

**Humboldt Bay Municipal Water
District 828 7th Street, Eureka**



Minutes of the Special Meeting of

the Board of Directors

May 20, 2026

1:00 p.m.

1.1 ROLL CALL

President Fuller called the meeting to order at 1:04 p.m. Roll call was conducted. Directors Fuller, Rupp, Stevens, and Woo were present. General Manager Michiko Mares, Director of Operations and Maintenance Dale Davidsen, Director of Finance and Human Resources Chris Harris, and Board Secretary Contessa Dickson were present. Director Wheeler was absent.

1.2 PLEDGE OF ALLEGIANCE

President Fuller led the flag salute.

1.3 ACCEPT AGENDA

ACTION: Motion #26-031 to accept Agenda

Maker: Director Woo

Second: Director Rupp

Vote: 4-0 to approve

2. PUBLIC COMMENT

No public comment was received.

3. PRESENTATIONS:

3.1 Presentation of Proposed FY2026/2027 Budget Introduction

Ms. Harris delivered a presentation on the proposed FY2026/2027 Budget, including an overview of the budget review schedule and major budget components. She noted the proposed budget is anticipated to be brought back to the Board for consideration and possible adoption at the June 11, 2026, Regular Board Meeting. Ms. Harris also reviewed projected municipal customer charges and major budget components.

3.1.a Service and Supply

Ms. Harris reviewed the proposed Service and Supply Budget, including increases related to information technology and software maintenance, cyber security upgrades, regulatory agency fees, insurance, professional services, accounting services, legal services, and materials and supplies. She discussed increases related to Microsoft 365 fees, software maintenance, and additional router and server costs. The Board asked clarifying questions regarding insurance increases, dues and subscriptions, and operational impacts.

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3.1.b Salaries and Employee Benefits

Ms. Harris reviewed the proposed Salaries and Employee Benefits Budget, including the proposed 4.4% Cost of Living Adjustment (COLA), salary schedule adjustments, succession planning coverage, staffing additions, and increases related to CalPERS, payroll taxes, and health insurance premiums. She also discussed the proposed Maintenance Mechanic I position and proposed tiered sick leave accrual structure. The Board asked clarifying questions regarding staffing, succession planning, unfunded liabilities, and employee benefits.

3.1.c Project Budget

Ms. Harris reviewed the proposed FY2026/2027 Project Budget totaling approximately \$13.3 million, including maintenance, capital, equipment and fixed assets, and professional services and consulting projects. She highlighted several major projects and reviewed proposed funding sources, including customer charges, advanced charges, grants, and reallocated funds. The Board asked clarifying questions regarding grants, FEMA reimbursements, project funding, and long-term capital planning. The Board expressed appreciation for the thorough information provided. Ms. Harris noted staff would remain available for follow-up questions prior to consideration and possible adoption of the FY2026/2027 Budget at the June 11, 2026, Regular Board Meeting.

ADJOURNMENT

The meeting adjourned at 2:25 p.m.

Attest:


Michelle Fuller, Board President


Contessa Dickson, Board Secretary