing City

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

State	R	Text, 30 char	Billing State
Customer Table Continued			
Field	Req/Opt	Format	Other Info
Zip	R	Text, 10 char	Billing Zip
Cycle	R	SmallNumeric	Default is "1"
Final Bill Date	R	Date	Needs to be termination date; If no date is available set inactive customers to 1/01/YY
Customer Type	R	Text	Customer Type (Residential, Industrial, etc.)
Address2	O	Text, 40 char	Billing Address Line 2
Country	O	Text, 30 char	
Delivery Point	O	Text, 3 char	
Mail Route	O	Text, 14 char	
Attention	O	Text, 40 char	
Telephone 1	O	Text, 18 char	
Telephone 2	O	Text, 18 char	
Fax	O	Text, 18 char	
Email	O	Text, 250 char	
Social Security #	O	Numeric	
DL Number	O	Text, 20 char	
Print Shutoff Notice	O	1, 0, or NULL	Yes/No
Print DelinqntNotice	O	1, 0, or NULL	Yes/No
Print Statement	O	1, 0, or NULL	Yes/No
Connect Date	O	Date	Date/Time
Alert Message	O	Text, 250 char	
Secondary Name	O	Text, 40 char	
Secondary DL #	O	Text, 20 char	
Secondary SS #	O	Numeric	
UseAlternateAddress	O	1, 0, or NULL	Yes/No
Alternate Address 1	O	Text, 40 char	Alternate Address Line 1
Alternate Address 2	O	Text, 40 char	Alternate Address Line 2
Alternate City	O	Text, 30 char	Alternate Address City
Alternate State	O	Text, 30 char	Alternate Address State
Alternate Zip	O	Text, 10 char	Alternate Address Zip
Alternate Telephone1	O	Text, 18 char	
Alternate Telephone2	O	Text, 18 char	
Landlord	O	1, 0, or NULL	Yes/No
Taxable	O	1, 0, or NULL	Yes/No
Notes	O	Text	Customer Notes Only
Notes DTS	O	Date	Date/Time Stamp for Customer Notes

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Meter Table – Stores information relevant to the physical meter. *This table is required if you have at least one metered service.*

Field	Req/Opt	Format	Other Info
Meter ID	R	Text, 20 char	Only one meter ID per Meter ID field
Service	R	Text, 20 char	Service that the meter is tied to
StatusCode	R	Text, 15 char	"Active", "Inventory", "Retired", or "Disconnected"
Multiplier	R	Numeric	Default value is "1"; Include if you use multiple multipliers
ReadRoute	O	SmallNumeric	Meter reading route
ReadSequence	O	Numeric	Meter reading sequence (for manually read meters)
Manufacturer	O	Text, 20 char	Meter Manufacturer Name
OtherID	O	Text, 20 char	Additional Identification
EMRCode	O	Text, 5 char	Include if you purchased the Electronic Reading Interface
EMRID	O	Text, 15 char	Include if you purchased the Electronic Reading Interface
MXUID	O	Text, 5 char	Include if you purchased the Electronic Reading Interface
MXUType	O	Text, 15 char	Include if you purchased the Electronic Reading Interface
MXUPortID	O	Text, 15 char	Include if you purchased the Electronic Reading Interface
MXUPortPosition	O	Text, 2 char	Include if you purchased the Electronic Reading Interface
Latitude	O	Text, 15 char	Meter location latitude
Longitude	O	Text, 15 char	Meter location longitude
MIUCallbackTime	O	Date	Date/Time
CallbackSystemID	O	Text, 5 char	Include if you purchased the Electronic Reading Interface
Size	O	Text, 10 char	Meter size
MeterLocation	O	Text, 250 char	Example: "10 feet south of building."
Notes	O	Text	Meter notes only
NotesDTS	O	Date	Date/Time Stamp
RegisterType*	O		*Available for 6 registers. If you provide Electric service to your customers, ask about available types.
RegisterTitle*	O		*Available for 6 registers. If none provided use Type.
RegisterDials*	O		*Available for 6 registers
RegisterCode*	O		*Available for 6 registers. For electronic reading.

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Meter Activity Table – Stores current and historical information pertaining to the meters identified in the meter table. *This table is required if you have at least one metered service.*

Field	Req/Opt	Format	Other Info
Meter ID	R	Text, 20 char	Must be exactly the same as in Customer Table
Date	R	Date	Meter reading date; if not tracking, use month-end date
Reading*	R	Numeric	*Available for 6 registers
Usage*	O	Numeric	*Available for 6 registers
Multiplier	O	Numeric	Default value is 1; include if others exist
Description	O	Text, 60 char	Description of reading action

Billing Table – Stores the service, rate and billing frequency for each active customer. *This is a required table.*

Field	Req/Opt	Format	Other Info
Customer Number	R	Numeric	Must be exactly the same as in Customer Table
Service	R	Text, 20 char	Example: Water, Electric
Frequency	R	Text, 20 char	Example: Monthly
Rate	R	Text, 20 char	Rate code name or rate number; Example: 101
Description	R	Text, 30 char	Rate code description; Example: Water - Residential
Units	O	Numeric	Number of units on billing record
DiscountPercentage	O	Text, 20 char	Discount amount/percentage
ConnectDate	O	Date	Date/Time
Temp.DisconnectDate	O	Date	Date/Time
FinalDisconnectDate	O	Date	Date/Time
NumberOfOccupants	O	Float	Used with Water Conservation Module
AllowanceOverride	O	Float	Used with Water Conservation Module
Meter ID	O	Text, 20 char	Must be exactly the same as in Meter Table
Notes	O	Text	Billing notes only
NotesDTS	O	Date	Date/Time Stamp

Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Transaction Table – Stores current and historical financial information such as billings, payments and adjustments. *This is a required Table.*

Field	Req/Opt	Format	Other Info
Customer Number	R	Numeric	Must be exactly the same as in Customer Table
Date	R	Date	Date for Billing or Balance transactions should be the period end date unless instructed otherwise.
Service	R	Text, 20 char	Should be the same as in Billing Table
Rate	O	Text, 20 char	Should be the same as in Billing Table
Amount	R	Money	Transaction amount to two decimals
Description	R	Text, 60 char	Transaction Description (Billing, Adjustment, Payment, etc.)
Check Number	O	Text, 12 char	Typically for payments
Comment	O	Text	
Comment DTS	O	Date	Date/Time Stamp
Quantity	O	Numeric	For metered services or services that calculate from metered services
Quantity Billed	O	Numeric	For metered services or services that calculate from metered services

TABLES THAT ARE NOT REQUIRED FOR CONVERSION

Deposit Table – Stores customer deposits.

Field	Req/Opt	Format	Other Info
Date	R	Date	Date of Deposit
Customer Number	R	Numeric	Must be exactly the same as in Customer Table
Service	R	Text, 20 char	Must be exactly the same as in Billing Table
Amount	R	Money	Deposit amount to two decimals
Description	R	Text, 30 char	Examples: "Deposit Applied", "Deposit Refunded", etc.
Check Number	O	Text, 12 char	Deposit check number
Comment	O	Text	Deposit Notes
Comment DTS	O	Date	Date/Time Stamp



Caselle® Software & Services Proposal
Humboldt Bay Municipal Water District, CA
January 2, 2018

Landlord Table – Stores information regarding property landlords.

Field	Req/Opt	Format	Other Info
Customer Number	R	Numeric	Customer number that landlord is tied to; if landlord is tied to multiple customers, include one instance for each customer.
Name	R	Text, 40 char	Requires unique value
Address1	O	Text, 40 char	Landlord Billing Address Line 1
Address2	O	Text, 40 char	Landlord Billing Address Line 2
City	O	Text, 30 char	Landlord Billing City
State	O	Text, 30 char	Landlord Billing State
Zip	O	Text, 10 char	Landlord Billing Zip
Delivery Point	O	Text, 3 char	
Mail Route	O	Text, 14 char	
Country	O	Text, 30 char	
Attention	O	Text, 40 char	
Telephone1	O	Text, 18 char	
Telephone2	O	Text, 18 char	
Fax	O	Text, 18 char	
Email	O	Text, 250 char	
Social Security #	O	Numeric	Long Integer
DL Number	O	Text, 20 char	
Notes	O	Text	Landlord notes only
Notes DTS	O	Date	Date/Time Stamp

Cosigner Table – This table is used when cosigners are present.

Field	Req/Opt	Format	Other Info
Customer Number	R	Numeric	Must be exactly the same as in Customer Table
Name	R	Text, 40 char	Cosigner Name
Address1	O	Text, 40 char	Cosigner Address Line 1
Address2	O	Text, 40 char	Cosigner Address Line 2
City	O	Text, 30 char	Cosigner City
State	O	Text, 30 char	Cosigner State
Zip	O	Text, 10 char	Cosigner Zip
Delivery Point	O	Text, 3 char	
Mail Route	O	Text, 14 char	
Country	O	Text, 30 char	
Attention	O	Text, 40 char	

Cosigner Table Continued			
Field	Req/Opt	Format	Other Info
Telephone1	O	Text, 18 char	
Telephone2	O	Text, 18 char	
Fax	O	Text, 18 char	
Email	O	Text, 250 char	
Social Security #	O	Numeric	Long Integer
DL Number	O	Text, 20 char	
Notes	O	Text	Cosigner notes only
Notes DTS	O	Date	Date/Time Stamp

Bank Table – This table is used to store customer bank information.

Field	Req/Opt	Format	Other Info
Bank Number	R	Small Numeric	All banks used for Utility Purposes
Name	R	Text, 50 char	Bank Name
Abbreviated Name	R	Text, 15 char	Bank Name Abbreviation
Account Description	R	Text, 30 char	Example: "Direct Pay"
Routing Number	R	Text, 20 char	Bank routing number
GL Cash Account	O	Text, 30 char	
GL Void Check Acct.	O	Text, 30 char	

Disbursement Table – Stores information regarding customer ACH information for Utility Direct Pay.

Field	Req/Opt	Format	Other Info
Customer Number	R	Numeric	Must be exactly the same as in Customer Table
Bank	R	SmallNumeric	Must be exactly the same as in Bank Table
AccountNumber	R	Text, 17 char	Employee's Bank Account Number
TransactionType	R	Text, 17 char	"Checking Payment" or "Savings Payment"
Type	R	Text, 7 char	"Amount" or "Percent"
Amount	R	Money	Amount or percent to be deposited. Set to 0 for full or remaining amount.
Status	R	Text, 15 char	"Active", "Inactive", or "Prenotification"

Credit Rating Table – Stores information regarding the customer's credit rating.

Field	Req/Opt	Format	Other Info
Customer Number	R	Numeric	Must be exactly the same as in Customer Table
Date	R	Date	Last Date Delinquent Notice was sent.
Type	O	Text, 20 char	"Delinquent"
Description	O	Text, 30 char	"Imported Delinquent Date"

SOFTWARE LICENSE AGREEMENT

CASELLE, INC.
1656 S. East Bay Blvd.
Suite 100
Provo, UT 84606

**HUMBOLDT BAY MUNICIPAL
MUNICIPAL WATER DISTRICT**
828 Seventh St., PO Box 95
Eureka, CA 95501

("Caselle")

("You" or "Your")

You agree to License the Software and Purchase the services detailed below ("Items"), and Caselle, Inc. agrees to provide them, subject to the terms and conditions on pages two and three of this Agreement.

Total Price \$57,685.00

Deposit \$28,843.00

Balance Due \$28,842.00

Items


Total Software	\$35,240.00
Total Training	6,500.00
Total Setup	10,950.00
Total Conversion	4,995.00
Total Price	<u>\$57,685.00</u>

The attached proposal is considered part of this Agreement.

The signatures below indicate each party's acceptance of this Agreement. Each party has caused this Agreement to be executed by its duly authorized representative.

CASELLE, Inc.

**HUMBOLDT BAY MUNICIPAL
WATER DISTRICT**

By: 

By:

Name & Title: Alan S. Hutchings, President

Name & Title:

Date: December 15, 2017

Date:

**CASELLE, INC.
SOFTWARE LICENSE AGREEMENT**

Grant of License

Caselle, Inc. and its Licensors agrees to grant, and You agree to accept a limited, non-transferable, non-exclusive license ("License") to use the computer programs, with the accompanying manuals, literature and other materials ("Software") as detailed under Items, in perpetuity subject to the terms and conditions of this Software License Agreement and subject to termination as provided herein. The term Software shall also include all revisions, updates, enhancements and new modules or add-ons to the existing Software as detailed under Items.

Payment

The Deposit shall be paid by You upon execution of this Software License Agreement. The Balance shall be paid within sixty (60) days of delivery of the Software, which delivery You agree to accept, notwithstanding earlier termination by you as provided hereinafter. Payment shall be in U.S. Dollars and shall not be deemed to have been received by Caselle until Your check clears the banking process. Any costs incurred in collecting Your check, due to insufficient funds or any other reason, shall be reimbursed by you. Late payments shall be subject to a FINANCE CHARGE OF 1.5% PER MONTH. OR 18% PER ANNUM.

Taxes

Prices and fees are exclusive of all federal, state, municipal, or other government excise, duties, sales, use, occupational, or like taxes now or hereafter in force, and are therefore subject to increase in an amount equal to any tax Caselle may be required to collect or pay upon licensing or delivery of any Items, other than federal, state and local taxes based on Caselle's income. You also agree to pay all personal property taxes which accrue to you by reason of this Agreement.

Title and Confidentiality

Title and full ownership rights to the Software licensed under this Agreement, including, without limitation, all intellectual property rights therein and thereto, and any copies You make, remain with Caselle. It is agreed the Software is the proprietary, confidential, trade secret property of Caselle, whether or not any portions thereof are or may be copyrighted and You shall take all reasonable steps necessary to protect the confidential nature of the Software as You would take to protect Your own confidential and trade secret information. You further agree that You shall not make any disclosure of any or all such Software (including methods or concepts utilized therein) to anyone, except to employees, agents, or contractors working for You to whom such disclosure is necessary to the use for which rights are granted hereunder. You shall appropriately notify all employees, agents, and contractors to whom any such disclosure is made that such disclosure is made in confidence and shall be kept in confidence by them. Upon Caselle's request, such employees, agents, and contractors shall enter into an appropriate confidentiality agreement for secrecy and nonuse of such information which by its terms shall be enforceable by injunctive relief at the request of Caselle. If Caselle makes such a request, it shall provide You with the appropriate confidentiality agreements. The obligations imposed by this section upon You, Your employees, agents, and contractors, shall survive and continue after any termination of rights under this Agreement. It shall not be a breach of this Agreement if

you are required to disclose or make the Software available to a third party or to a court if the Software is subpoenaed or otherwise ordered by an administrative agency or court of competent jurisdiction to be produced or disclosed.

License

You may:

- a) Use the Software on a single CPU or network ("System") for the appropriate number of users. The Software may be moved to and used on another System, but shall under no circumstances be used on more than one System at a time.
- b) Make System readable copies of the software media provided with the Software as required for backup protection. Such copies may only be used in support of Your use of the Software on the System and may not be used for any other purpose. Each of these copies must have a label placed on the media indicating the Software is a proprietary product of Caselle.

You may not:

- a) Rent, lease, sublicense, assign, sell, loan or otherwise transfer this Software, in whole or in part, except as expressly permitted by this Agreement.
- b) Inspect, disassemble, decompile, reverse engineer or in any way attempt to determine the internal methods of the Software.
- c) Modify the Software or merge it into any other product without the express written consent of Caselle.
- d) Reproduce, prepare derivative works based upon, transmit or distribute the Software, or any part of it, in any form or by any means except as expressly permitted in this Agreement.
- e) Permanently transfer or assign the Software and the rights under this License to another party without the express written consent of Caselle.

Any attempt to do any of the above (a to e) shall void and terminate this Agreement.

Term

This Software License Agreement is and shall be effective from the date of full execution and shall remain in force until terminated. You may terminate this Agreement at any time by notifying Caselle in writing and returning all copies and modifications of the Software within 30 days of such notification. Your License terminates automatically if you materially fail to comply with any terms or conditions of this Agreement and You must return all copies and modifications of the Software to Caselle within 30 days of receipt of written notification of such termination. For each day You retain the Software without a valid License You agree to pay Caselle \$100.

Warranty

Caselle warrants that it has sufficient right and title to the Software to grant You this License. For one (1) year from the date of receipt of the Software ("Warranty Period"), Caselle also warrants the Software media to be free from defects in materials and workmanship under normal use, and Software operation will substantially conform to the specification published by Caselle. If an error or a defect in the Software or its media becomes apparent within the Warranty Period You must promptly notify Caselle, in writing, describing the defect. Upon confirming the error or defect Caselle will, at its exclusive option, repair or

replace the item or refund the price paid for the defective item. Caselle does not warrant that the functions contained in the Software will meet Your requirements or that the operation of the Software will be uninterrupted or error free. The warranty does not cover Software modified by anyone other than Caselle and problems with, or caused by, computer hardware or non-Caselle software. This limited warranty is VOID if failure of the licensed Software has resulted from accident, abuse or misapplication.

Disclaimers and Limitations of Warranty and Remedies

EXCEPT AS SPECIFICALLY STATED IN THE WARRANTY SECTION OF THIS AGREEMENT, THE SOFTWARE IS LICENSED "AS IS" WITHOUT ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL CASELLE BE LIABLE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS, REVENUE OR SAVINGS, BUSINESS INTERRUPTION OR LOSS OF BUSINESS INFORMATION, ARISING FROM THE USE OF OR INABILITY TO USE THE SOFTWARE OR BREACH OF ANY EXPRESSED OR IMPLIED WARRANTY, EVEN IF CASELLE OR ITS AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF AN ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. CASELLE'S AGGREGATE LIABILITY UNDER THIS AGREEMENT FOR DAMAGE WILL NOT, IN ANY EVENT, WHETHER BASED UPON CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT, WARRANTY, OR ANY OTHER BASIS, EXCEED THE LICENSE FEES PAID BY YOU FOR THE LICENSED SOFTWARE GIVING RISE TO SUCH LIABILITY.

Returns

- a) No returns will be accepted without a written request to Caselle. To receive full credit, less the cancellation fee (set forth below), such requests must be made in writing to and received by Caselle's corporate office within thirty (30) days of this agreement. No returns will be considered for credit until appropriate notice has occurred within the time limits specified and all Software and related materials are returned to Caselle's corporate office within ten (10) days of notice.
- b) Pre-approved returns occurring after the thirty-day period has lapsed will be allowed 75% credit, if such requests are made in writing to and received by Caselle's corporate office within sixty (60) days of this agreement. Any returns attempted after the sixty-day period has lapsed will receive no credit.
- c) A minimum cancellation fee of 10% will be assessed to all pre-authorized returns. Caselle has a right, but not an obligation to retrieve the returned Software. Caselle will assume no liability for Software that is damaged or lost in transit while being returned. Additionally, such returns shall occur at Client's expense.
- d) In addition to the return of the Software, Client agrees that it will delete and remove all copies from all computer systems within its control. Client also agrees that it will return all written materials received from Caselle, including program materials, instruction manuals, and any and all training materials to Caselle.

Additional Services

Support, Training and Data Conversion for the Software will be provided directly by Caselle, or its authorized support centers, and are subject to separate agreements.

General

- a) This Agreement shall be governed and construed in accordance with the laws of the State of Utah and You hereby consent to the jurisdiction of State and Federal courts in Utah. If any part of this Agreement violates applicable law, that part shall be deemed to be amended to the extent necessary to comply with the law.
- b) This Agreement constitutes the entire Agreement between Caselle and You and supersedes any prior Agreement or understanding, written or oral, relating to the subject matter of this Agreement. Except as provided herein, this Agreement may not be amended or supplemented except in writing and properly executed by both parties.
- c) If any provision of this Agreement shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or the validity or the enforceability of this Agreement.
- d) All rights and remedies provided herein are cumulative and are in addition to all other rights and remedies available at law or equity.
- e) In the event that either party successfully takes legal action to enforce any provision of this Agreement the unsuccessful party shall pay full costs and expenses of such action, including reasonable attorney's fees.
- f) Any notice required by this Agreement shall be deemed to have been properly given if sent by registered or certified mail to the address set forth in this Agreement.
- g) The waiver of any breach or default of this Agreement shall constitute a waiver only as to such particular breach or default and shall not constitute a waiver of any other breach or default. Failure to act by either party in exercising any right, power, or remedy under this Agreement, except as specifically provided herein, shall not operate as a waiver of any such right, power or remedy, and will not affect the validity of the whole or any part of this Agreement, or prejudice such party's right to take subsequent action.
- h) Neither party shall be held liable for delays in any of its performance resulting from acts of God, war, civil disturbance, court order, labor dispute or any other cause beyond its control.
- i) The relationship of the Parties shall be solely that of independent contractors. No partnership, joint venture, employment, agency or other relationship is formed, intended or to be inferred under this Agreement. Neither party to this Agreement shall attempt to bind the other, incur liabilities on behalf of the other, act as agent of the other, or authorize any representation contrary to the foregoing.
- j) This Agreement is binding upon and shall inure to the benefit of the parties, their successors and assigns. However, this Agreement is not assignable by you. This Agreement is personal to you and neither the Agreement, nor the rights or duties hereunder, may be voluntarily or involuntarily, directly or indirectly, assigned or otherwise transferred without the prior written consent of Caselle. Any unauthorized assignment or transfer shall constitute a breach hereof and shall be voidable by Caselle.

663884 10/03

**SOFTWARE MAINTENANCE & SUPPORT AGREEMENT
(SOFTWARE ASSURANCE)**

CASELLE, INC.
1656 S. East Bay Blvd.
Suite 100
Provo, UT 84606

and

**HUMBOLDT BAY MUNICIPAL
WATER DISTRICT**
828 Seventh St., PO Box 95
Eureka, CA 95501

("Caselle")

("You" or "Your")

agree that Caselle will provide You with unlimited telephone support on Caselle's Software, for the purpose of answering Your questions, giving usage instructions, providing updates and attempting to resolve problems on a best efforts basis, for the consideration of \$1,166.00 monthly, subject to the following terms and conditions:

Availability

Support calls, covered by this Agreement, will be answered by Caselle's Support Center, on the designated support telephone number, between 7:30 am and 5:30 pm Mountain Time, Monday through Friday, except holidays.

Coverage

This Maintenance & Support Agreement covers all Caselle application software licensed to You. It does not cover third party software or products. Support may, on a best efforts basis, be provided for third party products, such as operating systems and hardware. Extended, after hours support may be billable at Caselle's regular hourly billing rate.

Charges

Charges cover Software presently installed and will remain fixed for three (3) years providing You license no new applications. If You license new applications or change user levels, charges will be modified. Following the third year, charges may be increased, at Caselle's discretion, however, such an increase shall in no event exceed five percent (5%) in a given year.

Updates

Caselle will provide program updates within the same operating system through normal software releases at no extra charge. Additional software packages, add-on modules and custom programming are not covered by this Agreement and will be billed at current rates. Caselle will determine which enhancements and/or materials will be part of a software release, add-on package or custom programming.

Upgrades

Caselle will provide software upgrades within the same operating system at no extra charge if this agreement is still in effect at the time the upgrade is made available and if this agreement is not cancelled or terminated for a period of five (5) years.

Term and Termination

This Software Maintenance & Support Agreement is effective for one year from the date of the Agreement. Thereafter, it will automatically be renewed monthly, unless either party gives written notice of termination, at least 30 days in advance. If the Agreement is terminated Caselle will honor commitments to support You until the date of termination.

Payment

Payment terms shall be monthly in advance in U.S. Dollars and shall not be considered received until Your check clears the banking process. Any charges or costs incurred in the collection of Your check, due to insufficient funds or any other reason, shall be reimbursed by You. Late payments shall be subject to extra charges. If payment is not received when due, Caselle reserves the right to suspend Your support until payment is received. Such suspension will not relieve You of payment obligation.

Limitations of Remedies

Your Remedies. Your sole and exclusive recourse and remedy for any loss, including your right to recover damages shall be as set forth in this Section. Caselle's liability with respect to any and all actual losses incurred during the Term (or a Renewed Term) of the Agreement shall not exceed the amount paid by You to Caselle at the last billing. You shall provide Caselle with documentation sufficient to demonstrate any expenses that You actually incurred for which You seek damages from Caselle. Caselle shall not be responsible for any loss incurred by You from a claim that is settled or compromised by You without the prior written approval of Caselle.

No Liability for Consequential Damages. In no event shall Caselle be liable to You or to any third party for any indirect, special, punitive, incidental, consequential or compensatory losses, damages, claims or causes of action in excess of the amount of compensation paid hereunder, including, but not limited to, those arising from loss of business or profits or any other economic loss, even if Caselle was aware of the possibility of such damages.

General

(a) You shall not assign, sublicense or transfer any of Your rights under this Agreement without the prior written consent of Caselle.

(b) This Agreement shall be governed and construed in accordance with the laws of the State of Utah. If any part of this Agreement violates applicable law that part of the Agreement shall be deemed to be amended to the extent necessary to comply with the law.

(c) This Agreement constitutes the entire agreement between Caselle and You and supersedes any prior agreement or understanding, written or oral relating to support services. Except as provided herein, this Agreement may not be varied, amended or supplemented except in writing and properly executed by both parties.

(d) If any provision of this Agreement shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or the validity or the enforceability of this Agreement.

(e) All rights and remedies provided herein are cumulative and are in addition to all other rights and remedies available at law or equity.

(f) In the event either party successfully takes legal action to enforce any provision of this Agreement the non-prevailing party shall pay full costs and expenses of such action, including reasonable attorney's fees.

(g) Any notice required by this Agreement shall be deemed to have been properly given if sent by registered or certified mail to the address stated above or such other address as may be designated in writing by either party.

(h) The waiver of any breach or default of this Agreement shall constitute a waiver only as to such particular breach or default and shall not constitute a waiver of any other breach or default.

(i) Caselle shall not be held liable for delays in any of its performance resulting from acts of God, war, civil disturbance, court order, labor dispute or any other cause beyond its control.

The signatures below indicate each party's acceptance of this Agreement. Each party has caused this agreement to be executed by its duly authorized representative.

CASELLE, INC.

By: Alan S Hutchings

Name & Title: Alan S. Hutchings, President

Date: December 15, 2017

**HUMBOLDT BAY MUNICIPAL
WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____



COUNTY OF HUMBOLDT

JOHN BARTHOLOMEW
TREASURER-TAX COLLECTOR

825 FIFTH STREET ROOM 125
EUREKA, CALIFORNIA 95501

PHONE: 707-476-2450
FAX: 707-445-7608
TOLL FREE: 877-448-6829
EMAIL: taxinfo@co.humboldt.ca.us

Subject: Interest Apportionment Rate and Other Considerations

December 29, 2017

Honorable Board Members,

Your fund balances in the County Treasury from July through September 2017 (Fiscal 17/18 1st Quarter) earned an annualized interest rate of 1.28%. For comparison purposes, the LAIF (Local Agency Investment Fund) rate was 1.07%.

The Federal Open Market Committee (FOMC) raised the fed funds rate a quarter point to 1.5 percent on December 13. To give historical perspective to this rate, they had raised it to 1.25 percent on June 14, 2017 which was just two months after it raised it to 1.0 percent in March. They had also raised it to 0.75 percent on December 14, 2016. Prior to that the Fed's first rate increase after the 2008 recession was on December 15, 2015, when it raised it to 0.5 percent from 0.25 percent which is effectively zero. That 0.25 rate had stayed in place for seven years! The FOMC has also signaled they will raise rates to 2 percent in 2018, 2.5 percent in 2019 and 3 percent in 2020.

While short term rates did increase in 2017, mainly due to the three rate hikes, the long end of the yields curve, specifically the 10 year note, actually fell from a high of 2.62% early in the year, to a low of 2.06% on September 4th and have since risen to today and trading at 2.41%.

While we don't know what the actual effects of lower taxes will be in our more modern and global economy compared to the tax cuts under Reagan in the 1980's, the expectation is that wages will rise, possibly lifting prices as well. The goal is for a balance of rising prices and sustained growth for the economy whereby inflation rises in unison with a stronger economy ... but we won't know what the effects of the tax cuts will be until roughly the end of the first quarter in March. Therefore we probably won't see rates change much relative to where they are today until we know those results, unless there is an event which changes the balance felt in the economy today; and stranger things have happened.

As always our goals are Safety, Liquidity and Yield; with a laddered portfolio of maturity schedules through the next several years.

Let us know how we may be of service.

Sincerely,

John Bartholomew – Treasurer Tax Collector

Humboldt County Treasury Team:

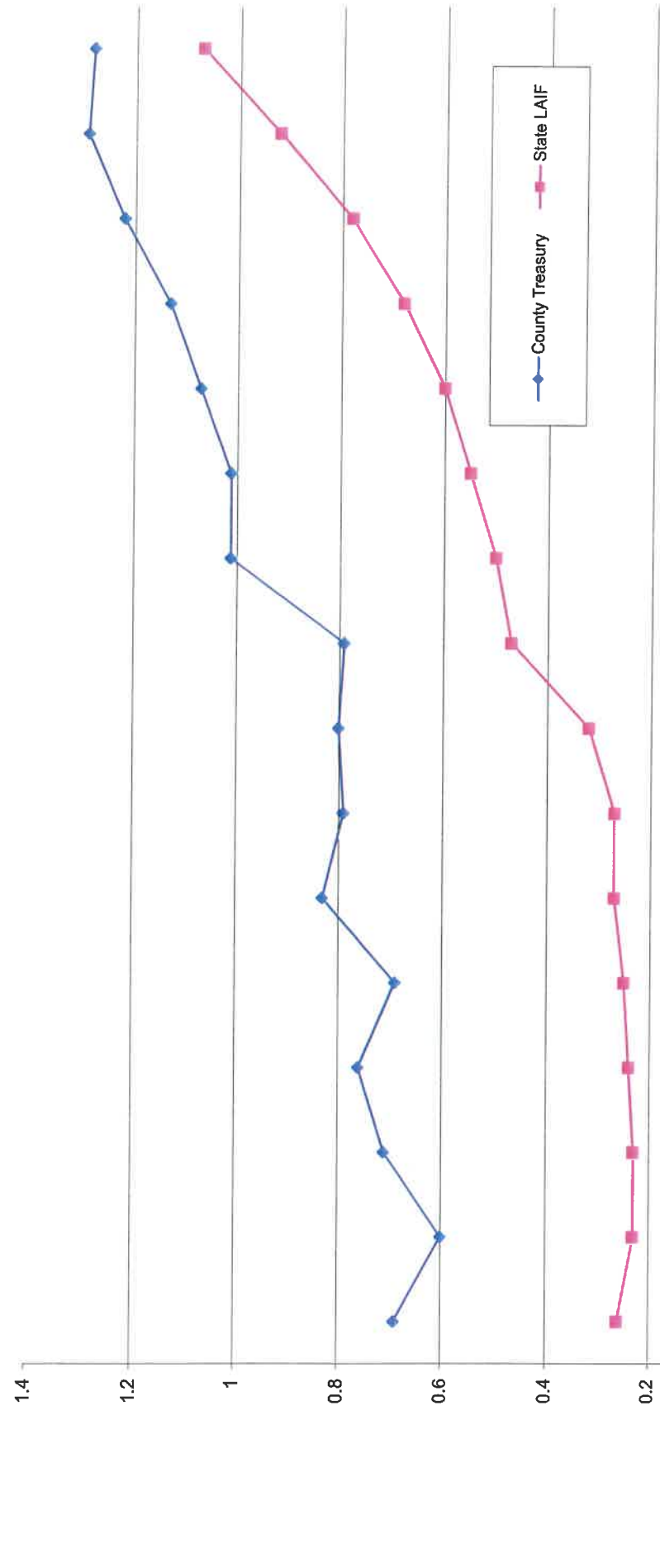
Whitney Morgan – Treasury Assistant
Catherine Carter – Treasury Assistant

FUND BALANCES
Allocation Account Activity
October 1, 2017 - October 1, 2017

Interest July - September 2017

Account	Fund	Security ID	Current Transaction Rate	Date	Receipt	Trans.	Contributions /	Disbursements /	Allocated
2710	2710	SYS	1.280	10/01/2017		Alloc/Fee			31,551.07
			1.280				0.00	0.00	31,677.80
<i>10% Taxes</i>									
			1.280						31,677.80
2711	2711	2711	1.280	10/01/2017		Alloc/Fee			424,334.34
			1.280				0.00	0.00	425,702.95
<i>MSRA</i>									
			1.280						425,702.95
2712	2712	2712	1.280	10/01/2017		Alloc/Fee			39,988.91
			1.280				0.00	0.00	40,055.78
<i>Remat</i>									
			1.280						40,055.78
3873	3873	3873	1.280	10/01/2017		Alloc/Fee			2,795,732.75
			1.280				0.00	0.00	2,804,495.11
<i>Investment Account</i>									
			1.280						2,804,495.11
3874	3874	3874	1.280	10/01/2017		Alloc/Fee			231,591.12
			1.280				0.00	0.00	232,592.83
<i>DWFP</i>									
			1.280						232,592.83
3876	3876	3876	1.280	10/01/2017		Alloc/Fee			3,378.73
			1.280				0.00	0.00	3,600.78
<i>SRF Payment</i>									
			1.280						3,600.78

Comparison of County Treasury and State LAIF Investment Earning Rates
October 2013 - September 2017



Month	County Treasury	State LAIF
Oct - Dec 2013	0.69	0.26
Jan - Mar 2014	0.60	0.23
Apr - Jun 2014	0.71	0.23
July - Sept 2014	0.76	0.24
Oct - Dec 2014	0.69	0.25
Jan - Mar 2015	0.83	0.27
Apr - Jun 2015	0.79	0.27
July - Sept 2015	0.80	0.32
Oct - Dec 2015	0.79	0.47
Jan - Mar 2016	1.01	0.5
Apr - Jun 2016	1.01	0.55
July - Sept 2016	1.07	0.6
Oct - Dec 2016	1.13	0.68
Jan - Mar 2017	1.22	0.78
Apr - Jun 2017	1.29	0.92
July - Sept 2017	1.28	1.07

OPERATIONS

Memo to: HBMWD Board of Directors
From: Dale Davidsen, Superintendent
Date: December 31, 2017
Subject: Essex/Ruth December 2017 Operational Report

SECTION J3a PAGE NO. 1

Upper Mad River, Ruth Lake, and Hydro Plant

1. The flow at Mad River above Ruth Reservoir (Zenia Bridge) was 122cfs on December 1st, and dropped steadily all month to 8.4cfs on December 31st
2. The conditions at Ruth Lake for the month of December were as follows:
 - a. The lake level on December 31th was 2641.80 feet which is:
 1. 2.56 feet Lower than November 30st, 2017
 2. 12.7 feet lower than December 31th, 2016
 3. 1.68 feet lower than the ten year average
 4. 9.64 feet below the spillway
3. There was 0.97 inches of recorded rainfall for December 2017 at Ruth Headquarters.
4. Ruth hydro power production was 345600 kWh for the month of December with 0 shutdowns and 0 kWh lost power.
5. The high discharge flow from the lake for the month was 139.5 cfs on December 6th and the low release flow from the lake was 39.2 cfs on December 25th.

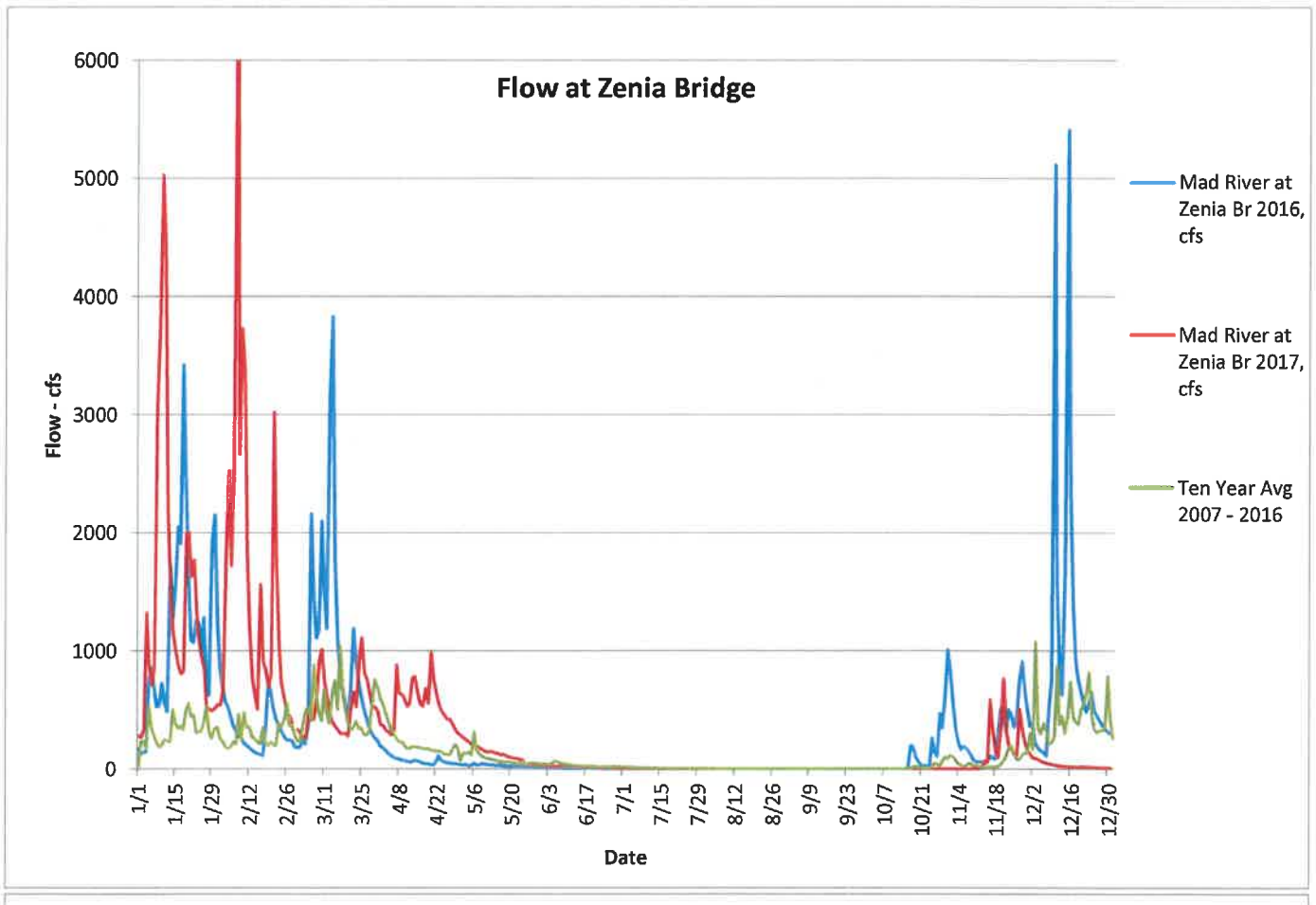
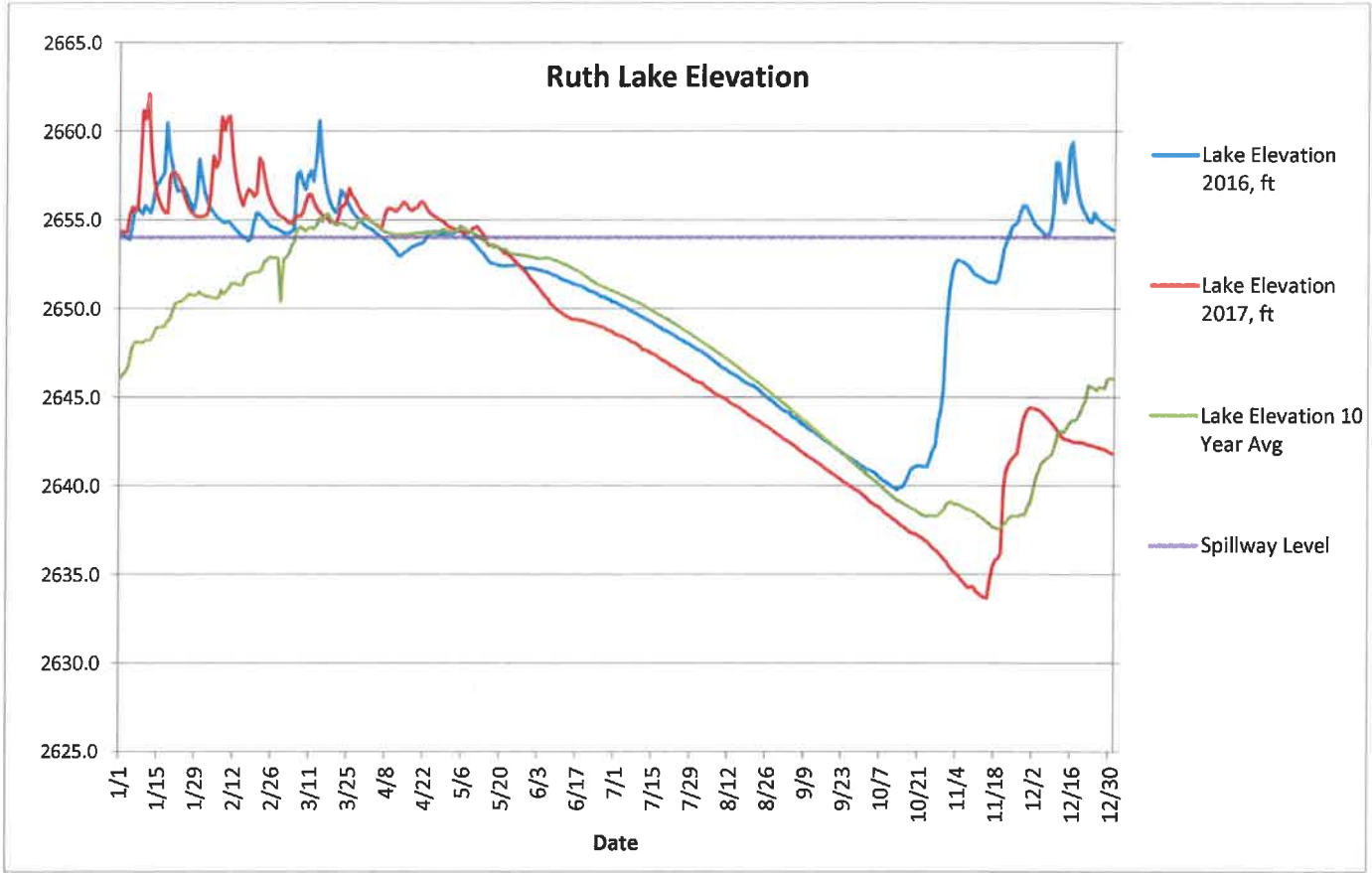
Lower Mad River, Winzler Control, and TRF

6. The river at Winzler Control Center reached a high recorded flow of 1400 cfs and a level of 23.4 feet on December 4th. The low river flow was on December 30th with a flow of 222 cfs and a level of 21.9 feet.
7. The domestic water conditions were as follows:
 - a. The monthly turbidity average was 0.05 NTU, which meets Public Health Secondary Standards.
 - b. We pumped 241.29 million gallons at an average of 7.73 MGD.
 - c. The maximum metered daily municipal customer use was 8.8 MGD on December 8.
8. The Turbidity Reduction Facility ran 31 days in December. The conditions were as follows:
 - a. Average monthly source water turbidity was 0.26 NTU.
 - b. Average monthly filtered water turbidity was 0.05 NTU.
 - c. We did 49 backwashes on the TRF filters in the month of December.

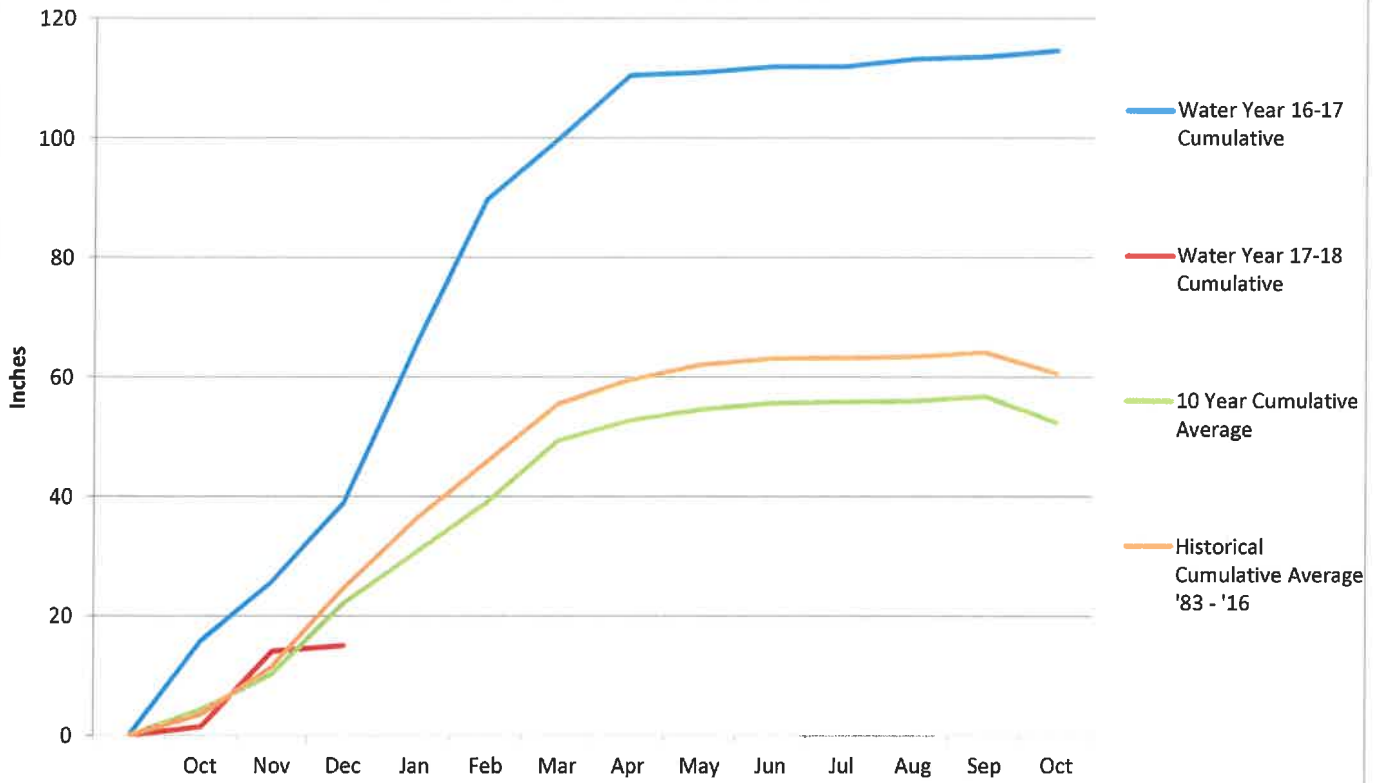
9. December 4th – New Maintenance Mechanic, Russell Roberts first day
10. December 5th – Pacific Water Resources was on site to commission Pumps 1-1 & 1-4.
11. December 11th – Maintenance staff placed the large rocks around the perimeter of the Office building.
12. December 12th – I attended the Arcata Flood Planning exercise. This exercise was based on the failure of RW Matthews Dam, as the worst possible flood event that could affect Arcata.
13. December 13th – Safety meeting – SCBA, Donning and Doffing.
14. December 19th – Three of our Maintenance Staff attended Confined Space and Trenching Shoring classes put on by United Rentals
15. December 20th – Coastal Tree Service fell the trees on our right-of-way in preparation for the under river crossing project.
16. Current Projects
 - a. SCADA upgrade – Work is continuing on the SCADA upgrade. For the most part the project is winding down and minor issues are getting fixed as they come up. Some training has been done and there is more scheduled in January.
 - b. BL/FB river crossing project – Brush clearing along the Right-of-Way is complete.
 - c. Collector 1 pump order – See memo attached, Page J3b1
 - d. Collector 2 Transformer order – See memo attached, Page J3c1

Ruth Hydro Production: kW per Month

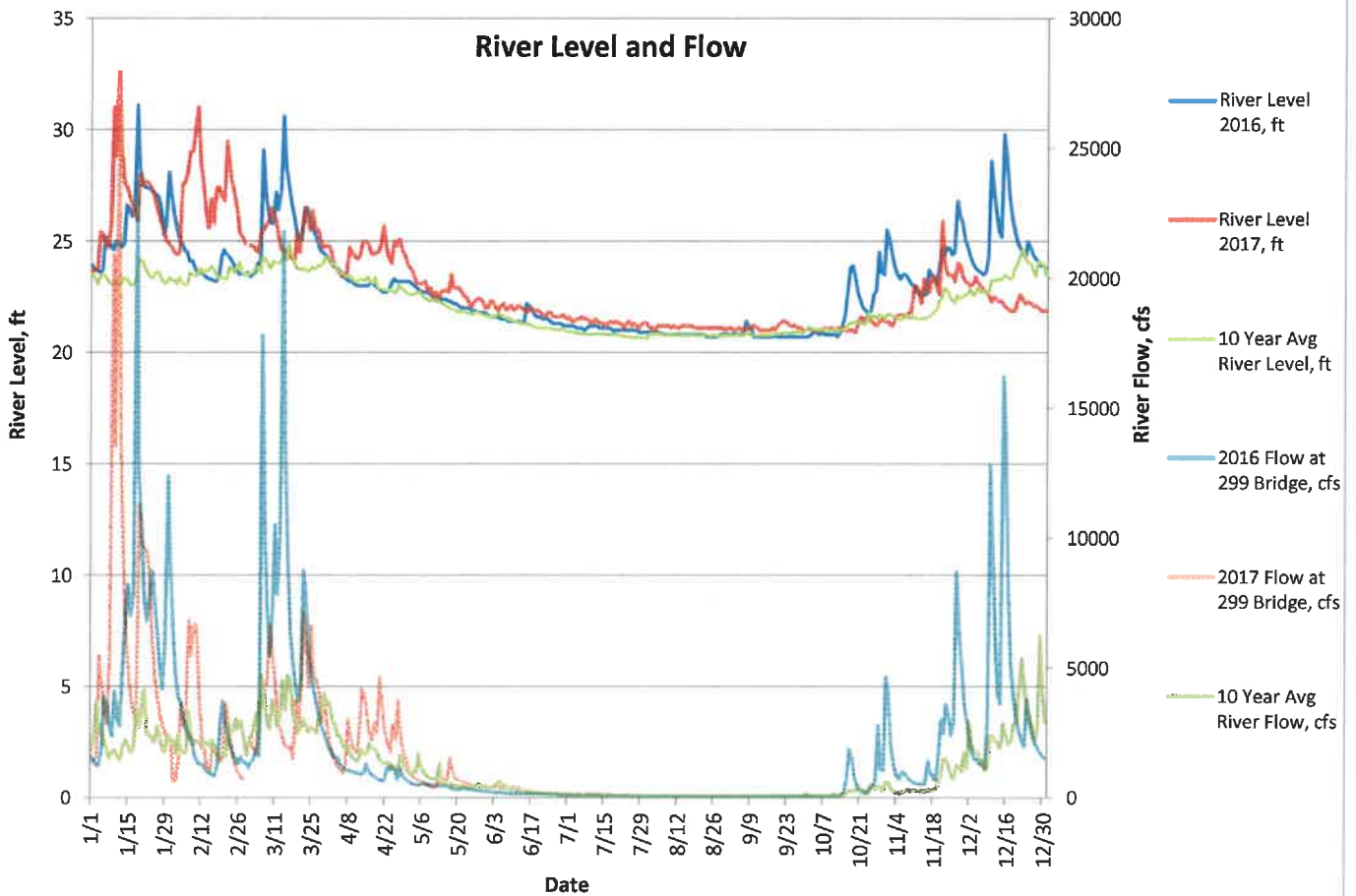
Month	Historic Average: Cumulative	Ten Year Average: Cumulative	Hydro Production 2014: Cumulative	Hydro Production 2015: Cumulative	Hydro Production 2016: Cumulative	Hydro Production 2017: Cumulative	Hydro Production 2014	Hydro Production 2015	Hydro Production 2016	Hydro Production 2017
January	594,594	581,760	50,400	643,200	904,800	916,800	50,400	643,200	904,800	916,800
February	1,247,153	1,192,320	50,400	1,363,200	1,725,600	1,802,400	0	720,000	820,800	885,600
March	2,078,105	1,923,600	532,800	1,634,400	2,676,000	2,668,800	482,400	271,200	950,400	866,400
April	2,731,024	2,508,720	1,092,000	1,740,000	3,213,600	3,470,400	559,200	105,600	537,600	801,600
May	3,196,970	2,925,120	1,291,200	1,893,600	3,540,000	4,154,400	199,200	153,600	326,400	684,000
June	3,481,217	3,195,840	1,440,000	2,035,200	3,681,600	4,495,200	148,800	141,600	141,600	340,800
July	3,688,054	3,375,120	1,588,800	2,186,400	3,830,400	4,644,000	148,800	151,200	148,800	148,800
August	3,951,281	3,572,886	1,737,600	2,325,600	3,976,800	4,797,600	148,800	139,200	146,400	153,600
September	4,255,289	3,783,366	1,881,600	2,469,600	4,137,600	4,941,600	144,000	144,000	160,800	144,000
October	4,545,191	4,005,606	2,030,400	2,618,400	4,288,800	5,128,800	148,800	148,800	151,200	187,200
November	4,817,748	4,305,616	2,179,200	2,764,800	5,076,000	5,424,000	148,800	146,400	787,200	295,200
December	5,247,303	4,802,636	2,857,600	3,261,600	6,055,800	5,769,600	678,400	496,800	979,800	345,600



Ruth Rainfall - Water Year 2016-2017



River Level and Flow



Memo to: Board of Directors
From: Dale Davidsen, Superintendent
Date: January 2, 2018

SECTION J3b PAGE NO. 1

Subject: Request authorization to purchase new pump for Collector 1

I am working on the project budget for FY 18/19. Collector 1, pump 1 is slated to be replaced as part of the Collector 1 rehabilitation project this next year. Same as last year, this pump is expected to be at least 18 weeks out after being ordered.

I would like to get this pump ordered as soon as possible so it can be installed this coming summer or early fall, before October 15th, which is when we need to be off the bar.

I am requesting the Board to authorize ordering the pump in the next month or so, so the pump manufacture can start building the pump. We would budget for it next year and receive it after July 1st, 2018 and payment would be due when received, on the FY 18/19 budget. The pump will cost about \$162,000.00 plus freight.

Dale Davidsen
Superintendent

Memo to: Board of Directors
From: Dale Davidsen, Superintendent
Date: January 2, 2018
Subject: Request authorization to purchase a new transformer for Collector 2

SECTION J3c, PAGE NO. 1

As you may remember, Collector 2 transformer failed this last October. Currently, we are operating collector 2 with a rented transformer. Here again, a new transformer is likely 12-16 weeks out from order date to being shipped to the District.

I am requesting the Board to authorize ordering a new transformer in the next month or earlier, so the manufacture can start building the transformer. I would like the Board to consider purchasing the transformer out of reserves to either be paid back from a warranty claim, insurance or out of next year's budget. Currently, we are renting a transformer for \$1,500 per month plus shipping costs from and back to Bakersfield.

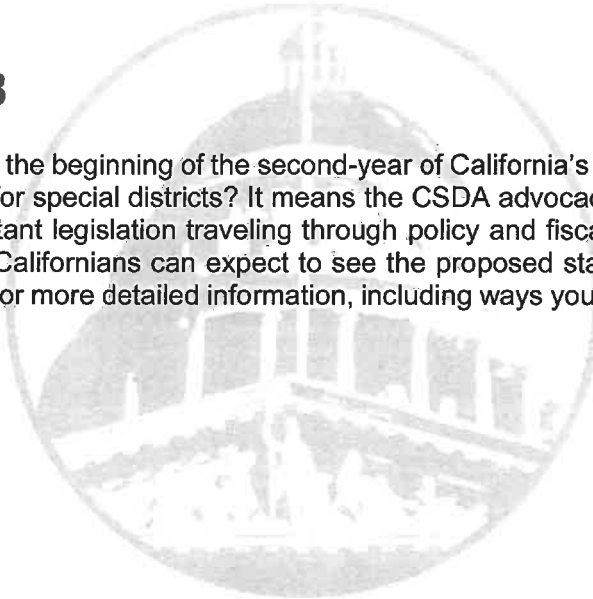
Dale Davidsen
Superintendent

MANAGEMENT



January 2018

January 3, 2018 marks the beginning of the second-year of California's two-year legislative cycle. What does that mean for special districts? It means the CSDA advocacy team is already hard at work monitoring important legislation traveling through policy and fiscal committees this month. January is also when Californians can expect to see the proposed state budget from Governor Jerry Brown. Read on for more detailed information, including ways you and your district can take action!



Inside this edition of the Grassroots Action Brief:

CSDA Stays Active on Public Pensions Issues.....2

Water Conservation and Tax Legislation Poised to Return in New Year.....3

CSDA Awards \$3,500 In Scholarships; Teaches Youth About Special Districts.....4

Hot Legislation.....4

Other Ways to Take Action (Learn, Engage, Give Feed Back, and Stay Informed)5

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
colleenh@csda.net
stevonn@csda.net
chrisp@csda.net



➤ 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.

CSDA Stays Active on Public Pensions Issues

Much like 2017, we can expect public employee defined benefit pensions to be a major topic of discussion and action in 2018. The California Public Employees' Retirement System (CalPERS) is expecting a busy year and they may be looking at some major strategic adjustments. Additionally, the Legislature will likely be introducing a myriad of bills to address pension shortfalls for employees of public agencies.

CalPERS

At the December CalPERS Board meeting the Board completed the Asset Liability Management (ALM) cycle by adopting "Portfolio Candidate C" of four potential portfolio options. Portfolio C has an asset mix that is projected to yield a 30-year blended rate of return of 7 percent. This matches the discount rate the Board adopted in 2016 (to be phased in over several years) and will not result in a further reduction in the discount rate. Therefore, based on the 2016 Board actions, the current discount rate of 7.5 percent is scheduled to be reduced slowly, referred to as "smoothing," with the final impacts taking effect in 2025.

The Legislature

CSDA anticipates a significant amount of legislative activity in 2018 surrounding public pensions. There are currently two bills to amend the State Constitution to require a public vote at the local level to allow public entities to provide defined benefit pensions (ACA 15, SCA 10), and there is a joint hearing scheduled for January 10th for the State Senate and Assembly committees that handle public pensions entitled, "How California's Public Pension Funds Support California Values While Fulfilling Their Fiduciary Obligations." This hearing will look at investment and divestment policies and the impacts divestment has had on public pension funds.

Additionally, the Service Employees International Union (SEIU) has indicated that they intend to sponsor legislation that will require participating agencies in a Joint Powers Authority (JPA) to be assigned joint and several liability with respect to their JPA's pension obligations. The SEIU proposal would assign this liability to both new and existing JPAs.

CSDA will continue to be actively involved on all fronts related to public pensions and we encourage you to do the same. If you have a background in public pensions, please consider participating on CSDA's CalPERS Working Group where you can share your knowledge to help craft a stronger public pension system for all special districts.

Should you have any questions about this public pension update, or wish to join the CalPERS Working Group, please contact CSDA's Senior Legislative Representative, Dillon Gibbons, at dillonq@csdsa.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.

Water Conservation and Tax Legislation Poised to Return in New Year

Water Management

AB 1668 (Friedman) and SB 606 (Skinner), both dealing with water management planning, were not taken up at the end of the first year of the legislative session in September 2017. As two-year bills, AB 1668 and SB 606 will remain active heading into 2018, with the potential to be acted on quickly once the Legislature reconvenes on January 3, 2018.

Last year, Friedman and Skinner convened a series of "listening sessions" that provided an opportunity for stakeholders to discuss four technical issues that have been identified as areas where the authors are interested in potential refinements to the legislation: Variances, Model Water Efficient Landscape Ordinance "Principles", Cost Effectiveness of Commercial, Industrial, and Institutional Meter Performance Measures, and Reporting Requirements.

Water suppliers around the state have identified a number of additional technical issues with the legislation (including the four issues discussed at the listening sessions) and provided amendments that would address the issues. Water suppliers have also articulated several key policy concerns related to the bills and provided detailed amendments to address these concerns, including how the bills handle enforcement, a higher cap for potable reuse credits, and the limitation of the Governor's authority over drought emergencies.

Water Tax

SB 623 (Monning) also remains active as a two-year bill, and may be taken up at any time once the Legislature reconvenes. SB 623 establishes a statewide tax on water, to be collected as a surcharge on water bills by local agencies, including special districts. Those living under 200% of the federal poverty level would be exempted from the surcharge. The bill also raises fees on fertilizer mills and dairy producers. In exchange for increased fees, SB 623 will provide time limited protections from enforcement for these businesses under Porter-Cologne. To be eligible for these protections, the businesses must be regulated by the state and in compliance. This includes a requirement to implement nitrate management programs, best management practices, and other state requirements.

The water tax is expected to raise several hundreds of millions of dollars a year to be used to fund projects that improve access to safe drinking water. The aid will be funneled primarily to disadvantaged communities that lack access to safe drinking water. The funds may be spent on water purification and treatment systems or other critical facilities to improve drinking water quality and access. More than 300 schools and communities are estimated to lack safe drinking water in California.

For more information on innovation, infrastructure, and investment issues, please contact the CSDA Legislative Representative covering this issue area, Rylan Gervase, at rylang@csda.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.

CSDA Awards \$3,500 In Scholarships; Teaches California Youth About Special Districts

The votes are in! Julio Sanchez is the winner of the CSDA's Annual Student Video Contest for his video that shows how California's special districts 'Make the Difference' in their communities. Sanchez is also the winner of the \$2,000 grand-prize scholarship money.

Julio's winning video not only conceptualized a clear understanding of special districts, but also featured informative interviews with real special district employees, and showcased expert-level filming and post-production audiovisual techniques. A student at Cosumnes River College in Elk Grove, California, Sanchez hopes to use the prize money to help him transfer to the University of California, Los Angeles or the University of San Francisco.

The second-place winner and recipient of the \$1,000 scholarship prize is a team of students from Pleasant Valley High School in Chico. Zachary Almand and Jakobie Rhodes featured the Chico Area Recreation and Park District in their video that challenged people to 'get out there and play'. Their video expertly captured beautiful footage of district facilities and featured community members actively engaged in district programs.

The third-place winner and recipient of the \$500 prize is Jordan Chan, a student at Mission Hills High School in San Marcos whose unique video used an animated 'host' to creatively narrate information about various different types of special districts.

Watch all the winning videos and get information about how to get involved in the 2018 Student Video Contest at districtsmakethedifference.org/contest

➤ HOT LEGISLATION

Here is where the hottest bills affecting special districts sit in the California Legislature this month:

- **SB 519 (Beall):** Updates the Santa Clara Valley Water District authorizing statute to conform the procedure for filling board vacancies with the District's current electoral practices.
CSDA's position: Support
Bill Location: Senate Governance and Finance Committee
- **SB 606 (Skinner):** Requires an urban retail water supplier, including special districts, to: 1). calculate an urban water use objective, and 2). actual urban water use, no later than July 1, 2022, and by July 1 each year thereafter.
CSDA's position: Oppose Unless Amended



Bill Location: Assembly 3rd Reading

OTHER WAYS TO **TAKE ACTION**

➤ LEARN

- In 2017, the CSDA Finance Corporation facilitated the financing of more than \$32.4 million for special district infrastructure projects. Learn more about financing options for your agency in a free webinar, "**Successful Strategies for Utilizing Debt,**" on **February 8**. Register at csda.net.
- Attend a 2018 District NetWorks Workshop on **Required Ethics AB 1234 and Sexual Harassment Prevention**. In addition to the training program, attendees will have the unique opportunity to hear about grassroots outreach and new legislative updates from the Public Affairs Field Coordinator serving your District Network. Stick around after the training to enjoy a discussion specific to your network over lunch sponsored by the California Special Districts Alliance. Email marinas@csda.net for more information or to register. (\$25 for members, \$40 for non-members).

➤ ENGAGE

Not a member? Non-member districts will soon have another opportunity to experience CSDA membership free for 90 days. Please contact Anna Palmer, member services specialist, at annap@csda.net for more details on CSDA's Trial Membership program.

➤ 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
- CSDA's District Daily Press
- CSDA's CA Special District Magazine

Email advocacy@csda.net for help accessing these additional member resources.

ACWA

DWR Director Grant Davis Looks Back at First 100 Days



California Department of Water Resources Director Grant Davis looked back at his first 100 days in the directorship

during his Nov. 28 luncheon address at ACWA's Fall Conference & Exhibition in Anaheim. Davis underscored the need to update the state's aging water infrastructure and called for cooperation among local, state and federal agencies.

"If California is going to successfully, sustainably manage our water resources ... we must work across jurisdictions and balance all uses and sources of water," said Davis. "It is only by sharing knowledge and learning from our partners in the state and nation and the world together that we can make a resilient path to change."

Davis added: "We are approaching a time when the collective horsepower in this room is going to be determinative of what we do for the next 50 years and how we set up the next generation."

Davis also underscored the need for the California WaterFix project, which would update the water conveyance infrastructure in the Sacramento-San Joaquin Delta. He said the project has hit several key milestones during the past year and he expects it to break ground by the end of 2018.

"The Sacramento- San Joaquin Delta is the heart of the California water system today," said Davis. "And our Bay-Delta, the heart of our system, needs a bypass."

Davis added that the future challenges of climate change will exacerbate existing challenges in California's water system, making the need for WaterFix even greater.

"We actually need to upgrade the

outdated infrastructure in the Delta to ensure clean reliable water for 25 million Californians," said Davis.

Davis also talked about progress made in hitting deadlines outlined in the Sustainable Groundwater Management Act, saying the state has achieved 99% compliance in the requirement to establish Groundwater Sustainability Agencies by SGMA's deadline.

Davis detailed the repair efforts at Oroville Dam and added that improved weather forecasting would have helped to manage the emergency in February.

"We must do a better job of understanding the science behind atmospheric rivers," said Davis.

Davis added that the integrity of the repaired spillway is not an issue and the Federal Energy Relicensing Commission concurs with that assessment. ♣

Filmmaker Thebaut Chronicles 'A World Without Water'



The Chronicles Group, Inc. Filmmaker and Producer Jim Thebaut previewed a segment of his film "Beyond the Brink"

at the Opening Breakfast Nov. 28 at ACWA's Fall Conference & Exhibition in Anaheim. The film chronicles a future society where water, food, and natural resources teeter on the edge of sustainability and how the scarcity of these resources pose a threat to national security.

Specifically, his film focuses on California's San Joaquin Valley and the difficulties faced by farmers due to water scarcity and drought. The film also provides a glimpse of a path forward that explores efforts underway to shift our course.

During his address, Thebaut discussed his interest in California water issues and noted the lasting imprint the drought left on his and others' minds. In his comments at the breakfast and in various interviews, Thebaut also stressed how the public needs to be cognizant of the state's water system and how water gets into the system and is moved. Water infrastructure needs to be supported in general and the public needs to

be made aware of how everything is interconnected – water, crops, food, infrastructure, he said.

In the film preview, experts who are interviewed discuss similar views.

"Adequate water for food for the nation is a water security issue and a national security issue," says one interviewee.

Another interviewee, after describing some of the challenges of California's water system, concludes that the state "doesn't have a sustainable system, with or without the drought."

More information about "Beyond the Brink" can be found at www.beyondthebrinkdocumentary.org. ♣

Michael	Raffety	3	Member	El Dorado Irrigation District	2018-2019 ACWA - Water Management Committee
Mark	Monin	10	Member	El Toro Water District	2018-2019 ACWA - Business Development Committee
Mark	Monin	10	Member	El Toro Water District	2018-2019 ACWA - Energy Committee
Mark	Monin	10	Member	El Toro Water District	2018-2019 ACWA - Finance Committee
Harvey	Ryan	9	Member	Elsinore Valley Municipal Water District	2018-2019 ACWA - Federal Affairs Committee
Greg	Morrison	9	Member	Elsinore Valley Municipal Water District	2018-2019 ACWA - State Legislative Committee
Alan	Hofmann	6	Member	Fresno Metropolitan Flood Control District	2018-2019 ACWA - Federal Affairs Committee
Doug	Jensen	6	Member	Fresno Metropolitan Flood Control District	2018-2019 ACWA - Legal Affairs Committee
Jason	Phillips	7	Member	Friant Water Authority	2018-2019 ACWA - Federal Affairs Committee
John	Bezdek	7	Member	Friant Water Authority	2018-2019 ACWA - Legal Affairs Committee
Alexandra	Biering	7	Member	Friant Water Authority	2018-2019 ACWA - State Legislative Committee
Barbara	Brenner	3	Member	Georgetown Divide Public Utilities District	2018-2019 ACWA - Legal Affairs Committee
Barbara	Brenner	3	Member	Georgetown Divide Public Utilities District	2018-2019 ACWA - State Legislative Committee
Cynthia	Davis	2	Member	Glenn-Colusa Irrigation District	2018-2019 ACWA - Communication Committee
Thad	Bettner	2	Member	Glenn-Colusa Irrigation District	2018-2019 ACWA - Federal Affairs Committee
Thad	Bettner	2	Member	Glenn-Colusa Irrigation District	2018-2019 ACWA - Groundwater Committee
Andrew	Hitchings	2	Member	Glenn-Colusa Irrigation District	2018-2019 ACWA - Legal Affairs Committee
Thad	Bettner	2	Member	Glenn-Colusa Irrigation District	2018-2019 ACWA - State Legislative Committee
Thad	Bettner	2	Member	Glenn-Colusa Irrigation District	2018-2019 ACWA - Water Management Committee
Bill	Rosen	5	Member	Goleta Water District	2018-2019 ACWA - Finance Committee
DeAna	Verbeke	10	Member	Helix Water District	2018-2019 ACWA - Energy Committee
DeAna	Verbeke	10	Member	Helix Water District	2018-2019 ACWA - Finance Committee
DeAna	Verbeke	10	Member	Helix Water District	2018-2019 ACWA - Membership Committee
Palmer	McCoy	6	Member	Henry Miller Reclamation District #2131	2018-2019 ACWA - Finance Committee
Palmer	McCoy	6	Member	Henry Miller Reclamation District #2131	2018-2019 ACWA - Local Government Committee
Alyssa	Gordon	1	Member	Hidden Valley Lake Community Services District	2018-2019 ACWA - State Legislative Committee
Bruce	Rupp	1	Vice Chair	Humboldt Bay Municipal Water District	2018-2019 ACWA - Finance Committee
Brian	Macy	9	Member	Indio Water Authority	2018-2019 ACWA - Energy Committee
Michael	Wilson	9	Member	Indio Water Authority	2018-2019 ACWA - Federal Affairs Committee
Brian	Macy	9	Member	Indio Water Authority	2018-2019 ACWA - Groundwater Committee
Elaine	Holmes	9	Member	Indio Water Authority	2018-2019 ACWA - Local Government Committee
Adekunle	Ojo	9	Member	Indio Water Authority	2018-2019 ACWA - Membership Committee
Erick	Del Bosque	9	Member	Indio Water Authority	2018-2019 ACWA - Water Quality Committee
Beth	Beeman	10	Member	Irvine Ranch Water District	2018-2019 ACWA - Communication Committee
Peer	Swan	10	Member	Irvine Ranch Water District	2018-2019 ACWA - Energy Committee
Douglas	Reinhart	10	Member	Irvine Ranch Water District	2018-2019 ACWA - Groundwater Committee
Mary Aileen	Matheis	10	Member	Irvine Ranch Water District	2018-2019 ACWA - Legal Affairs Committee
Lars	Oldewage	10	Member	Irvine Ranch Water District	2018-2019 ACWA - Water Quality Committee
Martin	Varga	7	Member	Kern County Water Agency	2018-2019 ACWA - Energy Committee
Brent	Walthall	7	Member	Kern County Water Agency	2018-2019 ACWA - Federal Affairs Committee
Michelle	Anderson	7	Member	Kern County Water Agency	2018-2019 ACWA - Groundwater Committee
Amelia	Minaberrigarai	7	Member	Kern County Water Agency	2018-2019 ACWA - Legal Affairs Committee

John Friedenbach

From: ACWA <acwabox@acwa.com>
Sent: Wednesday, January 03, 2018 11:06 AM
To: John Friedenbach
Subject: Outreach Advisory: ACWA Hosting School Lead Testing Webinar Jan 9



[Click here to view it in your browser.](#)

OUTREACH ADVISORY

Jan. 3, 2018

ACWA Hosting Jan. 9 Webinar on New State Law Regarding School Lead Testing

Registration Now Open for Webinar Conducted in Coordination with State Water Resources Control Board

ACWA will host a Tuesday, Jan. 9 informational webinar for public and community water systems that will provide updates to requirements for testing lead in the drinking water at California schools and for compiling lead user service line inventories in service distribution areas.

The 2 to 4 p.m. webinar will focus on new requirements under AB 746 (Gonzalez Fletcher, 2017), which sets a July 1, 2019 deadline for community water systems to test lead levels in school drinking water. The requirements affect all California public, K-12 schools constructed before Jan. 1, 2010. The webinar will provide information that water systems can forward to schools within their service area.

State Water Board staff will also outline reporting requirements under SB 1398 (Leyva, 2016) and SB 427 (Leyva, 2017) for community water systems to compile and submit inventories of lead user service lines by July 1, 2018.

To register for the Jan. 9 webinar, [click here](#). After registering, a confirmation e-mail will be sent with additional information about joining the webinar.

DRY DECEMBER PRODUCES BELOW-AVERAGE SNOWPACK, BUT TOO EARLY TO DRAW CONCLUSIONS

- BY WILL HOLBERT
- JAN 3, 2018
- WATER NEWS



Minimal snow was found at the Phillips Station meadow before the start of the first snow survey conducted by the California Department of Water Resources on Jan. 3. Photo by DWR's Kelly M. Grow

The California Department of Water Resources' (DWR) manual snow survey conducted today east of Sacramento in the Sierra Nevada found little snowpack, which was predictable after a dry December throughout California. However, DWR representatives also pointed out that it would be premature to draw any firm conclusions from the first snow survey.

Measurements at Phillips Station revealed a snow water equivalent (SWE) of 0.4 inches, 3% of the average SWE of 11.3 inches in early January at Phillips as measured there since 1964. SWE is the depth of water that theoretically would result if the entire snowpack melted instantaneously.

“As we’re only a third of the way through California’s three wettest months, it’s far too early to draw any conclusions about what kind of season we’ll have this year,” DWR Director Grant Davis said following the survey. “California’s great weather variability means we can go straight from a dry year to a wet year and back again to dry. That’s why California is focusing on adopting water conservation as a way of life, investing in above- and below ground storage, and improving our infrastructure to protect our clean water supplies against disruptions.”

California’s exceptionally high precipitation last winter and spring has resulted in above-average storage in 154 reservoirs tracked by the department. DWR estimates total storage in those reservoirs at the end of December 2017 amounted to 24.1 million acre feet (MAF), or 110% of the 21.9 MAF average for the end of the year. One year ago, those reservoirs held 21.2 million acre-feet (MAF), 97% of average.

End-of-year storage is now the highest since December 2012 (24.3 MAF), which was early in the first of five consecutive water years of drought in California. DWR conducts five media-oriented snow surveys each winter near the first of January, February, March, April, and May. On average, the snowpack supplies about 30% of California’s water needs as it melts in the spring and early summer. The greater the snowpack water content, the greater the likelihood California’s reservoirs will receive ample runoff as the snowpack melts to meet the state’s water demand in the summer and fall.

MEMORANDUM

Date: January 2, 2018

To: ACWA Region 1 Member Agency Presidents and General Managers
(sent via e-mail)

From: ACWA Region 1 Board

The Region 1 Board is looking for ACWA members who are interested in leading the direction of ACWA Region 1 for the remainder of the 2018-2019 term. The Board is seeking candidates to fill one Board Member vacancy.

The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 1 serve on ACWA's Statewide Board of Directors and recommend all committee appointments for Region 1. The members of the Region 1 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members.

If you, or someone within your agency, are interested in serving in a leadership role within ACWA by becoming a Region 1 Board Member, please familiarize yourself with the Role of the Regions and Responsibilities; and the Region 1 Rules and Regulations (attached) and complete the following steps:

- **Complete the attached Nomination Form**
- **Obtain a Resolution of support from your agency's Board of Directors**
- **Submit the requested information to ACWA as by March 2, 2018**

The Region 1 Board will make their appointment shortly thereafter and will inform the region of the results.

If you have any questions, please contact ACWA Regional Affairs Representative Brian Sanders at brians@acwa.com, or Regional and Member Services Specialist II Ana Javid at anai@acwa.com, or call (916) 441-4545.

**ACWA Region 1
Rules & Regulations**

SECTION 13e, PAGE NO. 2

Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association (ACWA Bylaw V, 6.).

Officers

The chair shall appoint a secretary to the Board if one is deemed necessary.

Meetings

Region 1 will meet quarterly, subject to call of the chair, with two of those meetings to be held at ACWA spring and fall conferences.

Attendance

If a region chair or vice chair is no longer allowed to serve on the Board of Directors due to his / her attendance, the region board shall appoint from the existing region board a new region officer. (ACWA Policy & Guideline Q, 1.)

If a region chair or vice chair misses three consecutive region board / membership meetings, the same process shall be used to backfill the region officer position. (ACWA Policy & Guideline Q, 1.)

If a region board member has three consecutive unexcused absences from a region board meeting or general membership business meeting, the region board will convene to discuss options for removal of the inactive board member. If the vacancy causes the board to fail to meet the minimum requirement of five board members, the region must fill the vacancy according to its rules and regulations. (ACWA Policy & Guideline Q, 3.)

Vacancy

If the chair's position becomes vacant, the vice chair will fill the chair's position.

If the vice chair's position becomes vacant, the alternate chair will fill the vice chair's position

Elections

All nominations received for the region chair, vice chair and board positions must be accompanied by a resolution of support from each sponsoring member agency, signed by an authorized representative of the Board of Directors. Only one individual may be nominated from a given agency to run for election to a region board. Agencies with representatives serving on the nominating committees should strive not to submit nominations for the region board from their agency. (ACWA Policy & Guideline P, 2.)

Election ballots will be e-mailed to ACWA member agency general managers and presidents.

The nominating committee shall consist of three to five members.

SECTION L3e, PAGE NO. 3

The nominating committee should pursue qualified members within the region to run for the region board, and should consider geographic diversity, agency size and focus in selecting a slate.

See the current region election timeline for specific dates.

Endorsements

ACWA, as a statewide organization, may endorse potential nominees and nominees for appointment to local, regional, and statewide commissions and boards. ACWA's regions may submit a recommendation for consideration and action to the ACWA Board of Directors to endorse a potential nominee or nominee for appointment to a local, regional or statewide commission or board. (ACWA Policy & Guideline P, 3.)

Committee Recommendations & Representation

All regions are given equal opportunity to recommend representatives of the region for appointment to a standing or regular committee of the Association. If a region fails to provide full representation on all ACWA committees, those committee slots will be left open for the remainder of the term or until such time as the region designates a representative to complete the remainder of the term. (ACWA Policy & Guideline P, 4. A.)

At the first region board / membership meeting of the term, regions shall designate a representative serving on each of the standing and regular committees to serve as the official reporter to and from the committee on behalf of the region to facilitate input and communication. (ACWA Policy & Guideline P, 4. B.)

Tours

ACWA may develop and conduct various tours for the regions. All tour attendees must sign a "release and waiver" to attend any and all region tours. Attendees agree to follow environmental guidelines and regulations in accordance with direction from ACWA staff; and will respect the rights and privacy of other attendees. (ACWA Policy & Guideline P, 6.)

Finances

See "Financial Guidelines for ACWA Region Events" document.

Amending the Region Rules & Regulations

ACWA policies and guidelines can be amended by approval of the ACWA Board of Directors.

The Region 1 Rules & Regulations can be amended by a majority vote of those present at any Region 1 meeting as long as a quorum is present.



REGION BOARD CANDIDATE NOMINATION FORM

Name of Candidate: _____

Agency: _____ Title: _____

Agency Phone: _____ Direct Phone: _____

E-mail: _____ ACWA Region: _____ County: _____

Address: _____

Agency Function(s): (check all that apply)

- | | | |
|---|---|---|
| <input type="checkbox"/> Wholesale | <input type="checkbox"/> Sewage Treatment | <input type="checkbox"/> Flood Control |
| <input type="checkbox"/> Urban Water Supply | <input type="checkbox"/> Retailer | <input type="checkbox"/> Groundwater Management / Replenishment |
| <input type="checkbox"/> Ag Water Supply | <input type="checkbox"/> Wastewater Reclamation | <input type="checkbox"/> Other: _____ |

Describe your ACWA-related activities that help qualify you for this office:

In the space provided, please write or attach a brief, half-page bio summarizing the experience and qualifications that make you a viable candidate for ACWA Region leadership. Please include the number of years you have served in your current agency position, the number of years you have been involved in water issues and in what capacity you have been involved in the water community.

I acknowledge that the role of a region board member is to actively participate on the Region Board during my term, including attending region board and membership meetings, participating on region conference calls, participating in ACWA's Outreach Program, as well as other ACWA functions to set an example of commitment to the region and the association.

*I hereby submit my name for consideration by the Nominating Committee.
(Please attach a copy of your agency's resolution of support/sponsorship for your candidacy.)*

Signature_____
Title_____
DateSubmit completed form to Ana Javaid at anaj@acwa.com.

Submit

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
(DISTRICT NAME)
PLACING IN NOMINATION (NOMINEE NAME)
AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
REGION ____ (POSITION)**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF (DISTRICT NAME) AS FOLLOWS:

A. Recitals

(i) The Board of Directors (Board) of the (District Name) does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA).

(ii) (Nominee Title), (Nominee Name) is currently serving as (Position) for ACWA Region ____

and/or

(iii) (Nominee Name) has indicated a desire to serve as a (Position) of ACWA Region ____.

B. Resolves

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF (DISTRICT NAME),

(i) Does place its full and unreserved support in the nomination of (Nominee Name) for the (Position) of ACWA Region ____.

(ii) Does hereby determine that the expenses attendant with the service of (Nominee Name) in ACWA Region ____ shall be borne by the (District Name).

Adopted and approved this ____ day of ____ (month) 2018.

(SEAL)

(Nominee Name), (Title)
(District Name)

ATTEST:

(Secretary Name), Secretary

I, (SECRETARY NAME), Secretary to the Board of Directors of (District Name), hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the ____ day of ____ (month) 2018, and was adopted at that meeting by the following roll call vote:

AYES:

NOES:

ABSENT:

ATTEST:

(Secretary Name), Secretary to the
Board of Directors of
(District Name)

RREDC/RCEA



Redwood Coast Energy Authority

SECTION 4, PAGE NO. 1

633 3rd Street, Eureka, CA 95501

Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777

E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

MEETING AGENDA

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

December 18, 2017
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 Ahn Fielding or front office staff at RCEA, 633 3rd Street, Eureka, or by calling 269-1700, or by e-mail at ahfielding@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 & 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 November 20, 2017 Regular Board Meeting.

3.2 Approve Warrants.

3.3 Accept Financial Reports.

3.4 Authorize Staff to approve and execute a contract with Nylex.NET Inc. for professional services upon final approval of General Counsel.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

5. OLD BUSINESS

5.1 Revisions to RCEA Board of Directors Operating Guidelines

Adopt Resolution 2017-6, Revisions to RCEA Board of Directors Operating Guidelines.

6. NEW BUSINESS

6.1 Update to the RCEA Harassment Policy

Adopt Resolution 2017-7, Adopting the RCEA Harassment Policy and Complaint Procedure, and replace the previously adopted RCEA Unlawful Harassment Including Sexual Harassment Policy.

6.2 Humboldt County Airport Solar-microgrid Project

Accept the proposal for the Humboldt County Airport solar photovoltaic project submitted by McKeever Energy and Electric (ME&E) and direct staff to negotiate a contract with ME&E if funding is secured and subject to final Board approval of the project.

6.3 Offshore Wind – Principle Power

Receive report on activities to date and next-steps for community engagement, grid interconnection, site-selection, and federal leasing process.

6.4 2017 year-end Recap

Receive summary report on 2017 activities and outcomes.

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 weighting voting as established in the RCEA joint powers agreement.

7. OLD CCE BUSINESS

7.1. Biomass Procurement Options Update

Consider options related to additional biomass procurement and direct staff to move forward toward a preferred option.

8. NEW CCE BUSINESS

None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1 Executive Director

- Work with the Governor's Office of Planning and Research on regional and state-level renewable energy planning

DISCLOSURE OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

The Redwood Coast Energy Authority Board of Directors will meet in closed session to consider the items listed under agenda item number 11, "Closed Session."

10. PUBLIC COMMENT REGARDING THE CLOSED SESSION ITEM(S)

11. CLOSED SESSION

With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54957(b)(1):

- 11.1. Public Employee Performance Evaluation
 - 11.1.1. Executive Director

12. RECONVENE TO OPEN SESSION

13. REPORT FROM CLOSED SESSION

14. ADJOURNMENT

NEXT REGULAR MEETING
January 22, 2017 3:15 p.m.
Humboldt Bay Municipal Water District Office
828 7th St, 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

MEETING MINUTES

**Humboldt Bay Municipal Water District Office
828 7th St, Eureka, CA 95501**

**November 20, 2017
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 Ahn Fielding or front office staff at RCEA, 633 3rd Street, Eureka, or by calling 269-1700, or by e-mail at ahfielding@redwoodenergy.org, by noon the day of the meeting.

ROLL CALL

Board Chair Woo called the meeting to order at 3:15 p.m.

Present: Dean Glaser, Austin Allison, Estelle Fennell (arrived at 3:21 p.m.), Sheri Woo, Paul Pitino, Frank Wilson, Michael Sweeney (arrived at 3:18 p.m.), Dwight Miller, Bobbi Ricca

Absent: Michael Winkler

1. REPORTS FROM MEMBER ENTITIES

In Board Member Sweeney's absence, Board Chair Woo announced Ferndale is officially in the CCE. Staff Director Richard Engel confirmed the California Public Utilities Commission certified the implementation plan submitted in August (expanding service territory). In the month of January RCEA will enroll Ferndale customers and the last round of the net-metered solar customers across the County, which will complete Humboldt County's enrollment in the program.

Chair Woo also announced Staff Director of Power Resources Richard Engel is the Acting Executive Director for this meeting in Matthew Marshall's absence.

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 & 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 community Mary Sanger spoke as a representative of 350 Humboldt, an affiliate of 350.org. 350.org is launching a 3-part fossil-free campaign, which includes 1) no new fossil fuel infrastructure projects anywhere in the US, 2) to pass 100% clean energy resolutions through city councils, and 3) climate equity/justice. 350 developed a position paper stating biomass is not exactly a clean energy resource, despite the State of California definition that it is clean energy. She stated 350 Humboldt is less concerned with biomass in particular as a climate issue than they are with ensuring RCEA is getting the best possible value on the cleanest possible energy.

Dana Boudreau with RCEA congratulated the City of Arcata for finishing its multi-use trail.

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 October 16, 2017 Regular Board Meeting.

3.2 Approve Warrants.

3.3 Accept Financial Reports.

3.4 Approve Account Services Manager Job Description and Revised Org. Chart.

3.5 Approve Amendment No. 1 to Lease Agreement for 633 3rd Street removing short-notice cancellation clause and authorize the ED to sign the Amendment.

Chair Woo pulled consent calendar items 3.1, 3.3, and 3.4.

M/S/C: Ricca, Sweeney: Approve consent calendar items with the exception of 3.1, 3.3, and 3.4.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

3.1 Chair Woo thanked the clerk for the recording of the minutes.

M/S/C: Miller, Sweeney: Approve consent calendar item 3.1.

3.3 Chair Woo asked about the status of the audits. Staff Director Steve Edmiston reported the FY 14-15 audit is completed and field work for the FY 15-16 audit is scheduled for the 1st or 2nd week of December, with a January or February board meeting goal for a final report. Then the FY 16-17 audit work will begin. The local CPA firms are dependent on tax work which will impact spring deadlines.

M/S/C: Ricca, Miller: Approve consent calendar item 3.3.

3.4 Chair Woo asked for clarification on the organizational chart, specifically what positions are vacant. Staff Director Engel reported in addition to the agenda item for the Account Services Manager, there are three positions still vacant, a Community Strategies Coordinator, an IT Specialist in Operations, and a Coordinator position in HR & Finance. Staff Director Edmiston reported he anticipated filling his position at a later date when there is more physical space and as the work volume increases. Staff Director Engel noted recent and current active recruitments have been primarily for termed intern positions, usually students. He proceeded to review the 3.4 staff report and proposed deleting the "and/or" in the new proposed Account Services Manager job description.

M/S/C: Pitino, Ricca: Approve consent calendar item 3.4 with the deletion of "and/or" in the new proposed job description, as well as the revised organizational chart.

5. OLD BUSINESS

None.

6. NEW BUSINESS

6.1 Revisions to Board Operating Procedures

Adopt Revisions to RCEA Board of Directors Operating Guidelines.

Legal Counsel Nancy Diamond discussed the history and new proposed language in the RCEA Board of Directors Operating Guidelines. Key suggestions for board consideration are:

- Under Ad Hoc Committees and Working Groups, suggested language was added for board consideration around 1) how the board can create ad-hoc committees as needed, and 2) how the board can authorize the Executive Director to create a temporary committee.
- Under Community Advisory Committee: Other language to consider is how the committee agenda would be set: primarily by the ED with input from the Board.
- Under Agenda Development: Suggested language addresses how new agenda items are brought forward – agenda items could be added by the ED, or agenda items could be proposed at Board meetings by Board members or the public, with a Board vote required to approve a proposed item. The executive committee (Chair, ED, Legal Counsel and a rotating Board member) would meet prior to publishing each agenda to finalize it.

There was discussion about process for getting time-sensitive items on the board agenda in a timely manner while still being engaging and transparent. It was acknowledged that a special meeting could always be set if there truly was an exceptional need to hear an item. Legal Counsel Diamond noted most of the time board-generated items are policy driven thus not usually time-urgent.

Chair Woo discussed concerns regarding membership designation on informal working groups (section 5.4 of the draft), that it should be the board's responsibility to designate membership rather than staff. It was suggested that the second paragraph in section 5.4 be removed and language be added clarifying that when a task force or working group is formed that the board determine its representation/membership and/or a process to determine an application process if applicable.

Legal Counsel Diamond asked if the board was interested in addressing what to do with materials received after the board packet has been distributed but said material is relevant to a board agenda item. The board discussed a preference to not outline a process but rather to allow for situational responses on a case-by-case basis.

M/S/C: Fennel, Ricca: Staff and Legal Counsel prepare discussed revisions to RCEA Board of Directors Operating Guidelines and return to the board for consideration.

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 weighting voting as established in the RCEA joint powers agreement.

7. OLD CCE BUSINESS

7.1 Biomass Procurement Options Update

Continue discussion of procurement options.

Staff Director Engel provided a PowerPoint presentation to review staff report 7.1.

RCEA staff have been working with The Energy Authority (TEA) to examine the potential impacts that more biomass procurement could have on continuing to achieve program targets.

In September, 2016 the Board adopted a set of strategy and target guidelines to structure financial performance, power objectives, existing renewables, other renewables, and customer programs. Director Engel reviewed these objectives and progress to-date on achieving them.

Looking ahead into TEA's 2018 cost analysis: Expected end of 2017 reserves are projected to exceed \$5MM on an accrual basis (not a cash basis). The forecasted supply costs have increased \$1.20/MWh since the Risk Management update at the October board meeting. The material change provision with HRC is unlikely to be triggered (a provision allowing us to renegotiate the contract if it looked like we were not able to offer our customers a 3% rate discount or where we could not put at least \$2MM in reserves per year). It would be financially difficult to add DG Fairhaven to the program while continuing current program goals. The net DG Fairhaven annual costs are roughly \$280,000/MW. The PCIA stress test – calculating a scenario with an unexpected PCIA increase would result in an annual cost increase over \$1MM. Headroom (the gross available for RCEA to invest in program expenditures) is looking a little less since the October report, bringing projected net reserves down from \$3.15MM to \$2.75MM. Staff Director Engel reviewed TEA's reserve projection charts with different scenarios, altering portfolio options and levels, with and without DG Fairhaven. He noted the PG&E rates and the value of the PCIA won't be available until January, therefore known values for the cost modeling can't be calculated until then.

Member Fennel asked if a stress test could be calculated without the optimum renewable portfolio.

Member of the public Bob Marino asked why the updated headroom on page 11 shows a decrease in PCIA, which is a different number than the expected PCIA + \$2 on page 16. Staff Director Engel stated it is likely due to the rapid changes of data and that they are predictions based on moving targets of data. Mr. Marino also asked about the 6MW feed-in tariff – whether or not that was taken into consideration on the PCIA stress test. Director Engel reported no because the discretionary customer program data is excluded in cost modeling as to not influence any material change provisions. Member of the public Rex Bohn stated he recalls earlier discussions regarding biomass goals, and the board had discussed using 2 out of 3 biomass plants, benefitting the timber products industry. He stated it's a safe renewable greenhouse gas. As a public benefit, he asked if we could think a little more locally than globally. He added that we have the facilities that have been working in the past, that we should look at adjusting

the pie chart of renewables, and that supporting local renewable generation trickles down into the local economy and adds to the community's bottom line.

Member Wilson expressed the importance of considering biomass generation redundancy and noted if the DG Fairhaven plant cannot be restored in the near term, it is unlikely dollars would be invested to return the plant to operational stage in the future. There is an impact on the economy.

Member Fennell agreed with previous comments and stressed the importance of focusing on local renewable value-added products, as well as the importance of redundancy and a safeguard in case one operation has issues so we wouldn't be without the biomass generation. She expressed concern about DG Fairhaven having to close if they cannot get an agreement, that we should support local business.

Member Sweeney asked if the forecast modeling looked at what it would take to include DG Fairhaven and if it was a matter of reducing reserves to do so. Staff Director Engel responded that the decision would be the Board's in determining portfolio balance and reserves, though there is some limitation on minimum reserve amounts based on our initial agreement with TEA – because TEA extended credit to RCEA for launch purposes, they set minimum reserve requirements for us.

Chair Woo acknowledged that if DG Fairhaven were included, we would have to change some of our guideline policies. She recalled some CCE launch workshops and board meetings where the messaging from the community members opposed to biomass power was that if we had more biomass they would opt-out of our program.

Member Fennell acknowledged those meetings and noted opponents opted out anyway. She stressed that people are tied to the idea of producing local energy of all types, wind, solar, and biomass. Including DG Fairhaven might be tight, but the benefits of local production are still high, and perhaps a material change clause can be written to address financial emergency situations.

Member Pitino asked about the quality of the chips which might be available to burn and if we would be reducing the supply of higher quality mass to burn by having another plant, as it is his understanding that there must be the inclusion of high grade product in the mix to burn cleanly. With the loss of Sierra Pacific and the decline/shut down of other mills, he has a concern.

Chair Woo acknowledged RCEA can't tell the plants how to run their operations, only that they must comply with the laws and environmental standards.

Member of the public Rex Bohn stated Korbel has been shut down and in the last 1.5 years \$35MM has been invested to reopen it, so that will be a new supply source and unless DG Fairhaven opens, they're probably going to put an on-site power plant for themselves.

Member Wilson added Sierra Pacific also exported chips.

Member Miller acknowledged there are a lot of variables to consider and he is concerned about levels of CO₂. He stated we need to consider if we can get cheaper sources of energy that don't produce CO₂. The issue of keeping people employed is an emotional issue. He added that behavioral economics, analyzing things based on how people feel rather than spreadsheets, is real. Also that though the air quality standards are set, the allowable levels can still cause cancer.

Member Allison acknowledged this is a tough issue and stressed the importance of making objective decisions and to consider all the facts. Biomass is expensive and the board has previously talked about RCEA creating reserves to purchase and invest in new renewable projects that are local. Alternative projects could be cheaper per kWh and less harmful to the environment.

Member Fennell mentioned consideration of CO₂ emissions from biomass versus wildfire or individuals burning slash. At least with biomass the emissions are regulated and monitored. She stressed that the present is equally as important as the future and we need jobs now as well as in the future.

Chair Woo asked that the slides be put on website and asked if perhaps the board needs to go through the presentation again in another meeting.

Member Sweeney recalled hearing a lot about particulate matter in early implementation workshops and meetings and that the standards don't address the health risks, but at that time what the board tried to do was create an optimal situation where the number of power plants (2) and the existing volume was limited to not expand and generate more than they already are so the emissions would be fixed, as well as relying on the air quality district to ensure they are meeting the standards.

Member of the public Bob Marino stated at the December meeting he would like to see action item, but it probably won't happen without confirmed PCIA information in January. He stated if he was in the board's position, he would be asking staff for a more detailed analysis of the bar graphs, as they are valuable, but also a bit general. It would be good to get down to nuts and bolts in December and see where and what can be done. He further stated DG Fairhaven can probably hold out another month, but their position is tenuous. He believes the board recognizes the value biomass has in the community. Without a biomass plant in Humboldt, all of the mill waste is either going to be open burned or trucked out of the area which is an even greater carbon footprint.

Member Sweeney clarified that the mill waste is lowest value of the waste, that all the value of the material has been removed and what is left is what is burned in the plants.

Member of the public Bob Marino confirmed the plants will burn anything that doesn't have a higher value. They don't burn chips, as chips get exported for other purposes.

Member Wilson requested more information be provided from the staff report (page 40 of the board packet) to better understand comparing costs (such as for every MW with DG Fairhaven, it adds approximately \$280,000 above the cost of procuring), what we're comparing it to, how we're comparing it, and whether it's a direct correlation or is it in lieu of whether we're going to still sell power.

Member Miller stated we need to bring together the central variables of the discussion, jobs, CO2, cost to us, all this information needs to be simplified in some way. All the concerns are conflicting and have merit and he needs more information.

Chair Woo directed staff bring the matter back to the board at the next meeting.

8. NEW CCE BUSINESS

None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1. Director of Business Planning and Development

- Principle Power Update

Staff Director Engel summarized the narrative included in item 9.1 staff report. He added there's an annual window that CAISO has for applying for an interconnection study (April 2018), so that's the driver for developing a next steps timeline.

Member Allison added Antoine Peiffer from Principle Power met with the City of Eureka Economic Developer to look at property and location possibilities for project development, and the city introduced Kevin Banister from Principle Power to Senator Mike McGuire.

DISCLOSURE OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

The Redwood Coast Energy Authority Board of Directors will meet in closed session to consider the items listed under agenda item number 11, "Closed Session."

10. PUBLIC COMMENT REGARDING THE CLOSED SESSION ITEM(S)

11. CLOSED SESSION

With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54957(b)(1):

- 11.1. Public Employee Performance Evaluation
 - 11.1.1. Executive Director

12. RECONVENE TO OPEN SESSION

13. REPORT FROM CLOSED SESSION

Board Chair Woo announced there was nothing to report from closed session.

14. ADJOURNMENT

Board Chair Woo adjourned the meeting at 6:45 p.m.

Respectfully submitted: Ahn Fielding