



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Board of Directors Meeting

June 2016



Mad River Slough Crossing

Minutes



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka

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A. **OATH OF OFFICE**

President Hecathorn conducted the swearing in of Director Neal Latt who was appointed on March 10th to fill the Division 1 vacancy. The Board welcomed Director Latt.

B. **ROLL CALL**

President Hecathorn called the meeting to order at 9:03 am. Director Rupp conducted the roll call. Directors Hecathorn, Laird, Latt, Rupp and Woo were present. General Manager Paul Helliker, Business Manager John Friedenbach and Board Secretary Sherrie Sobol were also present. Susan O’Gorman of GHD was present for a portion of the meeting.

C. **FLAG SALUTE**

President Hecathorn led the flag salute.

D. **ACCEPT AGENDA**

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

E. **MINUTES**

On motion by Director Woo, seconded by Director Rupp, the Board voted 5-0 to approve the Minutes of February 29 and March 9 Special Meetings. Directors Woo and Laird requested changes to clarify the minutes of the March 10 Regular Meeting. On motion by Director Rupp, seconded by Director Laird, the Board voted 5-0 to approve the amended minutes for the March 10 meeting.

F. **PUBLIC COMMENT**

Mr. Dave Feral congratulated Director Latt on his appointment.

G. **CONSENT AGENDA**

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

H. **CORRESPONDENCE**

There was no correspondence to discuss.

I. **CONTINUING BUSINESS**

1. **PG&E power sales contracts**

As reported last month, JTN successfully negotiated a Small Generator Interconnection Agreement (SGIA). The Board authorized approval of the SGIA agreement. The next item to discuss is the ReMAT contract. Mr. Helliker discussed the few parameters that can be negotiated in the ReMAT contract (contract capacity - kW, contract amount – kWh per year and guaranteed energy production - % of contract amount.) He stated he initially planned to recommend the Board proceed with the ReMAT contract with the contract parameters recommended in the staff report and secure current pricing. However, based on HBMWD and GHD staff review of potential capital investments at the hydro plant, Mr. Helliker stated that the District had secured the services of a consultant with expertise in the operations of hydro plants, Mark Trawick of RTA Construction, to assess the quality and status of the hydro plant facilities. In his initial conversation with Dale Davidsen, Mr. Trawick indicated there might be potential to increase



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production by 20% with installation of new generators and turbine runners. Mr. Helliker stated that if production can be increased at a low investment, the District should reconsider the numbers used for the ReMAT contract. Given this new information, Mr. Helliker recommended no decisions be made regarding ReMAT until the Facility Analysis for Operational Life Expectancy and Current Mechanical Condition Opinion is received. The Directors asked several questions about the ReMAT contract and the CCA. Director Rupp confirmed that the Board would need to approve the ReMAT contract with PG&E before Mr. Helliker signed it. Mr. Helliker concurred and stated the contract would likely be ready for approval at the July meeting. He added that if the timing did not work with the regular meeting, he would convene a Special Board Meeting, to review and approve the contract.

2. Water Conservation Regulations

On April 20, the State Water Resources Control Board (SWRCB) will hold a workshop on potential changes to the emergency drought conservation regulations. Mr. Helliker stated the District would prepare a joint letter with our Municipal Customer to reiterate the fact that in Humboldt County, we are not experiencing drought conditions and so emergency conservation regulations are not necessary. Del Norte, Marin and Sonoma agencies will also join us in advocating for rescission of the drought emergency conservation regulations since their reservoirs are either full or are higher than average. During a conference call with the SWRCB in March, their staff discussed some potential long-term programs/authorities they would like to create. The state would like all agencies to implement the Statewide Emergency Drought Regulations regardless of local conditions and mandate the retrofit of landscapes to meet the latest standards that apply to new landscapes. ACWA does not agree with this approach and is asking member agencies to adopt a resolution stating this. In order to be prepared to respond to any proposed legislation, staff recommends the Board approve Resolution 2016-3 Potential Legislation Concerning Water Conservation Regulatory Programs. The Board discussed the resolution and suggested a few changes. On motion by Director Laird, seconded by Director Woo, the Board voted 5-0 by roll call vote to adopt Resolution 2016-03 Potential Legislation Concerning Water Conservation Regulatory Programs.

3. Update on Cannabis activities

Mr. Feral provided an update on the cannabis compliance workshops organized by Mad River Alliance and its partners. The workshops include presentations from the Regional Water Quality Control Board, California Department of Fish and Wildlife, CalFire, and other industry specialists that provide information on regulatory requirements, compliance mechanisms and best management practices. The first meeting was in Blue Lake. They anticipated around twenty-five attendees and over 75 attendees showed up! The workshop at the Mateel Community Center drew in over 150 attendees. A total of six workshops are scheduled and the feedback from the first few workshops has been very positive. Mr. Feral anticipates about 300 attendees at the Eureka workshop. Attendees receive a Compliance Workbook which he shared with the Board. He thanked the Board for their financial assistance in producing the workbook and supporting efforts to bring growers into compliance, thus protecting the watershed and environment. Mr. Feral stated that County Board of Supervisors Fennell, Sundberg, and Bohn were also present at the workshops in their respective Districts and discussed the Humboldt County Ordinance on cannabis.



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4. Mad River Cleanup

Mr. Feral provided information on the upcoming Mad River Clean Up day on April 23. The Mad River Alliance is again sponsoring the event and this year they are teaming up with New Directions. They also received funding from the Blue Lake Rancheria. He encouraged the Board to share the information and attend the event. The Board thanked Mr. Feral for all his work with the Mad River.

5. Urban Water Management Plan

Mr. Friedenbach shared information on the Urban Water Management Plan (UWMP). The District is currently updating its plan. The purpose of the plan is to support long-term resource planning and ensure adequate water supply availability to meet existing and future water demands. State law requires the submittal of an updated plan to the Department of Water Resources (DWR) every five years and they review them to ensure it meets the requirements identified in the UWMP Act. In order to be eligible for a state water loan or grant, water agencies are required to have a UWMP that is deemed "complete" by the DWR. Without a "complete" UWMP, the District would not be eligible for Prop. 84 grants or other state funding. In 2010, the District had Kennedy Jenks Consultants (KJC) provide a review of the UWMP prior to submittal to the DWR. The review helped ensure the 2010 UWMP was approved by DWR without additional modification. The District will again use the services of KJC for review. Staff will submit the final draft of the UWMP to the Board for review prior to conducting the Public Hearing and adoption of the plan. The Public Hearing is scheduled for the June 2016 meeting and the Board will consider adoption of the plan after the Hearing.

6. Water Resource Planning

Local

Mr. Helliker stated he met with staff from Rio Dell, MCSD, HCSD, Trinidad and Trinidad Rancheria to organize a project proposal for the State Revolving Loan funds to conduct the next level of planning and design for expansion of the transmission system north and south to their areas. The Trinidad Rancheria and the City of Rio Dell agreed to be funding applicants, given their status as economically disadvantaged communities. The District will explore the option of serving as grant administrator. GHD volunteered to put together a proposal free of charge. The Board acknowledged the generosity of GHD.

Transport

Mr. Helliker reported Bob Simpson met with him regarding a project idea involving water sales. There is nothing concrete yet and Mr. Simpson is in the inquiry phase. Director Rupp stated the Board needs to select a new Transport Committee member next month. He suggested President Hecathorn consider being on the committee. Staff stated the item will be on the May agenda.

Instream Flow

Mr. Helliker shared the feedback received from the Wildlife Conservation Board grant manager as to why our grant application was denied. The proposal was rated highly on most aspects but comments from CDFW regional staff caused it to be rated too low to fund. Assertions by CDFW staff were that we don't need an estuary study since there is a lot of information upstream that can be extrapolated to the estuary and we don't need to do anything other than mimic "natural" flows.



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Mr. Helliker shared with the grant manager the results of a feasibility study we did in collaboration with CDFW and other resource agencies. The result of the study was the recommendation that, because the estuary has been studied so little, we focus our work on analyzing flows and habitat there to determine the benefits of streamflow enhancement. The grant manager suggested the District resubmit the grant application and include the feasibility study we did.

The Instream Flow committee met to discuss the status of work in this area. They recommended staff review the process for streamflow dedication in Section 1707 of the Water Code and inform the Board on how the District could proceed directly to do such a dedication.

J. **NEW BUSINESS**

CLOSED SESSION- this will be the last item on the agenda

Closed session began at 2:20 pm. The Board returned to open session at 3:12 pm. President Hecathorn requested Mr. Helliker to prepare an amendment to Section 4 of his contract and bring it back next month for review.

K. **REPORTS (from Staff)**

1. **Engineering**

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

Ms. O’Gorman stated the contractor submitted the work schedule for the project. The new project completion date is December 14, 2016. She stated staff will bring back a no cost change order to reflect the date change.

Blue Lake-FG CSD Water Line Replacement over Mad River (funded by Prop 84

The District requested GHD assess two alternatives for the existing crossing to supply domestic water across the Mad River to the communities of Fieldbrook, Glendale and Blue Lake. The alternatives are Horizontal Directional Drilling under the river or a Suspended Waterline over the river. GHD recommends the Horizontal Directional Drilling (HDD) option. This is based on several key factors, including several environmental investigations and geotechnical investigations. Ms. O’Gorman stated this option is less expensive, results in less environmental impact, will not affect the archeological cultural site, and would require reduced maintenance costs. If the Board concurs with the recommendation, the next step is to complete the NEPA process, then proceed with the design phase. Director Laird was concerned that choosing an option today would preclude a pedestrian crossing without the proponents of the Annie and Mary Trail being aware of a decision. The Board agreed to postpone ~~a decision on the project scope until the May meeting, to allow time for conversations with various stakeholders about the option identified by GHD as the most cost-effective.~~ their decision on whether to proceed with an underwater tunnel river crossing versus a bridge until the May meeting, so stakeholders interested in establishing the “Annie and Mary” trail could be notified of the Board’s intent to make a decision regarding the type of river crossing it would pursue.

FEMA Hazard Mitigation Grant (HMG) and Pre-Disaster Mitigation Grant (PDMG) Submittals

Mr. Friedenbach stated the HMG is for California projects only and this funding cycle has more grant funding available than previous years. The PDMG is open to projects nationwide. The



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District is applying for HMG funding for the Surge Tower and 12Kv Switchgear projects. Funding for the 12Kv Switchgear is also being pursued under the PDMG.

Potential Exposure of Pipeline on New Navy Base Road

Ms. O’Gorman stated additional erosion is going on and causing exposure of the District pipeline on New Navy Base Road. Pat Kaspari and District staff met with the County, Coast Guard and PG&E to discuss this as it affects their infrastructure as well. The Coastal Commission must approve any work prior to commencing repairs. Staff is coordinating a meeting with above mentioned agencies and the Coastal Commission to discuss options. Director Laird recommended the District pursue a Prop 1 grant to create a “living shoreline” as a form of protection for our waterline in lieu of hardening the shoreline.

Coonrod/Hog Island Oyster/Wayne Bare developments

Mr. Friedenbach reported that he and Mr. Davidsen met with Mr. Coonrod and the City of Arcata to discuss his plans. Mr. Coonrod was amenable to changing his lot design so as not to encroach on the District pipeline. The District agreed to change its floating easement to a fixed easement. Mr. Friedenbach will share Mr. Coonrod’s new design with the Board once it is available.

2. **Financial**

Financial Report

Director Rupp provided the March financial report. President Hecathorn reviewed the bills and stated everything was okay. Director Latt noted that year to date maintenance costs appeared to be low. Mr. Davidsen replied that several expensive projects are coming up and the budgeted money will be spent. Director Rupp added that this is a typical budget scenario. Much of the work is done in-house and May and June are very busy project months.

On motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 to approve the March 2016 financial statement & vendor detail report in the amount of \$203,269.04.

CalOES Compliance Review Report re: Techite

Mr. Friedenbach shared that last month, as part of the audit statement, the auditors highlighted a footnote in their statement regarding the Techite Project. \$378,000 was potentially at risk of not being funded, based on a compliance field review in 2012. The District responded to the field review with a corrective action plan. The letter received from CalOES acknowledges receipt of the plan and they have accepted it with no further action required. This is good news and repayment of funds is not required.

Surplus Equipment

Mr. Friedenbach stated the District is requesting approval to surplus a GIS computer and 2 monitors at the Eureka office. On motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 surplus the items.

3. **Operations**



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Mr. Davidsen provided the April Operational Report. He noted three employees took their Distribution Certification exams and all felt they were successful. He noted that the District has been working on getting a Treatment Certification (T-3) for one of the employees and there are now changes in the process which takes a person much longer to achieve certification. He shared the information since this will affect staffing and may result in more overtime hours for staff. Additionally, one of the Maintenance Mechanics announced his retirement on April 1st, with April 15th being his last day. Mr. Davidsen noted he has already started the process to fill the position.

There is new transformer on Collector 2 and Mr. Davidsen recommends the Board consider declaring the old transformer surplus. On motion by Director Laird, seconded by Director Woo, the Board voted 5-0 to declare the old transformer surplus.

L. DIRECTOR REPORTS & DISCUSSION

1. General

Director Rupp inquired if Mr. Helliker had seen information on the California Water Summit that takes place June 1-3. Mr. Helliker stated he had not but would look into it.

President Hecathorn reported she attended the North Coast ASCE Report Card announcement regarding the Drinking Water Infrastructure. The event took place at the District's Essex Facility. A grade of B was received which was good. She noted that several agencies were in attendance however, there was not much press to cover the event.

Mr. Friedenbach stated that last year, the Board authorized a new position for the Eureka Office, a Customer Service and Accounting Assistant. Corey Borghino was hired to fill this position and is doing a good job. Ms. Borghino will eventually be able to back up Becky in Accounting and Human Resources. He added that it will take some time to transfer Becky's extensive knowledge.

2. ACWA – JPIA

Director Rupp attended a JPIA meeting. The Liability Committee met and had good news-claims were going down. The Worker's Comp Committee met and it looks like rates will be dropping approximately 10 percent. Director Rupp shared that as part of the JPIA Commitment to Excellence program, staff will come to your agency and do a "friendly audit" to help ensure best practices. He also noted that JPIA sent a survey out and would like feedback. Mr. Friedenbach stated District staff received and responded to the survey.

3. ACWA

Mr. Helliker discussed the April ACWA Update on Priority Issues and provided updates on several of them.

Director Woo stated as a new member to the Region 1 Board she is still on a learning curve. She shared her notes from the meeting and noted the next meeting will be ACWA Conference.



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

RCEA

Director Woo attended the RCEA meeting. She stated there were numerous members of the public in attendance to hear about the CCA. Many were concerned about the portfolio mix, however, that was not up for discussion at that point. The purpose of the meeting was to accept a proposal for CCA Development and Operational Services. She acknowledged that Mr. Helliker was on the committee reviewing the request for proposals and was a great asset given his knowledge and prior experience with Marin CCA. The RCEA Board concurred with the committee recommendation and selected The Energy Authority (TEA). She noted that TEA stood out above the others with a proven success record over several years. She added that one of the companies only had one-year experience and another had mere months.

RREDC

Director Rupp attended the RREDC meeting. He shared that Rob Holmlund, Director of Development Services provided a City of Eureka Economic Development Update, the Top 50 Projects. The presentation was very good and there is a lot going on. RREDC is in the process of entering into an agreement with EDA to receive another \$1 million in Revolving Loan Funds. Director Rupp noted this reflects very well on RREDC.

LAFCo

Director Rupp stated he served the last two years on LAFCo and would like to continue for the next four-year term and would appreciate the District's vote. On motion by Director Woo, seconded by Director Laird, the Board voted 5-0 to approve the vote for Director Rupp as the Special District member on LAFCo.

ADJOURNMENT

The meeting adjourned at 3:14 pm.

Attest:

Barbara Hecathorn, President

J. Bruce Rupp, Secretary/Treasurer



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A. ROLL CALL

President Hecathorn called the meeting to order at 9:00 am. Director Rupp conducted the roll call. Directors Hecathorn, Laird, Latt, Rupp and Woo were present. General Manager Paul Helliker, Superintendent Dale Davidsen, Business Manager John Friedenbach, and Board Secretary Sherrie Sobol were also present. Pat Kaspari and John Winzler of GHD were present for a portion of the meeting.

B. FLAG SALUTE

President Hecathorn led the flag salute.

C. ACCEPT AGENDA

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

D. MINUTES

Director Laird requested several changes to the minutes. Director Rupp suggested he provide the revised wording and the Minutes of April 12, 2016 Regular Meeting be brought back next month for approval. On motion by Director Rupp, seconded by Director Laird, the Board voted 5-0 to bring the minutes back with changes for approval next month.

E. PUBLIC COMMENT

No public comment was received.

F. CONSENT AGENDA

Directors Woo and Laird requested Item 1 be pulled.

On motion by Director Woo, seconded by Director Rupp, the Board voted 5-0 to approve the Consent Agenda less Item 1.

Letter from CalFire re: Notice of Inspection

Mr. Rhett Imperiale of Cal Fire conducted a visual assessment of the District property around Ruth Lake. He noted the area exhibited a fairly significant amount of dead, dying and diseased trees that could be harvested under this exemption. Director Woo inquired if the District was going to do anything with the trees noted. Mr. Helliker stated the District can use the exemption to harvest the dead, dying and diseased trees as noted by Mr. Imperiale. Mr. Davidsen stated the leaseholders have been doing this work for several years. They request permission to remove the dead, dying and/or diseased trees off their lease site and the District grants permission to do so using the exemption. Director Laird stated he would like it on record that he does not support cutting trees just because they are dead, dying or diseased. Many of these provide habitat and other benefits for wildlife. Trees should be removed if they pose a threat to structures. He suggested the District have a Timber Management Plan. Director Rupp concurred and suggested the District inform the leaseholders that they are responsible for trees on their lease site. President Hecathorn believes the District should approach this as a joint responsibility. Director Latt suggested in the meantime, only trees that pose that a threat to life or property be removed. Mr. Helliker stated staff will work on a Timber Management Plan.

On motion by Director Woo, seconded by Director Rupp, the Board voted 5-0 to approve Consent Item 1.



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G. CORRESPONDENCE

Letter requesting support for Samoa Peninsula CSD

Mr. Helliker discussed the letter from the Samoa Peninsula Fire District requesting a letter of support for the formation of a Community Services District for the Samoa Peninsula. Mr. Helliker stated the Samoa Peninsula Fire District is in the process of finalizing an application to the LAFCo. The application involves a reorganization for a new district formation concurrently with the dissolution of the existing Samoa Peninsula Fire District. When LAFCo reviews the application, they will be looking for support from a broad range of stakeholders, and are thus requesting a letter of support. Mr. Helliker added they were appreciative the District has a rate structure in place going forward the next five years. This helps them figure out a cost foundation. He also stated in regards to the infrastructure, most of it is already depreciated with the exception of the Techite line. A map showing the Samoa PFD reorganization to a CSD outlined the current Samoa PFD boundary and a section of Samoa that is shown as “possible expansion area”. Director Laird inquired why a portion of Samoa was being left out. Director Rupp stated the District should recoup any costs related to the Techite that were not covered by the grant. Both he and Director Laird expressed concerns about writing a letter of support if the boundaries might change. Director Latt initially suggested a conditional letter of support, then suggested staff call and find out why the town of Samoa is not included. Once more information is available, then send a letter. Given the number of unanswered questions, Mr. Helliker suggested the item come back for discussion in June. In the meantime, he will try to get more information about the boundaries. The Board concurred.

H. CONTINUING BUSINESS

1. Water Conservation Regulations

Mr. Helliker attended the April 20 State Water Resources Control Board (SWRCB) meeting. He and representatives from other water agencies throughout the state testified at that meeting they are not experiencing drought conditions in their water supplies in 2016, and that emergency conservation regulations should be rescinded. Mr. Helliker shared that the SWRCB draft regulations just came out on May 9. They specify that we calculate the supplies available under precipitation conditions in 2013-15 and compare that to demand in 2013 and 2014, and identify any shortfalls. That shortfall will be the new conservation standard in effect through January 2017. We can demonstrate that we have plenty of supply available, and the conservation requirements should be zero.

Mr. Helliker also discussed the Governor’s Executive Order that also came out on May 9th. He noted that Item 6 under Eliminate Water Waste states “ The Water Board and the Department shall direct urban and agricultural water suppliers to accelerate their data collection, improve water system management, and prioritize capital projects to reduce waste.” He did not agree with being forced to prioritize capital improvement projects that reduce waste, especially given our water supply and lack of drought conditions. Director Laird stated the Executive Order is biased in that 10 of 13 directives are aimed at urban water uses and only three towards agriculture. Mr. Helliker added there is nothing directed to commercial/industrial users. The focus is on lawns that only account for 5% of the state use.

2. Water Resource Planning

Local Sales

Mr. Helliker reported that GHD is taking the lead in putting together a proposal for funding of designs and analysis of the pipeline extensions to the north and south. They are collecting



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information for the proposal and are doing this at no cost to the District. Mr. Helliker stated he will follow up with Westhaven and the City of Trinidad to see if they are interested in the project.

Transport

Director Rupp suggested President Hecathorn be on the Transport Committee and she agreed. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to select President Hecathorn as the new Transport Committee member. Staff was directed to schedule a Transport Committee meeting.

Instream Flow

Last month, Mr. Helliker shared feedback from the Wildlife Conservation Board (WCB) as to why the grant application was denied. The proposal was rated high on most aspects but comments from the California Department of Fish and Wildlife (CDFW) caused it to be rated too low to fund. CDFW staff stated an estuary study was not needed. Mr. Helliker stated he shared the letter from the WCB stating this with Tony LaBanca, the Coastal Fisheries Program Manager for CDFW. Director Laird stated it would be good if Mr. LaBanca would confirm in writing that it is not necessary to conduct additional studies.

3. Local Coastal Dependent-Interim Use Local Coastal Program Amendment

Mr. Helliker shared information on an item that went before the Humboldt County Planning Commission. A Public Hearing was held to discuss an Interim Use Local Coastal Amendment that would allow tenants to use the coastal dependent industrial zone for a limited time, even if the business is not coastal dependent. The Harbor District, County, and City of Eureka proposed an interim use term of seven years. The Planning Commission voted against the Interim Use amendment. Mr. Helliker inquired if the District should send a letter of support to the County Board of Supervisors supporting the interim use? Director Rupp stated the District's purview is water and inquired if the District should get involved in a land use battle? Director Woo stated the District should be involved to the extent that we have a water system available for an industrial customer on the peninsula. Director Latt concurred and noted it is better to support an action that facilitates this rather than inaction. He also added that he thought the Planning Commission rejected the proposal because they wanted an interim use term of ten years instead of seven. After additional discussion, the Board concurred and requested staff draft a letter of support to the County regarding the interim use based on the District's water nexus. Mr. Helliker added he will try and get more information as to why the Planning Commission rejected the interim use proposal.

4. CLOSED SESSION- Public Employee Performance Evaluation for General Manager (pursuant to Section 54957(b)(1))

The Board went into closed session at 3:53 pm.

OPEN SESSION

The Board came back into open session at 4:35 pm. President Hecathorn reported they discussed an amendment to the General Manager's contract based on his performance review. In July 2015, District employees received a 2% COLA. Mr. Helliker did not receive an increase and his salary remained unchanged at \$10,200/month. The Board took this into consideration and on motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to include a salary adjustment for 2015 and 2016, bringing Mr. Helliker's new monthly salary to \$10,700/month effective July 1, 2016.



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I. **NEW BUSINESS**

1. **Quagga/Zebra Mussel Infestation Fee Grant Program Application**

The District applied for and received a \$9,150 grant under the 2015/16 Quagga and Zebra Mussel Infestation Prevention Grant Program. Next steps to receive the grant include approving Resolution 2016-4 authorizing the District to execute a grant. Director Rupp read the resolution. On motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 by roll call vote to approve Resolution 2016-4 authorizing the Funding Agreement.

2. **July Board meeting**

Mr. Helliker stated the next JPIA Executive Leadership Training meeting that Mr. Friedenbach is attending will be July 14, the day of the Board meeting. Since the final budget presentation/approval is in July, he recommended the Board consider changing the meeting date to July 13. The Board concurred.

J. **REPORTS (from Staff)**

1. **Engineering**

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

Mr. Kaspari stated the work on the perc pond will begin on May 31 and work on the collectors on June 13th. He stated Change order 2 was issued to change the completion date to 12/31/16 and has no monetary change.

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

As reported last month, GHD assessed two alternatives for a crossing to supply domestic water across the Mad River to the communities of Fieldbrook-Glendale CSD and Blue Lake. GHD recommended the Horizontal Directional Drilling (HDD) but Director Laird requested the Board postpone any decision until the following month. He was concerned that choosing an option would preclude a pedestrian crossing option without the proponents of the Annie & Mary Trail being aware it was even being considered.

Mr. Kaspari stated GHD still recommends the HDD under river crossing. The cost difference between the two options is not that significant but the environmental impacts are. By going under the river, there is no disturbance to the cultural site, no river permits are needed, and the visual impacts are mitigated. In the event of a flood, the greater impact would be on the aerial crossing as there would not be any scour effects on the under river crossing. Director Laird stated an earthquake will happen and there is a risk of an underground pipeline shearing. Mr. Kaspari responded that an underground crossing will be more resilient than an aerial crossing in that situation.

Mr. Helliker shared that he spoke with Hank Seemann from Humboldt County Public Works. Mr. Seemann stated there is no money available to pay for a pedestrian crossing even if the District were to consider an aerial crossing. It would cost approximately \$25,000 to do further design for the pedestrian crossing, and installing a structure to accommodate a trail would increase the cost of the pipeline project by tens of thousands of dollars. Additionally, there



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are issues with the North Coast Railroad Authority right of way, and the river crossing for the trail is low on the County's priority list. The County is working with the City of Blue Lake on a trail to Glendale and also working with the City of Arcata.

Mr. Helliker also spoke with John Murray and Marcella Clem of HCOAG and they were both okay with an under river crossing. Mr. Kaspari added that in 2013 when the District first considered an aerial crossing as a possibility, HCOAG had some money available and chose not put their funding into consideration of a pedestrian crossing there.

Director Laird commented that he wished the item was listed differently on the agenda. It is not clear what the Board is deciding, especially to the public. Director Rupp stated it is on the agenda and the discussion has already been postponed thirty days.

President Hecathorn invited comments from members of the public. Mr. Mike Wilson addressed the Board. He noted that in regards to the railroad trestle currently supporting the pipeline, he hasn't heard from the County if it can be retrofitted. He is aware the County is working on a trail connecting Blue Lake to Glendale and it's important. He acknowledged that conversations have been going on at the staff level regarding a pedestrian crossing, however, he believes a Board to Board conversation needs to occur. He would like the District to seek input from the County Board of Supervisors as to whether or not they would like to partner with the District on retrofitting an aerial crossing with a pedestrian /bike path over the Mad River. Mr. Kaspari noted the County did do a study on the costs to retrofit the railroad trestle and determined it was not feasible.

Supervisor Mark Lovelace addressed the Board also. He too would like to see the topic come before the Board of Supervisors. He acknowledged it would be expensive to include a retrofit for a pedestrian or bike river crossing, however, it is an important effort for the County. Additional discussion at the Board level would be valuable to have. He stated he would like the Board to delay their decision until the Board of Supervisors could be apprised and hear from their staff.

Mr. Helliker stated he understands that discussions with the County staff have been going on since 2012. He inquired why it has not previously been on the Board of Supervisors agenda. Mr. Wilson stated for whatever reason, County staff never moved the issue up to the Board of Supervisor level. Supervisor Lovelace made it clear he did not mean to imply the District was in any way responsible for getting the item on the Board of Supervisors agenda. He would like to hear from County staff regarding time and money impacts. He understands that the County would incur any additional costs for retrofitting an aerial crossing. He is requesting a delay so the Board of Supervisors can weigh in on a pedestrian crossing. If the District Board decides today to go with an under river crossing, that would foreclose the trail option. Mr. Winzler stated the term "retrofitted" is being tossed around like it's a simple thing to do. An aerial crossing can't be simply retrofitted. It must be designed to be retrofittable. Mr. Kaspari added that the final design is not completed for either option, however, because the project is grant funded, grant funds cannot be used to accommodate a pathway. If it is designed this way and not disclosed under CEQA, the repercussions could be loss of funding.

The Board discussed the pros and cons of delaying the decision. After passionate and somewhat heated discussion and debate, on motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to delay the decision until the June meeting. Director Laird made a motion to approve the overhead crossing option. President Hecathorn stated the motion failed as no second was received.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

May 12, 2016

Director Laird requested Supervisor Lovelace commit to having the item on their agenda within the next few weeks. Supervisor Lovelace stated it would be on the May 24 agenda. Mr. Wilson and Supervisor Lovelace thanked the Board for their time and consideration.

FEMA Hazard Mitigation Grant and Pre-Disaster Mitigation Grant Submittals

Mr. Kaspari stated the 12 kV project is one of the projects forwarded on in the PDM grant. The PDM grant is a nationwide grant. The District is also submitting the project, along with the Surge Tower Retrofit to the Hazard Mitigation Grant Program which is statewide. The chances of getting the Hazard Mitigation Grant are much greater than the PDM. Mr. Helliker stated he met with the NCRA regarding an expanded easement for the new location of the 12Kv project and doesn't anticipate any issues with the easement.

Potential Exposure of Pipeline on New Navy Base Road

As reported last month, a portion of New Navy Base Road was eroded away and caused exposure of the District pipeline. PG&E and AT&T also have lines there are being exposed as well. Mr. Kaspari reported that he and staff met with the County, Coast Guard, and PG&E (AT&T declined to participate) to discuss a consolidated approach to remedy the situation. They met with the Coastal Commission who indicated a consolidated permit would be appreciated. PG&E needs to take care of their exposed line immediately and therefore can't do a consolidated permit. Mr. Kaspari asked the Coastal Commission if PG&E is required to a Biological Opinion prior to their repair work, can that Biological Opinion be used for the consolidated permit and it is a possibility. Mr. Kaspari shared that he asked the Coast Guard to look for funding opportunities but they did not find any funding sources. The Coast Guard and the County are amenable to being grant funding partners and will continue to look for opportunities.

Coonrod development

Mr. Friedenbach described the proposed changes Mr. Coonrod was making so as not to encroach on the District's easement. With the new plans, only fencing would be over the easement. Mr. Coonrod stated that as plans progressed, he would provide a copy to the District.

2. **Financial**

FY 2016/17 budget development schedule

Mr. Friedenbach reviewed the budget development schedule. The Board concurred with the schedule.

FY 2016/17 Budget

Mr. Friedenbach provided a presentation and the Board discussed two components of the budget: Service and Supply (S&S) and the Salary and Employee Benefits (SEB). He noted these are still in draft form and the Board will approve the final budget in July.

Mr. Friedenbach discussed the areas of increase in the S&S budget. Accounting Services will likely increase. The District could potentially have a new auditor and factors such as PERS, GASB68 and OPEB will result in additional accounting costs. Insurance costs will rise as JPIA is projecting increases in property and liability insurance. Other line item increases include telephone/internet, office maintenance and property tax expenses. Director Latt inquired what type of costs are in the Miscellaneous Expenses. Mr. Friedenbach stated he would provide detailed info of that at the June meeting. The total proposed S&S Budget with power costs is \$1,437,300. This is a decrease of \$2,100 or - .1% compared to last year.



Minutes for Meeting of Board of Directors

May 12, 2016

The SEB discussion focused on four main topics: Cost of Living Allowance, deferred comp, organizational changes, and healthcare benefits. Each year management consults employees to find out what is important to them. Feedback from the employees is that they would like a COLA and increased deferred compensation.

Mr. Friedenbach presented a range of US and Western US CPI's. Given the CPI indices, he recommended a 2% COLA. Mr. Helliker concurred and recommended a salary survey for next budget cycle. The Board seemed comfortable with the COLA recommendation. Director Latt stated a COLA is good in that employees will see the increase immediately in their paycheck.

Superintendent Davidsen stated COLA's are important and was appreciative the Board was supportive of it. He noted that in the last six months, he tried to hire two T-3 Operators. He did not have any T-3 operators apply. Since the District is the only T4 Plant in the area, he is not only competing with other local agencies, but those out of the area in order to hire T-3 and 4 operators. President Hecathorn inquired what tools are needed to get the people needed. Perhaps in the future, the Board could consider a hiring bonus for example. She too agreed a salary survey would be a way to start. Director Latt asked Mr. Davidsen his thoughts on how to attract/retain employees. Mr. Davidsen responded the District should be the lead in the wage arena and continue to provide the good benefits. The District is a good place to work but if the wage is not there, people will not have the opportunity to know this. The Board stated they would like to work with him to provide the tools needed to attract and retain employees.

Mr. Friedenbach stated the deferred comp program is a voluntary benefit program and has 100% participation. This shows that it is a valuable benefit to employees. Based on employee feedback, staff recommends increasing the match from \$25 to \$50 and \$50 to \$100 depending upon the level of the employee participation.

Mr. Friedenbach stated the District has two electricians on staff. One has provided notice that he plans to retire next summer in 2017. The electricians deal with a wide diversity of systems, ranging from millivolts to 12kV. Given the unique combination of electrical skills required, staff recommends bringing on an electrician trainee to overlap for six months to facilitate knowledge transfer. It is critical to have the six-month transition period. The Board concurred.

Mr. Friedenbach discussed the health care benefits. The JPIA estimates that premiums will increased between 8% and 12%. For the 2016/17 budget, an increase of 10% was assumed. Currently, McKinleyville CSD pays 100% of the premium for active employees and retired employees. Humboldt CSD pays 100% of the premium for active employees and 50-100% depending on the hire date. The District has several plans offered ranging from Health Based Savings Accounts to HMO's. The District payment towards insurance is tied to the PPO Classic Family Plan premium. Currently, there is only one plan that exceeds the amount, the CalCare HMO, and the employees pay the difference. Currently, 67% of employees are on the CalCare HMO plan. Director Rupp stated JPIA is encouraging members to move to an Account Based Health Care Plan. Perhaps a two-tier system might be considered in the future with new employees being offered the Account Based Health Care Plan and existing employees can keep their plan. He doesn't want to penalize current employees, but with the rising costs of healthcare, something needs to change.



Minutes for Meeting of Board of Directors

May 12, 2016

Mr. Friedenbach stated the proposed S&EB budget including the 2% COLA, healthcare premium increase and electrician trainee for 6 months is \$3,678,000 or 5.4% more than the 15/16 budget.

Investment Policy

State law requires that the Board consider and confirm the District's Investment Policy each year. Mr. Friedenbach stated the Board approved and originally adopted the Investment Policy in 2004 and has re-adopted the policy each year thereafter. The District has three investment objectives for the funds the District does not need for immediate use. These objectives are: 1) Preserve the Safety of Principal; 2) Maintain Liquidity, and 3) Achieve a reasonable Rate of Return consistent with current economic cycles and risk limitations. The policy also specifies the two investment options the District will utilize are the County Treasury and the State Local Investment Fund (LAIF). Staff recommends the Board re-adopt the policy. On motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 to re-adopt the Statement of Investment Policy.

Potential changes to Ordinance 16 and Municipal Contracts

Ordinance 16 establishes rates, charges and conditions of service for water sale to municipal customers. The terms for water purchases under Ordinance 16 are delineated under contracts with each of the Districts municipal customers. The current contracts were entered into on July 1, 1999 and are effective for 20 years until June 30, 2019. The contracts contain a provision that the 20 year contract term shall be automatically extended as necessary to correspond to the terms of the Safe Drinking Water Loan (SRF) that was used to fund the construction of the Turbidity Reduction Facility. The final payment under the SRF loan will be made on January 1, 2024.

Section 9 of Ordinance 16 contains special provisions to adjust the Moving Five-Year Average and Peak Rate Allocation for Manila CSD in the event Sierra Pacific Industries (which accounts for a major amount of their water consumption) were to close or reduce the agency's total average use by 25% or more. Sierra Pacific did close its doors and represents serious financial implications for Manila CSD. The total average loss is 20.16% and is not enough to trigger the adjustment under Ordinance 16. Manila CSD has requested a meeting to discuss options.

Mr. Friedenbach stated several issues have been identified that should be addressed concerning the above items. Staff is working on an update to the Capital Improvement Plan (CIP). It is clear that some level of financing will be required to fund the improvements. If the contracts, our source of revenue, expire in seven years, we are not likely to receive good financing. To make longer-term financing more favorable, it makes sense to extend the term of the contracts.

Mr. Friedenbach also noted that Section 7.2.5 of Ordinance 16 limits the amount of capital costs that can be charged in any given fiscal year. He stated he is not clear why the limitation is in the contract. Staff is requesting direction from the Board regarding possible contract extensions with the Municipal Customers and possible revisions to Ordinance 16 in certain areas. President Hecathorn and Director Rupp stated Section 7.2.5 was a result of the mills. They requested the limitation.

Director Rupp agreed that longer contracts would be beneficial in terms of seeking financing. He urged staff to consider what should and should not be in the contracts if they decided to open the contracts and to seek Board input at the appropriate time.



Minutes for Meeting of Board of Directors

May 12, 2016

Letter from County Treasurer

Mr. Friedenbach discussed the quarterly letter from the County Treasurer. The District's fund balances with the County Treasury earned an annualized interest rate of .79% which is double that of LAIF.

Financial Report

Director Rupp provided the April financial report. Director Laird reviewed the bills. On motion by Director Rupp, seconded by Director Laird, the Board voted 5-0 to approve the April 2016 financial statement & vendor detail report in the amount of \$184,186.50.

Audit RFP

Mr. Friedenbach stated the District had a three-year audit agreement with the accounting firm of Hunter, Hunter and Hunt. The third year is now completed. As a result, Request for Proposals were sent to several auditing firms, including Hunter, Hunter and Hunt. The responses are due by May 27, 2016. The Audit Committee will review the proposals received and share the information with the Board at the June meeting.

3. Operations

Mr. Davidsen provided the May Operational Report. The SCADA system upgrade went out for bid and they have selected a vendor to start the upgrade process. Telestar was onsite to commission and install the new chlorinators and chlorine shut down system. The new equipment is much more user friendly than the previous equipment that was 23 years old.

Employee training included Confined Space Safety as well as Heat Illness and Injury Prevention training. He noted this training is especially important prior to the annual Ruth maintenance.

Mr. Davidsen informed the Board the 1Mg Industrial Water reservoir overflowed and explained how this incident occurred. The Harbor District requested the water get pumped to them on Friday as they have done numerous times before for maintenance purposes. Staff began pumping the water as requested and soon received a call from a concerned citizen stating water was coming up on the edge of New Navy Base Road. Staff contacted the Harbor District and found out they forgot to open their valve to receive the water. This caused the reservoir to overflow. The dissipater was covered by a sand dune and the sensors were out of calibration since the District is not investing time or money into the Industrial system. The end result was some minor damage to the road. GRS was contacted, quickly responded and completed the necessary repairs. Cost to repair was \$3,600. Mr. Davidsen stated he was appreciative of the quick response by GRS. Mr. Friedenbach suggested it might make sense to have a maintenance agreement in place with the Harbor District if they plan to request excess water on a regular basis.

Mr. Davidsen also noted that Ruth maintenance was a bit more challenging this year due to being short-staffed. They also had a maintenance issue that took longer to repair than anticipated. All ended well.

K. DIRECTOR REPORTS & DISCUSSION

1. General

President Hecathorn stated she had a good vacation.



Minutes for Meeting of Board of Directors

May 12, 2016

2. ACWA – JPIA

Director Rupp reported out on his attendance at the ACWA-JPIA Conference and Training. On Monday, he attended an Executive Committee meeting and a Board meeting. The big discussion item was Central Basin Municipal Water District. Previously, the JPIA Board of Directors voted to cancel Central Basin’s participation in the Liability, Property and Workers’ Compensation risk sharing programs. Central Basin provided presentation as to why they should be allowed back in.

He attended two sessions on Tuesday; Protecting Your Agency’s Assets by Understanding and Remediating Potential Threats, and Protecting Your Board Meeting from Chaos: Managing strong feelings and difficult meetings during drought and uncertainty.

3. ACWA

At the ACWA Conference, Director Rupp attended a Finance Committee meeting. He noted that ACWA runs on a calendar year. They will meet again in August, then adopt the budget in September for CY 2017. He also attended several different programs and renewed his Ethics training.

Director Woo reported out on her attendance. She also attended several programs, including sessions on biomass, aquatic resources and attracting the water community’s next generation: meeting millennials. She also attended the Region 1 Board meeting. The next Region 1 Board meeting will include a speaker on atmospheric rivers.

Mr. Helliker reported out on his attendance. He attended several programs including a Statewide Issues Panel- Headwaters Health: Obstacles and opportunities to advance forest management.

4. Organizations on which HBMWD Serves: RCEA, RREDC, LAFCO, NCRP

Director Woo shared that RCEA is starting a public engagement process similar to that of the District’s Water Resource Planning. Mary Gelinis will be working with them.

Director Rupp reported out on RREDC. College of the Redwoods (CR) is updating their five year plan- Education Master Plan to meet Humboldt County’s employment and economic development needs. They requested input from the RREDC Board for their strategic planning. The Board suggested CR provide more trade or vocational training.

Director Rupp stated he was not elected to the LAFCo Board.

ADJOURNMENT

The meeting adjourned at 4:37 p.m.

Attest:

Barbara Hecathorn, President

J. Bruce Rupp, Secretary/Treasurer



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Special Meeting of Board of Directors
At the John R Winzler Control Center in Essex

May 13, 2016

ROLL CALL

President Hecathorn called the meeting to order at 9:01 am. Director Rupp conducted the roll call. Directors Hecathorn, Laird, Rupp, Latt and Woo were present. General Manager Paul Helliker, Superintendent Dale Davidsen, and Business Manager John Friedenbach were also present. Pat Kaspari and John Winzler of GHD were there for a portion of the meeting.

FLAG SALUTE

Director Hecathorn led the flag salute.

ACCEPT AGENDA

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

PUBLIC COMMENT

No public was present.

REPORTS (from Staff)

FY 2016-17 Project Budget

Mr. Davidsen provided an overview of the process to develop the Project Budget. He highlighted the employee input and involvement, and significant work performed by the supervisors. Mr. Davidsen summarized each project proposal highlighting all the new projects.

Mr. Friedenbach provided an overview of the projected costs for the major CIP projects.

The Board asked questions about several projects and staff provided detailed responses. The Board agreed with the items and associated costs presented in the 2016/17 Project Budget.

Annual Bar-B-Que

The Board joined staff for the annual bar-b-que luncheon. President Hecathorn thanked the employees for their good work and provided Neal Latt, Laythen Martines, and Corey Borghino with their District jackets. The supervisors introduced their employees. Mr. Helliker and Mr. Davidsen thanked employees for their ongoing dedication and significant contributions to the District.

ADJOURNMENT

The meeting adjourned at 2:00 pm following the bar-b-que.

Attest:

Barbara Hecathorn, President

J. Bruce Rupp, Secretary/Treasurer

Consent

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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BOARD OF DIRECTORS

BARBARA HECATHORN, PRESIDENT
ALDARON LAIRD, VICE-PRESIDENT
J. BRUCE RUPP, SECRETARY-TREASURER
SHERI WOO, DIRECTOR
NEAL LATT, DIRECTOR

GENERAL MANAGER

PAUL HELLIKER

May 13, 2016

Ms. Robin Turgeon
Grant Administrator
QZ Prevention Program
Division of Boating and Waterways
One Capitol Mall, Suite 410
Sacramento CA 95814

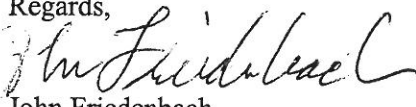
RE: Quagga and Zebra Mussel Infestation Prevention Grant Program

Dear Robin,

Attached is the signed Grant Agreement and Payee Data Record form. In addition, I have enclosed our signed Board Resolution 2016-04 accepting the grant and authorizing our General Manager and Business Manager to administer the grant for our District.

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

Regards,


John Friedenbach
Business Manager

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors
From: Paul Helliker
Date: June 9, 2016
Subject: General Manager contract amendment

.....

At the May, 2016 Board meeting, the Board discussed with General Manager Helliker his performance since his start date of May 26, 2015. The Board then directed staff to modify Helliker's salary to \$10,700 per month, starting on July 1, 2016.

To implement this action, the following modification would be made to Helliker's contract (highlighted text):

IV. Salary and Benefits

MANAGER shall be paid an initial monthly salary of \$10,200. The DISTRICT Board of Directors shall meet with the MANAGER before November 30, 2015 and review progress and may, in the sole discretion of the Board, consider an adjustment to the initial salary at that time. Thereafter, the DISTRICT Board of Directors shall review MANAGER's performance not less than annually based on the DISTRICT's fiscal year, on or before June 30th, and will consider adjustments in compensation based upon performance and the overall financial status of the DISTRICT. **Beginning July 1, 2016, MANAGER shall be paid a monthly salary of \$10,700.**



U.S. Bank earns high scores in customer satisfaction

U.S. Bank customers in California and the Northwest gave U.S. Bank – the fifth-largest bank in the United States – the highest scores in customer satisfaction, according to the results of the J.D. Power 2016 U.S. Retail Banking Study, which went public on April 28.

“We view our business through the eyes of our customers, and to know their perception of our company is strong means we are doing the right thing in how we serve them,” said Andy Cecere, president and chief operating officer of U.S. Bancorp, parent company of U.S. Bank.

U.S. Bank strives to be the most trusted choice for consumers and businesses. Its dedication to making ethical decisions and doing the right thing is at the heart of everything it does. U.S. Bank is one of two banks in the United States to be named as “2016 World’s Most Ethical Companies” by an independent organization, Ethisphere.

Humboldt Association of Realtors community giving exceeds one million dollars

Association of Realtors® 2016 President Brenda Lockhart of Ming Tree, Realtors® recently announced that monies raised in 2015 took the Association’s total community giving since 1997 over the one-million-dollar mark.

In 2015 members raised and contributed more than \$40,000.00 to local community agencies and organizations, and sponsored the 22nd annual “TOYS FOR KIDS” drive, which made it possible for 3,500 deserving children in Humboldt and west Trinity County to receive toys and necessities this past Christmas.



Electric vehicle charging network expands on North Coast

The Redwood Coast Energy Authority and Schatz Energy Research Center celebrated the Grand Opening of nine new public electric vehicle charging locations on the North Coast Electric Vehicle Charging Network with a ribbon cutting event on Thursday, April 28th at St. Joseph Hospital in Eureka.

The event featured an informational booth, charging station location maps, and educational information on electric vehicles and future expansion plans.

About the North Coast Plug-In Electric Vehicle Charging Network

Redwood Coast Energy Authority promotes the adoption of electric vehicles in our region and plans, implements, and manages electric vehicle public charging infrastructure. The agency currently manages public electric vehicle charging stations at fourteen locations in Humboldt County. The goals of the network are to: increase plug-in electric vehicle travel in our region and reduce greenhouse gas emissions from vehicle miles travelled; establish a locally controlled, affordable, and economically sustainable network of EV charging stations in the region; and demonstrate a non-profit EV network administrator business model.



Why Electric Vehicles?

Roughly half of the energy used in our region is for transportation, and almost all transportation fuel is from petroleum-based fossil sources. Electric vehicles will play a critical role in shifting transportation away from fossil fuels. We can use our abundant local renewable energy resources to produce electricity as a cleaner and more cost-effective transportation fuel. Electric vehicles are an excellent way for our community to enhance local energy security, reduce greenhouse gas emissions, and improve our economy.

A Network of Dedicated Partners

A team of local partners participated to make this project a success. The Redwood Coast Energy Authority provided overall program management and the Schatz Energy Research Center coordinated the installation effort as Owner’s Engineer. OurEvolution Energy & Engineering led the civil engineering tasks and GHD reviewed electrical plans. McKeever

Energy & Electric Inc., partnered with DCI Builders for civil contracting work, won the public bid for electrical contracting to install equipment at seven of the nine sites. The other two sites, the McKinleyville Shopping Center (owned by Pierson Company) and St. Joseph Hospital, used their own electrical contractors, Ambrosini and Sons and Colburn Electric respectively.

Participating site hosts include the Arcata Technology Center Partners, City of Trinidad, City of Ferndale, City of Fortuna, City of Rio Dell, L and A Enterprises, North Coast Unified Air Quality Management District, Roger and Nancy Brown of Brown Rental, St. Joseph Hospital, and the Willow Creek Community Services District.

Funding for this project was generously provided by a grant from the California Energy Commission through their Alternative and Renewable Fuel and Vehicle Technology Program.

Wed 5/18/2016

County finance merger to go to vote

Daniel Mintz

MAD RIVER UNION HUMBOLDT - Humboldt County's main financial departments may be merged, with a single director heading them - a move that will require voter approval in the Nov. 8 election.

At its May 10 meeting, the Board of Supervisors supported merging the Treasurer-Tax Collector and Auditor-Controller offices into a single Department of Finance. Both of the existing offices are currently headed by elected officials. Supervisors agreed that the director of the new Department of Finance should also be elected.

County staff told supervisors that, according to California law, the merger and the establishment of an elected rather than appointed finance department head have to be approved by voters. Supervisors unanimously ap-

proved a resolution placing the double-pronged proposal on the Nov. 8 election ballot.

County Administrative Officer Amy Nilsen said the proposed move will not save money but will "provide better coverage for the financial functions of the county."

She added that the offices proposed to be merged each have limited staffing. A written staff report states that the small staff sizes are "of concern for departmental operations."

Auditor-Controller Joe Mellett questioned whether the merger will actually improve performance. He said the real issue is lack of funding.

"If resources were going to come in as a part of this reorganization, I think that we would probably be stronger at that point," Mellett continued. "But if you bring together two tiny impoverished offices, all

you're going to get is a medium-sized impoverished office."

Treasurer-Tax Collector John Bartholomew said the merger proposal reflects "sound reasoning" - as long as the new finance director is chosen by voters.

"It really must remain as an elected position because there could be undue influence on the tax collecting operations, from people requesting waivers of penalties and fees and that sort of thing," he continued.

Former Treasurer-Tax Collector Stephen Strawn was at his post for 38 years. He told supervisors that, based on some of his experiences, having an elected, independent director of finance is necessary to preserve the integrity of financial management.

He offered to relate his "war stories" to supervisors in private.

Over 100 other local government agencies "have

their money in the county treasury," Strawn continued, and "they do not, in many cases, want to rely on the Board of Supervisors and/or staff to be influencing the investment of their funds, the collection of their funds and things of that nature."

Strawn added that during his long tenure, "More than once, I experienced outside influence in the decisions that I had to make."

Supervisors unanimously voted to place the departmental consolidation on the upcoming election ballot, including the question of whether the new head of finance should be an elected or appointed position.

If voters approve the consolidation, the county will have until 2018 to implement it.

The agenda item also included a discussion on enhancing economic development related to the county's struggling airports. Supervisors directed staff to develop options that will be considered at a future meeting.

From the Lost Coast Outpost- May 24, 2016

Too Much Weed! Cannabis Permit Applications Making Planning Staff Sick and Must Be Paused, Management Says

HANK SIMS / TODAY @ 3:45 P.M. / LOCAL GOVERNMENT

Senior staff with County of Humboldt's planning and building department say that experienced planners are falling physically ill and preparing to flee the department due to the "untenable level of stress" placed on them by the county's new commercial cannabis ordinance.

They say that the amount of staff time sucked up by the ordinance has caused the department to miss state-mandated deadlines; that permits for projects unrelated to cannabis are being delayed and pushed aside; that work on the general plan has been delayed; and that the whole department is "at risk of operation collapse."

All this and more is detailed in a letter signed by five senior planning staffers — including interim planning director Rob Wall — and sent to the Humboldt County Board of Supervisors on May 19. The letter calls for the county to implement "90-Day Stand Down," during which no new applications for commercial cannabis operations would be accepted.

"These are unprecedented times," the letter opens, setting the tone for the numbers which soon follow. In the 90 days the cannabis ordinance has been effect, the letter states, the department has:

- Taken 447 calls on its "customer cannabis hotline"
- Processed 470 "registration forms"
- Conducted 110 "application assistance meetings"
- Begun processing 42 permit applications

How much is that? Wall and his cosigners say that those 110 assistance meetings, over those 90 days, were more than double the number of such meetings they held for any type of project in all 2015. It's also nearly double the number of permit applications filed with the department in the first five months of last year. All told, they write, 792 staff-hours have been expended providing weed program information to the public, and 825 staff-hours have been spent on "program implementation."

"All of this has been accomplished with no additional resources and no reduction in the expectation to maintain all preexisting operational responsibilities," they write.

But the increased workload, they say, has put a strain on the department. Three employees have exhibited stress-related health problems due to all the extra weed work, and two people are known to be looking for jobs elsewhere.

"In the military, units conduct temporary stand downs to address issues and ensure long-term operational readiness and effectiveness," write the senior planning staff, arguing that the only way to keep staff healthy and maintain a functioning planning department is to cease accepting new commercial marijuana permit applications for a spell. "A 90 day stand down should be implemented as soon as possible."



COUNTY OF HUMBOLDT
PLANNING AND BUILDING DEPARTMENT

May 19, 2016

TO: Board of Supervisors
CAO

FROM: Rob Wall, Interim Director
Todd Sobolik, Chief Building Official
Steven Santos, Development Assistance Manager
Steve Werner, Supervising Planner
Catherine Munsee, Business Manager

SUBJECT: Managing Growth of Cannabis Services and Risk of Operational Collapse

These are unprecedented times.

Humboldt County achieved an amazing accomplishment. We met the state deadline and secured our right to local control. We were the first jurisdiction in California to adopt a Commercial Medical Marijuana Land Use Ordinance (CMMLUO) in response to the state Medical Marijuana Regulation and Safety legislation. The cannabis community has responded to these successes and is engaging us earnestly.

The challenge facing the county now is the massive volume of cannabis projects and service requests -- present and anticipated. Our employees have stepped up and shown true dedication to public service. They have worked while sick and foregone approved leave to accommodate the initial surge of customers.

Following this initial surge, it is vitally important that we establish realistic expectations regarding institutional capacity in order to effectively absorb and process cannabis projects. This strategy must be guided by data driven decisions. The Board of Supervisors and the Planning and Building Department need to work jointly to triage and manage this challenge.

Growth of Cannabis Services

In the 90 days since the CMMLUO has been in effect, the Planning and Building Department has responded to 447 customer cannabis hotline contacts, processed 470 registration forms, conducted over 110 application assistance meetings, and have begun processing 42 permit application submittals. That is more than double the number of application assistance meetings that were held for all projects in all of 2015 and almost a 100% increase in permit applications from this time last year. Since February, 792 hours have been spent providing general cannabis information to customers and an additional 825 hours have been spent on program implementation. All of this has been accomplished with no additional resources and no reduction in the expectation to maintain all preexisting operational responsibilities.

Risk of Operational Collapse

Because of this workload increase the foundation of our operational capacity is cracking and getting worse. We are heading toward catastrophe. What follows are examples that demonstrate we are on an unsustainable path:

- We are unable to provide customers a permit processing time estimate due to the volume of new projects. All projects are suffering from critical or indefinite delays.
- We are, at times, failing to meet state-mandated deadlines.
- Policy interpretations, procedures, and systems are either incomplete or in need of a refresh after being rushed into place to meet the initial February 26 program launch window.
- There are gaps in our data that the Board and other agencies rely on because there is not enough time to complete the file opening process before serving the next customer.
- Customers are expressing anger and frustration related to non-cannabis permit delays, as well as anger and frustration from incomplete cannabis procedures.
- Adoption of the General Plan has been delayed.

Most importantly, our employees, which are our most valuable resource, are being harmed. We risk losing trained and capable individuals as we bring new staff on board. At least two individuals are known to be seeking employment elsewhere and another three employees have exhibited health problems due to the untenable level of stress. Immediate action is needed.

90 Day Stand Down

In the military, units conduct temporary stand downs to address issues and ensure long-term operational readiness and effectiveness. A 90 day stand down should be implemented as soon as possible.

During the stand down, the department would focus on accomplishing the following goals:

- Scheduling completed cannabis permit applications for decision and approval.
- Survey agencies and consultants to generate an estimate of how many more projects are expected in the near term. Then analyze that data and develop a formula for sustainably absorbing and processing cannabis projects (e.g. maximum number of project a single planner can carry). Finally, determine what additional capacity expansion is needed and work with the Board and CAO to provide it.
- In consultation with the Board subcommittee, generate a basic strategic plan for cannabis services. This may include Board consideration of extending the application window beyond December 31, 2016 to minimize the workload spike that is expected with this looming deadline.
- Train the two new planners that start at the end of this month and accelerate the hiring and training of a third planner.
- Explore the potential of reinstating a qualified consultant program.
- Implement, deploy, and refresh policies, procedures, and systems related to cannabis implementation.
- Attend to delayed non-cannabis projects.

The scope of the stand down includes:

- No new cannabis application assistance meetings scheduled during the stand down but pre-existing scheduled meetings will be honored.
- No new cannabis permit applications accepted during the stand down but pre-existing applications will be processed.
- Cannabis operation registration forms will be accepted in light of the August 23 deadline.
- General information will still be provided proportional to institutional capacity.
- Non-cannabis projects will still be accepted.

The intended spirit of this communication is that we collectively have a legal and professional obligation to ensure the health of our employees, the long-term effectiveness of our institution, and the satisfaction of our customers.

From the Lost Coast Outpost

MELLOWED OUT: Planning Department Creates New Cannabis Services Division to Deal With Weed-Related Stressors

HANK SIMS / FRIDAY, MAY 27 @ 4:52 P.M. / LOCAL GOVERNMENT

PREVIOUSLY:

- Too Much Weed! Cannabis Permit Applications Making Planning Staff Sick and Must Be Paused, Management Says

###

Earlier in the week, we told you about how the Humboldt County Community Development Services Department and its planning staff were wiggling out a little bit over the rising tide of weed-related work flooding into the office since the passage of the county's commercial cannabis ordinance.

Well, today — resolution! Apparently that emergency meeting Wednesday resulted in an agreement to reorganize the planning division and to create a new “Cannabis Services Division,” which will specialize in all marijuana matters.

Interim planning director Rob Wall told the *Outpost* that the idea has been kicking around for a while. “It was something we were discussing earlier on, but we were in kind of a wait-and-see mode with this industry,” he said. “We just didn’t know what was going to come through the door.”

Now that they know that there’s a *whole lot* coming through the door — and now that they can offload some general plan update environmental documentation to consultants — now appears to be the time. Wall was confident that the move will result in better service for the public, and in a mellower work atmosphere for the planning division at large.

Letter from Wall to the Board of Supervisors:

There has been much discussion recently regarding cannabis projects and the impact they are having on the department. In consultation with the Board, we are taking the following action to better manage the situation.

New Cannabis Services Division

Starting July 1, 2016, a new Cannabis Services Division will respond to customer inquiries, conduct application assistance meetings, and process cannabis permit applications. On a temporary basis, employees will be reassigned from the Advance Planning Division to back fill staff needs while new employees are hired and trained. This temporary redeployment is possible because we are hiring a consultant to work on a portion of the Environmental Impact Report for the General Plan.

Cannabis Permit Applications and Assistance Meetings

The department will continue to accept cannabis permit applications. Customers requesting application assistance meetings will be given the next available appointment.

Next Steps

During the month of June, the following tasks will be completed prior to the launch of the new Cannabis Services Division:

- The Development Assistance Manager will survey state agencies and local consultants and develop an estimate of how many additional cannabis projects the Department might expect this calendar year.
- The Chief Building Official will implement a method for tracking cannabis related projects in the Building Inspection Division
- The Supervising Planner for the Current Planning Division will determine appropriate workload levels for individual planners to ensure effectiveness and develop a method for transitioning cannabis projects from the Current Planning Division to the new Cannabis Services Division.
- The Business Manager will research and provide recommendations regarding options to augment staff including but not limited to the hiring of extra help and the use of qualified consultants.

Significant challenges lie ahead. Nevertheless, the Department remains committed to ensuring applicants' eligibility for state licensure in 2018 as this is critical to the success of our program and the future of the local cannabis economy.

Supes to consider joining low rate energy program

Elk River stewardship funding before board

By Will Houston, Eureka Times-Standard

Saturday, May 21, 2016

The Humboldt County Board of Supervisors is expected to support an ordinance at its Tuesday meeting to become part of a local energy program that would set competitive power rates with Pacific Gas and Electric Co.

Should the county join the program, Redwood Coast Energy Authority Executive Director Matthew Marshall said it will likely guarantee the program will be able to move forward by its 2017 launch date.

“This is one of the key milestones to say this can happen in the next 12 or so months,” he said.

As part of an ongoing effort to restore the Elk River from decades of logging impacts, the board is set to discuss whether to allocate \$15,000 in state grant funding to create community stewardship program.

Community Choice Aggregation

The energy program before the board on Tuesday is formally known as Community Choice Aggregation, which is an established state policy that allows local governments to determine what sources of energy they wish to purchase and set competitive rates comparative to existing utilities.

After discussing the program throughout 2015, the board chose to move forward with creating the program with the Redwood Coast Energy Authority being designated as the lead agency. The authority is a joint powers authority composed of local government representatives from Humboldt County, Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad, as well as the Humboldt Bay Municipal Water District.

The choice portion of the Community Choice Aggregation allows members and individual customers to opt out if they prefer to stay with PG&E, but so far Arcata and Fortuna have decided to participate with other cities such as Trinidad and Eureka to be deciding relatively soon, Marshall said.

The ordinance going before the board for its first reading Tuesday would bring the entire unincorporated area into the program, which will potentially provide enough customers to make the program feasible, Marshall said.

Without the funding or staffing available to run the program, Redwood Coast Energy Authority has contracted with a nonprofit company, The Energy Authority, to operate the program and help procure the power.

The nonprofit will recoup costs once the program is up and running and bringing in revenue, Marshall said, which means there are no up-front expenses to the county and cities.

“It’s a great opportunity to be able to work this all out and not need a huge influx of thousands or maybe millions of dollars,” he said.

Marshall said they will use the rest of this year to begin assessing the feasibility of the program and reaching out to the public.

Elk River

As part of ongoing restoration efforts for the Elk River watershed just south of Eureka, the board is set to consider allocating \$15,000 in state grant funding to fund a stewardship program that would allow stakeholders to decide how projects are prioritized.

“There is a lot of different perspectives on Elk River, a lot of different inputs and directions,” Deputy Public Works Director Hank Seemann said. “The stewardship program is not an effort to try to mediate disputes. We’re really trying to focus on common ground, things we agree on, and hopefully ideas for projects.”

Decades of logging along the upper watershed have caused large amounts of sediment to fall into the river and its tributaries, causing major flooding for the area’s residents, damaging water systems, and closing roads for days at a time. The stewardship program would be organized into four working groups focusing on sediment remediation, water supplies, road access, and science and monitoring, Seemann said.

The funding would allow the project to continue for two years.

“If it’s successful, I’m hopeful we’ll be attractive for funding to continue,” he said.

If the funding is approved, the program’s first public meeting is set for June 30 from 6:30 to 8:30 p.m. at the Humboldt County Agricultural Center at 5630 South Broadway, Eureka.

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

URL: <http://www.times-standard.com/government-and-politics/20160521/supes-to-consider-joining-low-rate-energy-program>

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Supes approve Elk River restoration grant

Community Choice Aggregation ordinance moves forward

By Will Houston, Eureka Times-Standard

Tuesday, May 24, 2016

As part of an extensive effort to restore decades' worth of impacts to the mud-choked Elk River, the Humboldt County Board of Supervisors unanimously approved a nearly \$175,000 grant to allow the watershed's stakeholders to come up with solutions.

Longtime Elk River resident Kristi Wrigley said she has been addressing this issue for nearly 20 years, and said that this is the first time the board has shown concern.

"Though we do appreciate it, it is a long while in coming," Wrigley said.

Earlier in the meeting, the board voted unanimously to move forward with an ordinance that would join them with Community Choice Aggregation energy program in order to utilize local renewable energy sources and to set competitive power rates with Pacific Gas and Electric Co.

Elk River grant

Historic logging in the Elk River watershed, such as clear-cutting and road construction, allowed sediment to leech into the river for several decades, but the effects did not begin to become noticeable until the 1980s.

Local farmers, such as Wrigley, noticed their fields and homes were flooding. Roads closed for days at a time as the mud-clogged river became shallower and shallower. Water lines both for drinking and agriculture were blocked up by sediment.

The river, which flows into Humboldt Bay 20 miles from its eastern headwaters south of Eureka, was listed as an officially impaired waterway in 1998 by the U.S. Environmental Protection Agency.

The North Coast Regional Water Quality Control Board recently adopted an outline plan of how to stop further sediment impacts and is considering restrictions on the Humboldt Redwood Company's logging practices in the watershed. The [company states it is not contributing to the problem.](#)

Humboldt County Deputy Public Works Director Hank Seemann said that the state's regulations are only one of three Elk River restoration efforts.

The proposed grant funding that went before the board of supervisors Tuesday will fund a Elk River Watershed Stewardship Program that Seemann said is designed to identify partnerships and restoration projects along the river for the next two years.

The program, which is set to have its first public meeting on June 30, will divide into working groups to

address issues relating to water quality, health and safety, and address other issues such as water supplies and road flooding.

“The stewardship program is intended to support planning and implementing community oriented projects,” Seemann said.

The program will lean on a third component of the Elk River restoration effort — a technical study by CalTrout detailing which areas of the river should have sediment removed.

Elk River resident Jerry Martien said he and other members of the Friends of the Elk River organization support this collaborative program, but with significant concerns still left unaddressed.

“This project is very little and very late and will be used to advertise that everything is better while residents continue to endure flooding, and fish populations struggle to survive,” he said.

Martien said he is also concerned that the projects could lead to more development in the watershed’s agricultural communities and will also lack restrictions on contemporary logging operations.

“We hope these outcomes can be avoided,” he said.

Wrigley, whose family has resided in the North Fork Elk River watershed for about 100 years, said residents are being asked to compromise with logging industries that she said have led to her and nearly three dozen neighbors being unable to farm their land due to flooding.

“We have been robbed entirely of the use of our land,” she said.

Third District Supervisor and board Chairman Mark Lovelace said this program is a necessary step in restoring the river, and has been needed for some time.

“It was a really, really clear back then that this river is broken and beyond the ability of natural processes to repair it,” he said.

The board voted to approve the \$174,956 in grant funding to support the program, which included large contributions by the UC Cooperative Extension and CalTrout.

The stewardship program’s first public meeting is set for June 30 from 6:30 to 8:30 p.m. at the Humboldt County Agricultural Center at 5630 South Broadway in Eureka.

Community Choice Aggregation

As expected, the board voted unanimously to move forward with a local energy program known as Community Choice Aggregation. The state program allows local jurisdictions to procure their own power and set their own power rates to compete with local utilities such as PG&E.

If the program moves forward as planned in 2017, PG&E would still be responsible for metering, billing, outage response and infrastructure maintenance.

The Board of Supervisors has been considering joining the program for over a year. With the unincorporated county area making up over half the county’s energy load, the county’s participation in the program is critical in order for the program to work, according to Redwood Coast Energy Authority Executive Director Matthew Marshall.

Arcata and Fortuna have also signed on to the program, Marshall said, with more municipalities expected to join.

The Redwood Coast Energy (RCEA) — a joint powers authority composed of local government representatives from Humboldt County, Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell and Trinidad, as well as the Humboldt Bay Municipal Water District — will manage the program.

A nonprofit company, The Energy Authority, was hired by RCEA earlier this year to operate the program as well as work to procure the power from local sources, such as biomass plants.

Local residents in participating communities will still have the ability to opt out of the program if they wish to remain with PG&E.

The Community Choice Aggregation ordinance must still go before the board at a future meeting for final approval.

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

URL: <http://www.times-standard.com/general-news/20160524/supes-approve-elk-river-restoration-grant>

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Brown calls for permanent drought savings

Governor's executive order extends conservation to January 2017

By Will Houston, Eureka Times-Standard

Monday, May 9, 2016



Emergency water conservation rules brought about by California's now five-year drought are set to become a permanent fixture in every day life, according to an announcement by state officials on Monday.

However, some North Coast suppliers could be off the hook if they can prove they have enough water stowed away for another three years of drought.

Paul Helliker — the general manager of the Humboldt County's largest water wholesaler, the Humboldt Bay Municipal Water District — said the announcement is welcome news to him and other water agencies throughout the state that have been calling for a looser regulatory grip as drought conditions lessen.

"It sounds like they listened to us," Helliker said.

In his executive order issued on Monday, Gov. Jerry Brown called for the state's emergency drought regulations to be extended through January 2017. The regulations have been in place since June 2014.

The order also called for a permanent water savings framework to be established for all water suppliers and users, including mandatory reporting and conservation for some areas.

Meanwhile, the State Water Resources Control Board is planning at its meeting next week to modify the "cookie-cutter" water conservation requirements for communities across the state.

Under the proposed change, the conservation targets would be tailored to each specific community based on how much water has been available and how much has been used over the past few years of drought.

"So if the North Coast agencies look at their supplies and can see under their conservative assumption that they would not face shortage, they would then no longer have a mandatory conservation standard," State Water Board Climate and Conservation Manager Max Gomberg said. "The effect would be the same as lifting it, but we're making (the water agencies) go through the exercise."

Currently, six large water suppliers in Humboldt County are being required to report water use data to the state and conserve anywhere from 4 to 20 percent more water than 2013.

Five of these suppliers — Eureka, Arcata, the McKinleyville Community Services District, the Humboldt Community Services District and the Humboldt Bay Municipal Water District — obtain their water from Ruth Lake reservoir in Trinity County.

The reservoir refilled to capacity multiple times even during some of the state's worst drought years in 2013 and 2014 and currently is over 100 percent capacity.

Helliker said the loss of two pulp mills reduced water demands on Ruth Lake by nearly 80 percent. As a result, Helliker said he is confident that he can convince the state that there is no water shortage in the Humboldt Bay area.

"I think we're going to show that we have plenty of water available and therefore the water conservation standard in terms of the emergency regulations should be zero (percent)," Helliker said.

Any changes the State Water Board makes to the mandatory water conservation targets this month will take effect on June 1.

After the state began requiring communities to meet water conservation targets in June 2015, some local suppliers sought to be omitted from the regulations due to Ruth Lake's bountiful supply. This argument was not enough to convince the State Water Board, though it did yield lower conservation requirements for Eureka, Arcata and McKinleyville.

Increased rainfall this past winter has helped lift the drought conditions in Northern California and for some urban suppliers throughout the state. The [U.S. Drought Monitor](#) shows the majority of Humboldt and Siskiyou counties to be out of the drought, with Del Norte County shown to be completely free from drought.

Other areas of the state, particularly those in the south, are still facing exceptional or extreme drought conditions, with the state's top water officials stating that one average season of rainfall is not cause for relaxation.

"We'll be happy to call off the statewide drought when appropriate, but we're a long way from that now," state Department of Water Resources Director Mark Cowin said.

State Water Resources Control Board Chairwoman Felicia Marcus said the question before them now is what tools the state should use to reduce water consumption and when those tools should be implemented.

"This year could simply be a punctuation mark in a multi-year mega-drought," Marcus said.

The governor is calling for some of these drought tools to become permanent, such as banning the hosing of sidewalks and driveways, washing cars without a shut-off nozzle on the hose, watering lawns that causes runoff or within 48 hours after significant rainfall, and irrigating ornamental turf on public street medians, such as those in Rio Dell.

The executive order also calls for certification of water-efficient technology, reducing leaks, continued mandatory water use reporting by suppliers, and updating drought plans for urban, rural and agricultural areas.

The State Water Board and Department of Water Resources will begin working with local agencies for the rest of the year to implement these orders by January 2017.

"Californians stepped up during this drought and saved more water than ever before," Brown said in a statement on Monday. "But now we know that drought is becoming a regular occurrence and water conservation must be a part of our everyday life."

Sherrie Sobol

From: ACWA [acwabox@acwa.com]
Sent: Wednesday, May 18, 2016 5:37 PM
To: Sherrie Sobol
Subject: State Water Board Adjusts Emergency Conservation Regulation; Local Supply-Based Assessment to Replace State-Imposed Standards

May 18, 2016

www.acwa.com | [Trouble viewing - View online](#)



Advisory

State Water Board Adjusts Emergency Conservation Regulation; Local Supply-Based Assessment to Replace State-Imposed Standards

The State Water Resources Control Board today approved modifications to the existing emergency water conservation regulation to reflect improved conditions and allow for more local decision making.

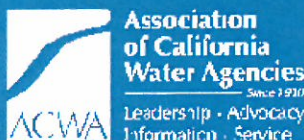
The modified regulation replaces the existing state-imposed mandatory conservation standards with a locally driven, supply-based assessment process. Urban water suppliers will now be required to self-certify their water supply availability assuming three additional dry years and customer demands based on 2013 and 2014 averages. Local suppliers will then determine the level of conservation needed to assure adequate supply over that time.

The regulation, which takes effect June 1 and will remain in effect through January 17, does not include a mandatory minimum "conservation floor." Though the concept of a floor was discussed at today's hearing, it was included in the proposal presented by State Water Board staff.

The regulation and related documents are at the State Water Board's Emergency Conservation Regulation Portal [here](#).

Under the regulation, urban water suppliers and wholesale suppliers are required to report data and calculations underlying their water supply assessments. Wholesalers are required to submit their data by June 15 (one week later than proposed in the May 9 staff proposal), while urban water suppliers are required to submit their assessment data by June 22 (also one week later than initially proposed.)

Urban water suppliers also are required to continue reporting conservation levels on a monthly basis. Current end-user prohibitions on water waste also will continue.



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Key Provisions

The new regulation requires individual urban water suppliers to self-certify the level of available water supplies they have assuming three additional dry years. Suppliers that would face a shortage after a third dry year would be required to comply with a conservation standard equal to the amount of that shortage.

Water supply reliability after the 2018-'19 winter would be calculated as follows:

- The supply projection for the next three years would be based on current supply conditions plus an assumed three-year hydrology mirroring the 2012-13, 2013-14, and 2014-15 water years.
- Demand over that same period would be based on each supplier's average total potable water production for 2013 and 2014.
- Suppliers would factor into their calculations all available water sources that are capable of being treated to potable standard during the three-year projected period.
- Suppliers' conservation standards would be calculated as a percentage and rounded to the nearest whole percentage point.
- Suppliers would self-certify the accuracy of their conclusions and provide their analysis and supporting data. The State Water Board would post information provided by suppliers on its website and assign each supplier, as a mandatory conservation standard, reductions equal to the suppliers' projected percentage deficiency in supply at the end of the third dry year.
- Wholesale water suppliers would be required to make projections about how much water they would deliver to retail water suppliers under the three-dry-years scenario.
- Option added for a regional approach to compliance with an aggregated regional standard.

Suppliers that do not submit a water reliability certification and supporting information would retain their current conservation standard in almost all cases.

ACWA Members Voice Support for Supply-Based Approach

During today's hearing on the proposed amended regulation, water agency representatives expressed support for the supply-based approach and thanked State Water Board members and staff for incorporating input from the water community.

Water agency representatives said they did not see a need for a mandatory "conservation floor" because it would be inconsistent with the supply-based approach and send a mixed message to customers.

The State Water Board could consider the concept in January if the self-assessment process is not yielding the desired results, ACWA members said.

ACWA member agencies with questions may contact ACWA Special Projects Manager Dave Bolland at (916) 441-4545 or daveb@acwa.com.

Important Links

- [Draft Resolution to Adopt Emergency Regulation \(5/13/16\)](#)
- [Notice of Proposed Emergency Rulemaking](#)

5/19/2016

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<http://www.wsj.com/articles/california-lifts-mandatory-statewide-water-restriction-1463625159>

U.S.

California Lifts Mandatory Statewide Water Restriction

Removal of 25% cutbacks by urban districts marks turning point in the drought, but some limits remain



A road sign in June 2015 warned residents heading into Rancho Santa Fe, Calif., of water restrictions. The state on Wednesday lifted a mandate to cut urban water use by 25%. *PHOTO: MIKE BLAKE/REUTERS*

By **JIM CARLTON**

May 18, 2016 10:32 p.m. ET

California lifted its statewide mandate to cut urban water use Wednesday, marking a turning point in the state's prolonged drought.

But the move, prompted by a wet winter that eased some drought conditions, doesn't mean a free-flowing tap for everyone. Individual water districts can set conservation targets based on local needs, a California regulatory agency determined.

Gov. Jerry Brown a year ago ordered urban districts to cut water use by 25% statewide. Restrictions were eased slightly in many areas earlier this year, but a

statewide water-conversation target remained.

The move by the State Water Resources Control Board means parts of the state will now see few to no local restrictions, while others will still have to rigorously conserve. The changes take effect June 1.

The decision follows an order from Mr. Brown this month directing the board to adjust his emergency cutbacks after a return to wet weather in many parts of the state.

Mr. Brown also made permanent some water restrictions, such as a ban on hosing down sidewalks and driveways, signaling the state considers drought a long-term issue.

In general, cities in Northern California stand to get the most relief because that part of the state received abundant rain and snow over the winter and spring. But many cities in Southern California may remain on cutbacks because little precipitation fell there.

Despite the improved water situation, state officials say California remains in a fifth straight year of drought.

All 411 urban suppliers are to provide the state data from assessments in June stating whether they have adequate supplies to withstand a three-year drought. They have to continue supplying data updates monthly so the state board can verify their numbers.

Some other restrictions remain, including a ban on homeowners' associations taking action against residents for letting lawns go brown during a drought.

The new conservation program is set to run through next January, although board members warned they could move to reinstitute the mandatory cutbacks if needed.

Local suppliers had pushed for control over conservation to be returned to them because they have varying situations; some have had ample supplies while others have been stretched thin.

"We don't know if we have a megadrought punctuated by an OK year," board chair Felicia Marcus said at the end of a day-long hearing in Sacramento. "This compromise allows us to keep our eyes wide open."

X Most local water officials who gave public comments at the hearing applauded the change. "We have had a full reservoir for three years," Paul Helliker, general manager of

the Humboldt Bay Municipal Water District on the state's wet northern coast, testified in his support. "We don't have any place to store water."

But some environmental groups expressed concern Californians will go back to wasteful ways.

"I think it's risky and unnecessary," said Sara Aminzadeh, executive director of the California Coastkeeper Alliance, an environmental group in San Francisco. "I think there's also a danger this will send a message to the public that the drought is over."

Ms. Marcus, though, said her agency intends to "trust but verify" that suppliers are conserving as they need. "I think the public has done an amazing job," she said, "and has learned a lot."

Write to Jim Carlton at jim.carlton@wsj.com

DROUGHT

State turns water conservation over to local officials

Scott Smith and Amy Taxin
The Associated Press

California decided this week to allow hundreds of local water districts to set their own conservation goals after a wet winter eased the five-year drought in some parts of the state. The new approach lifts a statewide conservation order enacted last year that requires at least a 20 percent savings.

Beginning next month, districts serving nearly 40 million Californians will compare water supply and demand with the assumption that dry conditions will stretch for three years.

The districts would then set savings goals through January and report their calculations to the state. In Humboldt County, five of the six local suppliers — Eureka, Arcata, the McKinleyville Community Services District, the Humboldt Community Services District and the Humboldt Bay Municipal Water District — obtain their water from Ruth Lake reservoir in Trinity County.

The reservoir refilled to capacity multiple times even during some of the state's worst drought years in 2013 and 2014 and currently is over 100 percent capacity. Felicia Marcus, chair of

the State Water Resources Control Board, called it a difficult set of decisions for the panel. "We don't want to cry wolf. We also don't want to put our head in the sand," she said. "This compromise allows us to keep our eyes wide open."

Tam Doduc abstained from voting, saying the revised approach does not do enough to address the drought emergency spelled out by Gov. Jerry Brown in a proclamation last week. "I have to confess that I feel very uneasy with it," she said of the change. "This is an emergency." Water board officials rejected a proposal for a

modest statewide conservation level, saying it contradicted the intent of the plan to empower local districts. Regulators considered the new approach after El Niño storms delivered nearly average amounts of rain and snow this winter in Northern California, filling key reservoirs like Ruth Lake.

At the beginning of May, the U.S. Drought Monitor showed the majority of Humboldt and Siskiyou counties to be out of the drought, with Del Norte County shown to be completely free from drought. Southern California, however, remains deep in

drought, and the Sierra Nevada snowpack is at 30 percent of normal. Some districts might set strict conservation goals for residents and businesses, while others could determine it is time to lift conservation mandates altogether.

Max Gombert, a senior climate scientist for the state water board, said Californians understand the drought remains critical. He doesn't expect people to suddenly begin wasting water with the changes. "Californians have shown that when there's a serious drought and a need to conserve, people step up and pitch in," he said.

Environmentalists have urged state regulators not to let up on conservation, citing forecasts that indicate the possibility of a dry winter ahead. Much of the state remains in severe drought, said Tracy Quinn, a senior policy analyst for the Natural Resources Defense Council.

"This makes a compelling case for not relaxing conservation standards as we head into the hottest, driest and highest water using season of the year," she said. "Conservation needs to be a way of life in California."

The Times-Standard contributed to this report.

High Country News

FOR PEOPLE WHO CARE ABOUT THE WEST

Can California's water agencies keep up the conservation momentum?

Without mandatory regulations, some local districts fear a return to water waste.

Lyndsey Gilpin | June 1, 2016 | *Web Exclusive*

California's historic drought has led to immense pressure to conserve water, and during the last year, most Californians stepped up to the task. State "water cops" issued warnings and fines, people stopped washing their cars, and towns let their parks fade from green to brown. After El Niño this winter, some regions received enough precipitation to replenish reservoirs and aquifers, so in May, Gov. Jerry Brown lifted the statewide ban on excessive urban water use, giving over 400 water districts the power to develop individual conservation standards.

It was a controversial decision, because sweeping rules had finally moved people to take the drought seriously. Water policy experts fear a let up in conservation, even though nearly 70 percent of the state remains in extreme drought. That concern isn't unwarranted. Although some districts want to keep enforcing strict mandates, others have been fighting for months to put a cap on them.



In Sacramento, residents stopped watering lawns to conserve water during the historic drought.

Kevin Cortopassi/Flickr

“A number of water suppliers don’t necessarily deserve (this) trust,” says Sara Aminzadeh, director of the California Coastkeeper Alliance, an organization that unites water programs across the state. “It’s really dicey to return to local control, especially as we enter the hot, dry summer months.”

California’s water infrastructure is complicated: supply comes from snowpack, rivers, reservoirs, aqueducts and groundwater. These sources were so depleted in 2014 that Brown declared a state of emergency and asked districts to cut water use by 20 percent. When most failed to do so by 2015, Brown imposed the sharpest restrictions on water use in history: a ban on excessive water use for landscaping and urban areas that brought about a 24-percent reduction.

Under Brown’s May mandate, local agencies don’t have to meet specific conservation targets. Districts can analyze their water needs and certify conservation plans before submitting them to the state. They must ensure a three-year supply of water in case of future drought, and the agencies that know they will face at least three more years of drought must set high conservation standards.

Some broader restrictions from the governor’s mandate, like a ban on hosing off sidewalks or washing cars without hose nozzles, will remain in place. But theoretically, if the water supply and demand equal out, a district’s conservation target could be zero. That means people won’t face such strict requirements, which could lead to them returning to old water habits, such as watering lawns too

frequently, turning on their fountains again, or filling up their pools. This new process also adds a reporting burden on the state board, which has to sift through hundreds of analyses to make sure each district is complying. It's unclear how that will be done logistically, and the board did not respond to a request for comment.

However it pans out, the new plan allows agencies to roll back conservation efforts without much consequence. Several water district managers say that even though following state standards and reporting numbers every month was a hassle, they saw huge gains that they hate to lose. "Once you start changing behaviors, you don't want to unwind that," says Harry Starkey, manager of West Kern Water District. His district will continue to take detailed measurements of water usage and enforce landscaping restrictions, he says.

Other agencies are relaxing water-saving efforts because they have reserves for now. Recently, San Diego County lowered its reduction goal because a new desalination plant provides 10 percent of local water supply. In the Inland Empire, east of Los Angeles, Riverside Public Utilities says it has already exceeded conservation goals, so the district doesn't need to enforce strict mandates. The Humboldt Bay Municipal Water District, which got so much rain the local reservoir was spilling over this winter, is cancelling emergency conservation programs and public education programs for conservation. Several managers from around the state added that water efficiency is now so engrained in everyday life, they don't believe residents will stop saving water. "Even before the regulations, we had moved the needle quite a bit," says Todd Jorgenson, assistant manager of Riverside Public Utilities. "Conservation, drought — these are common things to us, so we expect to continue those efforts."

Most water agencies don't have specific plans in place yet, but water managers say eventually every water district in California will have to raise rates to make up for revenue loss in times of drought, and it's likely that in the future, there will be policy changes for how both commercial and residential water supplies work.

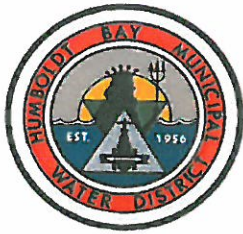
Tracy Quinn, water policy analyst for the Natural Resources Defense Council, says that it's important for districts to keep in mind that even though local drought conditions may have improved, it doesn't mean California is in the clear. This year,

snowpack melted quickly and is now only 29 percent of its normal. The National Oceanic and Atmospheric Administration, meanwhile, says there's a high chance for La Niña conditions this winter, which could mean another dry year ahead.

Since more extreme droughts are inevitable, Quinn says, water agencies should keep up strong conservation efforts and focus on in-depth reports for the state. "Water agencies should be cautious and plan for the likelihood that the worst may be yet to come."

Lyndsey Gilpin is an editorial intern at High Country News.

Correspondence



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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GENERAL MANAGER

PAUL HELLIKER

June 1, 2016

Interim Trinity County CAO
John Fenley, Trinity County Supervisor
Bruce Haney, Trinity County Sheriff
Christopher Compton, Trinity County OES
Bill German, Southern Trinity Volunteer Fire Department
Dan Dill, District Ranger, Mad River Ranger District, USFS
Lee Lupton, CEO, Southern Trinity Health Services/STAR

Dear Invitees,

We have had a long tradition of conducting annual joint meetings of the Boards of Directors of the Humboldt Bay Municipal Water District (HBMWD) and the Ruth Lake Community Services District (RLCSD). The purpose of these meetings has been to discuss issues that are of mutual interests to both Districts.

This year the Joint Board meeting has been scheduled for Friday, July 22, 2016. It will be held at the HBMWD Ruth Headquarters Office at 1:00 p.m. The meeting will be preceded by lunch at noon.

We would like to extend an invitation to you to attend both the lunch and the Joint Board meeting. As always, we will include time for and invite updates and discussion from various agencies. An agenda will be sent out prior to the meeting with more details.

After the Joint Board meeting, a brief meeting will be held which will meet the requirements by the Federal Energy Regulatory Agency (FERC) to have face-to-face meetings with emergency responders on our Emergency Action Plan (EAP) contact list. For our EAP plan holders, please bring your latest copy of our EAP which has the neon green cover and date of February 2014.

We hope you can join us.

Sincerely,

A handwritten signature in blue ink that reads "Paul Helliher".

Paul Helliher
General Manager
Humboldt Bay Municipal Water District

A handwritten signature in black ink that reads "Steve Canale".

Steve Canale
General Manager
Ruth Lake Community Services District

cc: Trinity County EAP plan holders



Agenda for Special Joint Meeting of HBMWD Board of
Directors with the Ruth Lake Community Services District
Board of Directors
July 22, 2016

Convene at Eureka office to travel to Ruth Lake (8:30 am)

Visit Various Ruth Area Sites (10:30 a.m. – 12:00 p.m. includes boat tour)

Marina - Boat tour to inspect lake shore and facilities of interest (11:00 a.m.)

Lunch at HBMWD District Headquarters with RLCSD and Guests (12:00 p.m.)

JOINT BOARD MEETING– 1:00 p.m.

Meeting of the HBMWD and RLCSD Board of Directors to discuss issues or events regarding Ruth Lake and the buffer strip of mutual interest

- 1. Public Comment**
- 2. Introductions**
- 3. Updates from Guests:**
 - a. Trinity County - 5th District Supervisor and Staff
 - b. US Forest Service
 - c. Trinity County Volunteer Fire Department and /or STAR
 - d. Ruth Lake Leaseholders Association
 - e. Any other guests
- 4. Ruth Lake CSD Topics**
 - a. Aquatic Invasive Species:
 1. 2015 Annual Report- discuss
 2. Dept. of Boating and Waterways Quagga Prevention Grant
 3. Any issues or areas of concern – discuss
 - b. Lease Lots- area of concern
 - c. Vehicle traffic on the buffer strip between Ruth Store and lease site 76-discuss, Blocking the access with large boulders could be a possible solution
 - d. Trinity County Hazard Mitigation Plan- status update



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka

SECTION G1 PAGE NO. 3



Agenda for Special Joint Meeting of HBMWD Board of
Directors with the Ruth Lake Community Services District
Board of Directors
July 22, 2016

5. HBMWD Topics

- a. Water Resource Planning - status report
- b. Humboldt County Dam Break Plan-status update
- c. Timber Management – discuss
- d. Marijuana Cultivation in the Mad River Watershed
 - i. discussion re: current enforcement efforts
 - ii. input re: ideas or needs to address

ADJOURNMENT

Immediately following the Board meeting, there will be a staff-level meeting to discuss:

- a) HBMWD's Emergency Action Plan for Matthews Dam via face-to-face meeting with RLCSD, USFS, Trinity County Sheriff/OES and Fire Department staff to discuss EAP, especially notification flow charts

Note – start times listed above are estimates and may vary due to traffic delays or length of site visits. Members of the public are invited to address the Board on any items listed on the agenda above, or on issues affecting the operation of the District which are within the jurisdiction of the Board. Public comment may be limited to 5 minutes per person.

(Posted and mailed July 15, 2016)

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors
From: Paul Helliker
Date: June 9, 2016
Subject: Samoa Community Services District

.....

At the May, 2016 Board meeting, the Board discussed the request by Troy Nicolini and the Samoa Peninsula Fire District for HBMWD's support of the proposal to create a Community Services District, to manage water, wastewater, recreation and other services for the Samoa Peninsula, in the area south of Highway 255. The service area map (attached) raised some questions about the plans by the CSD to serve the area designated as "possible expansion area." This area is the Redwood Marine Terminal, currently owned by the Humboldt Bay Harbor District, and is not currently in use. It is served by the master meter of the Town of Samoa, and will likely be separately metered as part of Danco's development plans. That separate meter or meters would provide service to the Harbor District, and would be managed by the new CSD.

Staff recommends sending letter to LAFCO supporting the creation of the new CSD.



Continuing Business

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors

From: Paul Helliker

Date: June 9, 2016

Subject: Water Conservation Regulations

.....

On May 18, the State Water Board adopted revisions to the emergency conservation regulations, to allow water agencies to define the status of their water supplies and determine whether or not there is any need for emergency conservation measures in 2016. The changes require agencies to consider the impacts on their existing supplies of three additional years of drought, similar to the hydrologies in 2013-15. Agencies are to compare the average of their demands in 2013 and 2014 to this hydrologic sequence, and if there is any shortage of supply in the third year (2019), the percentage below the supply available that this demand level represents will serve as the conservation requirement the agency will have to meet in 2016.

Wholesale water agencies will need to report to their retail agencies customers by June 15 the amount of supply that is projected for each customer during the next three years. Retail agencies are then required to conduct this analysis and report to the State Water Board by June 22 the status of their supplies and demands, and any conservation level that may be necessary.

On June 3, 6 and 7, DWR and the State Water Board will conduct listening sessions on the long-term elements of the Governor's May 9 Executive Order. I will report at the Board meeting on the June 3 session, which I plan to attend to represent our agencies.

SAVE THE DATE – Public Listening Sessions

The California Department of Water Resources, State Water Resources Control Board and the California Department of Food and Agriculture (EO State Agencies) have scheduled three Public Listening Sessions regarding implementation of Executive Order B-37-16 (EO) issued by Governor Brown on May 9, 2016. The first Listening Session will focus on urban (am only) and agricultural (pm only) directives of the EO; the second session on urban directives and the third session on agricultural and rural water shortage contingency planning directives.

- Listening Session 1:** **Friday, June 3, Sacramento, CA:**
 Urban Session 9:00 AM – 12:00 PM
 Agricultural Session 1:00 PM – 4:00 PM
- Listening Session 2:** **Monday, June 6, Los Angeles, CA: 10:00 AM – 1:00 PM**
- Listening Session 3:** **Tuesday, June 7, Tulare, CA: 9:00 AM – 12:00 PM**

Meeting materials will be posted no later than 5:00 pm on June 1, 2016 at:

<http://www.water.ca.gov/calendar/index.cfm?month=6&year=2016>.

Please print and bring your own copies of these materials.

The meeting will include an overview from the participating EO State Agencies about the Executive Order including key directives and agency responsibilities. The meeting will then transition to an extensive open comment period by the public. Participants are encouraged to identify key topics and suggestions they would like the EO State Agencies and soon to be formed urban and agricultural stakeholder committees to consider in the coming months during the EO implementation.

Listening Sessions – Additional Information:**Friday, June 3, Sacramento, CA**

Department of Water Resources, Auditorium
1416 Ninth Street
Sacramento, CA 95814

Remote Participation Details (June 3, ONLY)

Live Audio Feed:

Monday, June 6, Los Angeles, CA

Metropolitan Water District of Southern California, Headquarters Building
Board Room, First Floor
700 N. Alameda Street
Los Angeles, CA 90012

Tuesday, June 7, Tulare, CA

Southern California Edison, Energy Education Center
4175 South Laspina Street
Tulare, CA 93274

For reasonable accommodations contact: Kari Fraguela at (916) 653-8053

More information on the projects and the legislation can be found at the following link:

<http://www.water.ca.gov/wateruseefficiency/conservation/>

Executive Order B-37-16
Listening Session
June 3, 2016
9:00 AM - 12:00 PM
Department of Water Resources, Auditorium
1416 Ninth Street, Sacramento, CA 95814
Agenda

To join via Webinar: <https://attendee.gotowebinar.com/register/1979600691952569604>
Please register in advance. If you wish to provide input during the listening session, please join the webinar.

Objectives:

- Provide an overview from participating agencies on Governor's Executive Order B-37-16 (EO).
- Describe key projects and agency responsibilities
- Gather stakeholder input on key topics and implementation of the EO

Time	Topic
8:30 AM	Doors Open
9:00 AM	Welcome, Introductions, Agenda Review
9:15 AM	Executive Order B-37-16 Overview <ul style="list-style-type: none"> • Purpose and objective • State Agency Roles for EO implementation • Public Process for EO implementation <i>Questions and Input on EO Overview and public process</i>
10:00 AM	Public Input on Implementation of Executive Order Directives Executive Order Urban Sections Use Water More Wisely Eliminate Water Waste Strengthen Local Drought Resilience Questions have been provided to focus the discussion (See Attachment). Public input will be taken one section at a time
11:40	Next Steps
12:00 PM	Adjourn

NOTES:

Timeframes for agenda items are approximate. Meeting materials will be posted by no later than 5:00 pm June 1 at <http://www.water.ca.gov/calendar/>.

If you need reasonable accommodation due to a disability or need language assistance please contact Kari Fragueta at (916) 653-8053. For further information about this agenda, please contact Stephanie Lucero at (916) 628-1042 or slucero@ccp.csus.edu.

Making Water Conservation a California Way of Life

On May 9, 2016, Governor Edmund G. Brown Jr. issued Executive Order B-37-16. The press release stated “Moving to bolster California’s climate and drought resilience, Governor Edmund G. Brown Jr. today issued an executive order that builds on temporary statewide emergency water restrictions to establish longer-term water conservation measures, including permanent monthly water use reporting, new permanent water use standards in California communities and bans on clearly wasteful practices such as hosing off sidewalks, driveways, and other hardscapes.”

This Executive Order (EO) builds on the conservation accomplished during the drought and implementation of the Governor’s California Water Action Plan. The full text of the EO can be found online on the Department of Water Resources (DWR) website at <http://www.water.ca.gov/wateruseefficiency/conservation/>. The directives of the EO actions are summarized below.

Included with each section of this information sheet are questions to help focus and guide the discussion during the listening sessions. Please read and consider these questions as well as other input in preparation for the listening sessions.

Use Water More Wisely

DWR and the State Water Resources Control Board (Water Board) will require monthly reporting by urban water suppliers on a permanent basis. This includes information regarding water use, conservation and enforcement. Through a public process and working with partners such as urban water suppliers, local governments, and environmental groups, DWR and the Water Board will develop new water use efficiency targets as part of a long-term conservation framework for urban water agencies. These targets go beyond the 20 percent reduction in per capita urban water use by 2020 that was embodied in SB X7-7 of 2009, and will be customized to fit the unique conditions of each urban water supplier.

Deliverables: DWR and the Water Board will publicly release a draft long-term conservation framework by January 10, 2017. This framework will include new water use targets based on strengthened standards for indoor residential water use, outdoor irrigation, CII water use, and distribution system water loss. The EO requires that these new targets are customized for each urban water supplier.

Questions for Listening Sessions

1. What factors should be considered in developing the new standard based water use targets and customizing them for each urban water supplier?
2. How should the four standards listed in the EO be used to identify and determine those new water use targets and how urban water suppliers would implement them?
3. How should existing SBX 2020 targets, be considered in determining new targets?

Eliminate Water Waste

The EO directs the Water Board to prohibit a number of practices that waste potable water, and directs the Water Board and DWR to minimize system leaks, accelerate data collection, improve system management, and prioritize capital projects that reduce water waste. The California Energy Commission (CEC) and California Public Utilities Commission (CPUC) also have EO roles in eliminating water waste.

Deliverables: The Water Board and DWR will take actions to minimize water system leaks across the state that continue to waste large amounts of water. The CPUC will take actions to minimize leaks, and CEC will certify innovative water conservation and water loss detection technologies.

Questions for Listening Sessions

4. What actions should the State and/or urban water suppliers take to accelerate leak detection and repair?
5. How can the State Agencies contribute or support local efforts to identify leaks and reduce related potable water loss through leaks?
6. What key data should urban water suppliers be responsible to develop, and what data should the State provide?

Strengthen Local Drought Resilience

In consultation with urban water suppliers, local governments, environmental groups, and other partners, DWR will strengthen standards for local Water Shortage Contingency Plans, which are part of the Urban Water Management Plans that water districts must submit every five years. Under new strengthened standards, districts must plan for droughts lasting at least five years, as well as more frequent and severe periods of drought. These plans must be actionable, so that districts can turn to them to guide their drought response.

Deliverables: DWR shall publicly release the updated draft requirements by January 10, 2017. For areas not covered by the Water Shortage Contingency Plan, DWR will work with counties to improve drought planning for small water suppliers and rural communities.

Questions for Listening Sessions

7. After five years of drought conditions, how can water shortage contingency plans requirements be improved and strengthened to make the plans a more effective tool for urban water suppliers to respond to future droughts?
8. Which elements of a water shortage contingency plan requirements are conducive for developing uniform statewide standards, and which requirements should be more flexible to account for local conditions?
9. How can small supplier and rural community drought planning be improved and strengthened?

Improve Agricultural Water Use Efficiency and Drought Planning

DWR, working with the California Department of Food and Agriculture (CDFA), will update existing requirements for Agricultural Water Management Plans so that irrigation districts quantify their customers' water use efficiency and plan for water supply shortages.

Current law requires agricultural water districts serving 25,000 acres or more to file such plans. The EO increases the number of irrigation districts who must file water management plans by lowering the threshold to irrigation districts serving 10,000 acres or more. DWR will check the plans to ensure they quantify conservation efforts and adequately plan for water shortages.

Deliverables: The Water Board and DWR will work with water suppliers to accelerate data collection, improve water system management, and prioritize capital projects to reduce water waste. DWR and CDFA will seek public input on the updated standards, and release a public draft of proposed changes by January 10, 2017.

Questions for Listening Sessions

10. How could the Agricultural Water Management Planning requirements (AWMPs) better identify local measures and practices to improve water use efficiency?
11. How could the AWMP better quantify improvements in water use efficiency?
12. The Sustainable Groundwater Management Act requires local Groundwater Sustainable Agencies to complete a water balance for the groundwater basin. Should water balances be part of AWMPs?
13. Are there ways the AWMP reporting requirements can be streamlined with other reporting requirements including SGMA and the Irrigated Lands Program?

Compliance Methods

To ensure compliance with the provisions of the EO, DWR, Water Board, and CPUC will work together to develop methods which could include technical and financial assistance, regulatory oversight and enforcement mechanisms.

Stakeholder Engagement Process and Schedule

DWR, Water Board, CDFA, CPUC, and CEC as members of a State Agency Team are working together to carry out the EO and will convene venues to engage stakeholders in the process including urban water suppliers, agricultural water suppliers, environmental organizations, local governments, tribes, and other partners. The State Agency Team is convening public Listening Session on June 3, 6, and 7, 2016 to describe the Executive Order and receive initial public comments on its implementation.

The State Agency Team will engage stakeholders to inform the development of the deliverables listed above. The stakeholder engagement process and schedule are being developed and will be posted online at: <http://www.water.ca.gov/wateruseefficiency/conservation/>

The questions listed above focus on specific EO actions for which the State Agencies are seeking feedback; comments or input on items not specified may be discussed at the Listening Sessions or submitted to: WUE@water.ca.gov.



**CALIFORNIA
ENERGY COMMISSION**

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors
From: Paul Helliker
Date: June 9, 2016
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**

GHD prepared a grant application for State Revolving Loan funds for further design and analysis of pipeline extensions to the north and south. They have submitted some parts of the application, but are awaiting assignment of a grant officer to whom to pose questions before they complete the financial sections of the application.

b) Transport

Here is the latest from Bob Simpson (email dated June 1, 2016):

“Unfortunately, I am unable to proceed. The only possible way to reduce transport cost is to build a floating platform off the end of the ocean outfall line to make it possible to load Super Tanker class vessels. These vessels would serve the middle east, Asia and Africa where water is scarce. Fred Smith of FedEx took a look at the opportunity. For personal reasons Fred declined. With that said, I am afraid I have exhausted my resources.”

A meeting of the Transport Committee was held on June 7, a report from which will be provided at the Board meeting.

c) Instream Flow Dedication

I re-sent my request for a meeting to Tony LaBanca, the CDFW manager who supervises the staff who participate in our work on streamflow enhancement. The purpose of the discussion would be to clarify what needs to be done to ensure that we and CDFW are in synch on the next steps for streamflow enhancement dedications and any analysis that might need to be done.

New Business

Memo To: Board of Directors
From: Thavisak Syphanthong
Date: June 2, 2016
Subject: 2015 Urban Water Management Plan & Public Hearing

Introduction

As previously discussed, the District has been preparing its 2015 Urban Water Management Plan (UWMP or Plan). UWMPs are prepared by California's urban water suppliers who either provide 3,000 acre-feet of water annually or serve 3,000 or more connections.

The purpose of the UWMP is to support long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands. Water suppliers are required to assess the reliability of their water sources over a 20-year planning horizon considering normal, singly dry years and multiple dry years.

The plans are to be prepared every 5 years and submitted to the Department of Water Resources (DWR) for review. The 2015 UWMPs are required to be adopted by July 1, 2016 and then submitted to DWR.

DWR reviews the plans for compliance with the requirements identified in the Urban Water Management Planning Act. Some important sections of the UWMP include water supply reliability, water conservation and water shortage contingency planning.

A copy of the District's 2015 UWMP including all appendices is available for public review at the District's main office in Eureka and available on the District's website at <http://www.hbmwd.com/district-regulatory-plans>.

Legislative Requirements

The UWMP Act has emphasis on water conservation and water use reduction targets per SBX7-7 Water Conservation Bill of 2009. The main focus of SBX7-7 is achievement of a 20% reduction in statewide urban water use in gallons per capita per day (gpcd) by 2020. Water use and water use projections are reported in urban water suppliers' 2010 and 2015 UWMPs.

Requirements of SBX7-7 affect retail water suppliers more than wholesale water suppliers like the District. Retail water suppliers are required to determine base daily per capita water use, urban water use targets, and interim water use targets. The District only has to support its wholesale customers in their water conservation efforts and meeting their water use targets.

In order to be eligible for any state water loan or grant, water agencies need to meet the requirements of SBX7-7 and have a UWMP that has been deemed "complete" by DWR. Meeting these requirements is especially important for the District to be able to apply for additional SRF loans, Prop 1 and Prop 84 grants.

Professional Reviews

The District hired Kennedy/Jenks Consultants (KJC) to conduct a final review of the entire plan for compliance with the requirements of the UWMP Act and amending legislation.

Related Activities and Next Steps

The District has published the Notice of the Public Hearing for the 2015 UWMP in three local newspapers.

The District has sent out notification of time and date of the Public Hearing to all its municipal customers and to agencies with land-use planning authority within the District boundaries.

Resolution No. 2016-06, "Adopting the District's 2015 Urban Water Management Plan," is attached.

The Public Hearing to receive public input on the District's 2015 UWMP is scheduled for the June 9, 2016 Board meeting.

Following the Public Hearing, the Board will consider adoption of the District's 2015 UWMP.

Recommendation

Staff recommends that the Board conduct the Public Hearing; consider and approve the District's 2015 Urban Water Management Plan and adopt Resolution 2016-06.



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BOARD OF DIRECTORS

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SHERI WOO, DIRECTOR
NEAL LATT, DIRECTOR

GENERAL MANAGER

PAUL HELLIKER

May 27, 2016

To: Agencies with Land Use Planning Authority:

Kevin Hamblin, Director, Humboldt County Community Development Services Dept.
Robert Wall, Humboldt County Planning Dept.
David Loya, Director, City of Arcata Community Development Dept.
Rob Holmlund, Director, City of Eureka Community Development Dept.

Municipal Customer Representatives:

Mark Andre, City of Arcata
Brian Gerving, City of Eureka
David Hull, Humboldt CSD
Greg Orsini, McKinleyville CSD
Amanda Mager, City of Blue Lake
Rick Hanger & Rebecca Crow, Fieldbrook-Glendale CSD
Chris Drop, Manila CSD

Re: Notice of Public Hearing for HBMWD's 2015 UWMP

In a previous letter dated January 13, 2016 sent to the District's municipal customers, Humboldt Bay Municipal Water District gave notification that we were in the process of reviewing and updating our 2015 Urban Water Management Plan (UWMP). We have finished our draft 2015 UWMP and will hold a public hearing on Thursday, June 9th, 2016, at 10:00 am, at the District Office, 828 7th Street in Eureka.

The UWMP establishes HBMWD's compliance with California Water Code, Division 6, Part 2.6, for all urban water suppliers that provide municipal water to more than 3,000 customers or supply its customers with more than 3,000 acre-feet of water. The purpose of the UWMP is to support long-term resource planning and ensure adequate water supplies are available to meet existing and future water demands. Water suppliers are required to assess the reliability of their water sources over a 20-year planning horizon considering normal, dry, and multiple dry years. Some important sections of the UWMP include water supply reliability, water conservation and water shortage contingency planning.

The UWMP was prepared for the State of California Department of Water Resources in accordance with the California Urban Water Management Planning Act of 1983 (AB 797) (UWMP Act) and Water Conservation Bill of 2009 (SBX7-7) as amended. Requirements of SBX7-7 affect retail water suppliers more than wholesale water suppliers such as the District. Retail water suppliers are required to determine base daily per capita water use, urban water use targets, and interim water use targets. The District must support its municipal customers in their water conservation efforts and meeting their water use targets.

The District would like to thank its municipal customers and the agencies with land use planning authority within the District for working together in helping the District and its four larger municipal customers with our respective UWMPs. The District's UWMP has been available for public review at the District Office since May 25, 2016.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Thavisak Syphanthong". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Thavisak Syphanthong
Program & Regulatory Analyst

Cc: Jason Patton, McKinleyville CSD
Dan Duncan, City of Eureka
Rachel Hernandez, City of Arcata

Resolution No. 2016-06**Resolution of the Humboldt Bay Municipal Water District Board of Directors
Adopting the District's 2015 Urban Water Management Plan**

Whereas, the Urban Water Management Planning Act of 1983, as amended (California Water Code Division 6, Part 2.6) requires the preparation and submission to the California Department of Water Resources of an Urban Water Management Plan by all water suppliers that qualify as urban water suppliers as defined by the act; and

Whereas, the Humboldt Bay Municipal Water District qualifies as an urban water supplier as defined by the Urban Water Management Planning Act; and

Whereas, the Urban Water Management Planning Act as amended requires retail urban water suppliers to address components of the Water Conservation Bill of 2009 (SBX7-7), which sets an overall goal of reducing the state's per capita urban water use by 20% by December 31, 2020, for which the Humboldt Bay Municipal Water District must provide support; and

Whereas, the Urban Water Management Planning Act requires the submission of Urban Water Management Plans in years ending in 5 and 0; and

Whereas, the Humboldt Bay Municipal Water District last prepared and submitted an Urban Water Management Plan in 2010; and

Whereas, the 2015 Urban Water Management Plan must be adopted by July 1, 2016, after public review and hearing, and filed with the Department of Water Resources within thirty days of adoption; and

Whereas, the Humboldt Bay Municipal Water District has therefore prepared and made available for public review a draft of the Urban Water Management Plan, and a properly noticed public meeting regarding the Plan was held by the Board of Directors on June 9, 2016.

Now therefore be it resolved, that the Directors of the Humboldt Bay Municipal Water District adopts the 2015 Urban Water Management Plan and authorizes its submission to the California Department of Water Resources.

PASSED and ADOPTED at a Regular Meeting of the Board of Directors of the Humboldt Bay Municipal Water District this 9th day of June, 2016 by the following roll call vote:

AYES:

NOES:

ABSENT:

Attest:

Barbara Hecathorn, Board President

J. Bruce Rupp, Board Secretary/Treasurer

Humboldt Bay Municipal Water District

To: Board of Directors

From: Sherrie Sobol

Date: June 2, 2016

Re: Agenda Review Committee

Background:

The current charter for the Agenda Review Committee states:

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

Current Situation:

Director Rupp posed the question of why the Secretary/Treasurer is involved since the purpose of the meeting is to alert the President or whoever manages the meeting of any potential controversies and the importance of particular items on the agenda.

Staff Recommendation:

Board members continue to see value in a discussion between the General Manager and the Board President (or whoever will chair the upcoming Board meeting) about the items on the meeting agenda. However, it does not appear necessary to continue to have a standing committee to perform this function, as the meeting would normally be just between the President (or meeting chair) and the General Manager. One other Board member could participate in such discussions without the discussion qualifying as a "meeting" for the purposes of complying with the requirements of the Brown Act, as long as such participation is on an ad hoc basis. Staff recommends the Board discontinue the Agenda Review Committee.

**Landslide Investigation – Matthews Dam Vicinity
Mad River Ranger District, Six Rivers National Forest**



Prepared by: Fred Levitan, Six Rivers National Forest Geologist

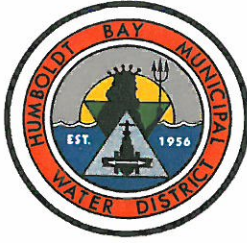
May 3, 2016

Executive Summary

Renewed landslide activity on hillslopes above and to the west of the left abutment of the R.W. Matthews Dam on Ruth Lake was observed in the winter of 2016, following wildfire in summer 2015 and a wet winter season. Significant landslide activity had occurred previously in 1998, when slide debris including earth materials and large trees were deposited on the dam powerhouse access road. The Humboldt Bay Municipal Water District (HBMWD) requested that the Forest Service assist in evaluating the landslide activity, in part because it appeared that forest road drainage might be promoting slope instability. Field review by Forest Service earth scientists corroborated the findings of previous geologic investigations, namely that: 1) A large, dormant deep-seated landslide occupies the hillslope above the left dam abutment, although there is no evidence of contemporary movement of this slide and it likely presents no threat to the dam; and 2) there is a nested sequence of younger, shallow active landslides on the same hillslope that appear to have a history of chronic episodic movement. The most recent of these was involved in the 1998 slide event, and experienced some renewed activity during the winter of 2015-2016. It appears that 2015 wildfire effects on landsliding were minimal. Road drainage from Road 1S06A at the crest of the hillslope has been delivering surface runoff directly to the most active portion of the hillslope and may have affected slide movement. Road drainage was redirected away from the slide-prone hillslope by Forest Service heavy equipment work in February 2016, and should no longer directly affect slide behavior. Episodic movement of the shallow landslides above the powerhouse road is likely to continue in response to wet winters, and continue to affect the powerhouse road at times. This may be best regarded as a long-term maintenance item – no serious threat to facilities beyond the road grade is anticipated. Clearing of dead and down timber from the slide surface might reduce the volume of debris eventually delivered by the slide, but the sensitivity of the terrain and current Forest Service policy regarding heavy equipment operations on unstable ground may preclude doing so.

Recommendations going forward include: 1) continued monitoring of landslide activity (existing survey monuments and piezometer, regular foot traverses, and possible improved imaging and new instrumentation); 2) re-initiation of engineering geologic review when new landslide activity is observed; and 3) additional improvement of forest road drainage to maintain its durability and effectiveness. The Forest Service looks forward to continued cooperation with HBMWD in monitoring and managing the landslide-prone area to minimize impacts to water quality, to HBMWD facilities and to both agencies' customers.

Engineering



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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Website: www.hbmwd.com

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GENERAL MANAGER

PAUL HELLIKER

May 19, 2016

Gordon Leppig
California Department of Fish and Wildlife
Northern Region, Coastal Habitat Conservation
619 2nd Street
Eureka, CA 95501-0494

Re: Subnotification for Routine Maintenance Activity- Collector 1 Lateral Rehabilitation Project

Dear Mr. Leppig:

The purpose of this letter is to provide subnotification to the California Department of Fish and Wildlife (CDFW) for routine maintenance activities, pursuant to Section 3.2.1 of the Long-term Lake and Streambed Alteration Agreement (LTSAA) dated January 6, 2012 between Humboldt Bay Municipal Water District (HBMWD) and the CDFW.

Description of Maintenance Activity

The maintenance activity proposed by HBMWD is authorized by Section 2G of the LTSAA, described as:

"Gaining access to and maintaining Ranney collectors, which may involve building temporary gravel structures in the bed of the Mad River to access the collectors."

Attached is a memo from Pat Kaspari of GHD to David Manthorne at CDFW, dated February 13, 2015, which details the maintenance activities. Also attached is a letter from Carol Rische of HBMWD to David Manthorne at CDFW, dated April 2, 2015, which confirms that Section 10 (d) of the LTSAA requires that maintenance work performed under Section 2G be performed between May 15 and October 15. HBMWD plans to complete work on the bed of the Mad River by October 15. However, if access on the river bed is needed beyond October 15, HBMWD will consult with CDFW well in advance of that date, to allow for any amendments to this subnotification to be reviewed and approved by CDFW.

CDFW is accorded 15 working days from the date of this subnotification, to allow sufficient time for CDFW to schedule field and/or office review of the proposed maintenance activity.

Thank you for your assistance in facilitating this activity. If we can provide any further information, please feel free to contact me at helliker@hbmwd.com or (707) 443-5018.

Sincerely,


Paul Helliker
General Manager

Enclosures:

- Letter to CDFW (4/2/2015)
- Memo to CDFW from GHD (2/13/15)
- Site Plan Map showing Collector 1 location

cc: Jane Arnold and Mark Wheatley, DFW w/encls.

Dale Davidsen and Steve Marshall, HBMWD w/o encls.



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

For the meeting of: May 24, 2016

Date: May 18, 2016
 To: Board of Supervisors
 From: Supervisor Mark Lovelace
 Subject: Updates on the Annie & Mary Trail and the June 4, 2016 Trails Summit, and Supplemental Budget for Bicycles & Trailways Program (1710715), (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receives an update from Public Works on planning for the Annie & Mary Trail and discussions with the Humboldt Bay Municipal Water District regarding a potential nexus with the Water District's pipeline project across the Mad River near Glendale;
2. Receives an update regarding the Trails Summit event scheduled for June 4, 2016;
3. Adopts the following supplemental budget for FY 2015-16:

Revenue:	1710715-621020	Services for Other Agencies	\$30,000
Expenditure:	1710715-2118	Professional & Special Services	\$27,000
	1710715-3928	Expense Transfers	\$3,000

SOURCE OF FUNDING: Bicycles & Trailways Program (1710715); Humboldt County Association of Governments

DISCUSSION:

The Annie & Mary Trail is a proposed multi-use trail connecting the cities of Blue Lake and Arcata along a route following the former Arcata & Mad River Railroad line, currently owned by the North

Prepared by Hank Seemann (Public Works) Signature _____

REVIEW: Auditor _____ County Counsel _____ Personnel _____ Risk Manager _____ Other _____
--

TYPE OF ITEM:
 _____ Consent
 _____ Departmental
 _____ Public Hearing
XX _____ Other Board Initiated (15 min)
 PREVIOUS ACTION/REFERRAL:

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
 Upon motion of Supervisor _____ Seconded by Supervisor _____
 Ayes
 Nays
 Abstain
 Absent

Board Order No. _____

Meeting of: _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: _____
 By: _____
Kathy Hayes, Clerk of the Board

Coast Railroad Authority. Since 2011, Public Works has been collaborating with the Humboldt County Association of Governments (HCAOG), City of Blue Lake, Friends of the Annie & Mary Trail, and other stakeholders in an effort to advance the planning for this trail, which has been a regional goal for nearly 20 years. In 2012, Public Works completed an engineering study of the railroad bridge crossing the Mad River at Glendale to evaluate the potential for rehabilitating the bridge and upgrading it for use as a trail crossing. At that time, there were also initial discussions with the Humboldt Bay Municipal Water District (Water District) regarding the concept of coordinating the development of a trail crossing in conjunction with the Water District's project to replace the existing water supply pipeline which is attached to the railroad bridge. This concept was re-visited at the Water District's board meeting on May 12, 2016, as the Water District is preparing to make a decision on the scope of their pipeline replacement project. Public Works will provide an update on discussions with the Water District and other planning efforts related to the Annie & Mary Trail.

Public Works, HCOAG, the Humboldt Trails Council, and Redwood Community Action Agency are sponsoring a Trails Summit event on the morning of Saturday, June 4, 2016, at the Wharfinger Building in Eureka. The event includes a meet-and-greet gathering (9:30 to 10 am), a program with speakers from local public agencies and the Volunteer Trail Stewards (10 to 11 am), and an open house (11 am to noon). The Trails Summit is intended to celebrate the progress by various agencies and organizations in advancing trail projects throughout the county, and provide updates on projects currently in development. There will also be information on opportunities for the public to get involved in supporting trails and expansion of the local trail network.

This item includes a supplemental budget request to incorporate funds provided by HCAOG to Public Works for (1) coordination of the Trails Summit (\$5,000), and (2) sponsoring a preliminary analysis of the potential for trail projects between Eureka and the Eel River Valley (\$25,000).

FINANCIAL IMPACT:

The proposed actions will not impact the General Fund. The supplemental budget incorporates a total of \$30,000 in funds being provided by HCAOG for specified tasks.

The requested action will advance two of the Board of Supervisors' core roles: providing for and maintaining infrastructure, and creating opportunities for improved safety and health.

OTHER AGENCY INVOLVEMENT: Humboldt Bay Municipal Water District, HCAOG

ALTERNATIVES TO STAFF RECOMMENDATIONS: Board discretion

ATTACHMENTS: Flier for June 4, 2016 Trails Summit



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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GENERAL MANAGER

PAUL HELLIKER

May 27, 2016

California Governor's Office of Emergency Services
Hazard Mitigation Grants Program Unit
3650 Schriever Avenue
Mather, CA 95655

RE: 12-kV Switchgear Relocation Project Match Commitment Letter

Dear State Hazard Mitigation Officer,

As part of the Hazard Mitigation Grant Program process, a local funding match is required. This letter serves as Humboldt Bay Municipal Water District's commitment to meet the matching fund requirements for the 12-kV Switchgear Relocation Project under the Hazard Mitigation Grant Program.

Name of funding source: Municipal customer rate payers.

Funding type: Wholesale water rates.

The local matching fund requirement is \$450,000 and is available as of July 1, 2016.

If additional federal funds are requested, an additional local match fund commitment letter is required to be submitted.

Please contact John Friedenbach, Business Manager, by phone at (707) 443-5018 or email at friedenbach@hbmwd.com if you have any questions.

Sincerely,


Paul Helliker, General Manager



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May 27, 2016

GENERAL MANAGER

PAUL HELLIKER

California Governor's Office of Emergency Services
Hazard Mitigation Grants Program Unit
3650 Schriever Avenue
Mather, CA 95655

RE: 12-kV Switchgear Relocation Project Maintenance Letter

Dear State Hazard Mitigation Officer,

This letter serves to confirm that the Humboldt Bay Municipal Water District is committed to perform the necessary maintenance for the entire useful life of this project (30 years) once completed. The District allocates an annual budget which will allow maintenance to occur as needed to ensure the new switchgear remains operational and in good repair.

Entity responsible for the maintenance: Humboldt Bay Municipal Water District

Maintenance Task: Inspect and clean switchgear components

Maintenance Schedule and Cost: District staff spends an average of 32 per hours per year inspecting and cleaning switchgear components, which equates to a cost of \$800/year at a rate of \$25/hour. Inspections take place monthly, and the switchgear components are thoroughly cleaned annually. The District hires a contractor every two years to clean the switchgear components for approximately \$3,240 per occurrence (\$1,620/year). These maintenance activities will continue at the same schedule and cost for the new switchgear. The average annual cost for switchgear maintenance is \$2,420/year.

Associated Budget: \$2,420/year

Please contact Dale Davidsen, Superintendent, by phone at (707) 822-2918 or email at supt@hbmwd.com if you have any questions.

Sincerely,


Paul Helliker, General Manager

Financial

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors

Date: June 1, 2016

From: John Friedenbach, Business Manager

RE: Resolution for Annual Limit for Appropriations (Resolution 2016-5)

The California Constitution Article XIII (b) requires the adoption of an annual resolution limiting the amount of appropriations from taxes to a certain base level plus annual increases based on per capital income and population increases. The State Department of Finance has provided the District with these annual Price and Population figures for the fiscal 2016/17 year.

Staff is recommending Board adoption of the attached Resolution 2016-5 to establish the required appropriations limit for the 2016/2017 fiscal year.

Resolution 2016-5
Resolution of the Humboldt Bay Municipal Water District
Board of Directors
Adopting Article XIII (b) Limit for Appropriations from Taxes
Fiscal Year 2016/2017

Whereas, Article XIII (b) of the State Constitution limits the amount of appropriations from taxes to a certain base level plus annual increases based on per capita income and population increases; and,

Whereas, the Humboldt Bay Municipal Water District has received annual updates from the State as to the allowed increase levels; and,

Whereas, Section 7910 of the California Government Code requires formal adoption, by resolution, of the annual appropriations limit.

Therefore be it resolved:

That the appropriations from taxes limit for fiscal year 2016/2017 is hereby set at \$1,144,583; and

That this resolution shall become effective 45 days from the date of its adoption.

Passed, approved and adopted this 9th day of June 2016 by the following votes:

Ayes:
Nays:
Absent:

Attest:

Barbara Hecathorn, President

J. Bruce Rupp, Secretary/Treasurer



EDMUND G. BROWN JR. • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DDF.CA.GOV

May 2016

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

The California Revenue and Taxation Code, section 2227, requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2016, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2016-17. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2016-17 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. The Revenue and Taxation Code, section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2016.**

Please Note: Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY COSTA
Chief Deputy Director

Attachment

May 2016

Attachment A

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2016-17 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2016-17	5.37

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2016-17 appropriation limit.

2016-17:

Per Capita Cost of Living Change = 5.37 percent

Population Change = 0.90 percent

Per Capita Cost of Living converted to a ratio: $\frac{5.37 + 100}{100} = 1.0537$

Population converted to a ratio: $\frac{0.90 + 100}{100} = 1.0090$

Calculation of factor for FY 2016-17:

$$1.0537 \times 1.0090 = 1.0632$$

Fiscal Year 2016-17

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2015 to January 1, 2016 and Total Population, January 1, 2016

County City	<u>Percent Change</u> 2015-2016	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
		1-1-15	1-1-16	1-1-2016
Humboldt				
Arcata	0.46	18,085	18,169	18,169
Blue Lake	0.70	1,278	1,287	1,287
Eureka	-0.17	26,811	26,765	26,765
Ferndale	-0.07	1,435	1,434	1,434
Fortuna	-0.29	11,882	11,848	11,848
Rio Dell	0.06	3,414	3,416	3,416
Trinidad	-0.27	368	367	367
Unincorporated	0.07	71,577	71,628	71,830
County Total	0.05	134,850	134,914	135,116

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Limit for Appropriations from taxes (Prop 4 Calculation)

Article XIII (b) of the State Constitution limits the amount of appropriations from taxes.

California State Department of Finance, Demographic Research Unit (DRU) provides Price and Population information
Information will be available on website after May 1st <http://www.dof.ca.gov/Research/Research.asp>

Calculation of 16/17 Limit

$$\$ 1,228,692.78 \quad \times \quad 1.0632 \quad = \quad \$1,306,346.17$$

Instructions: Multiply prior year limit by current year factor

Humboldt County

$$0.05 \quad + \quad 100 \quad \text{divided by} \quad 100 \quad = \quad 1.00050$$

$$1.0537 \quad \times \quad 1.00050 \quad = \quad 1.05423$$

$$\$ 1,085,709.11 \quad \times \quad 1.05423 \quad = \quad \$1,144,583.70$$

Instructions: Convert Humboldt County Percent change to ratio (Humboldt County Percent change + 100 divided by 100)

Multiply State percentage change by Humboldt County Percent change. Example $1.0442 \times 1.0044 = 1.0488$

Multiply prior year Humboldt County limit by resulting factor (1.0488).

Humboldt Bay Municipal Water District

SECTION J2b, PAGE NO. 1

To: Board of Directors
From: John Friedenbach
Date: June 3, 2016
Re: Mid-Year 2015/16 Budget Review and Modification

Staff has conducted a mid-year project budget analysis for projects that are charged to our Muni customers. Using a minimum threshold of \$1,000, various projects have been identified that either have money left over after completion or are not going to be performed during our current fiscal year 2015/16. The amount available from these projects is being determined in coordination with the Maintenance Staff at Essex. Due to the short timeframe between the end of May and Blue Book assembly today, additional time is required to finalize the accounting for several of the affected projects and coordination with Essex staff. Therefore, staff will provide a list of these projects and corresponding budget revision early next week prior to the Board meeting.

The District has a multi-year Capital Improvement Plan (CIP). Implementation of the CIP requires significant financial resources. In order to minimize the impact in any one fiscal year, staff uses a combination of funding mechanisms including grants, loans and Advance Charges. Staff has communicated the process of budget re-allocation to enhance the Advance Charges funding mechanism for our larger CIP projects to our Muni customers and they have agreed to the process. This minimizes large fluctuations in Municipal customer charges and the upward pressure on retail rates.

Our next scheduled major CIP project is the Collector 1 & 1A rehabilitation. The amount of grant funding (\$667,000) obtained for the Collector 1 & 1A will be approximately 30% of construction costs. The magnitude of the additional funding required for these projects dictates a multi-year approach. Therefore, staff recommends that any unused project budget from our current fiscal year be re-allocated to certain authorized but unbudgeted projects by the Board and any net remainder to "Advance Charges" as defined under Ordinance 16 for our Collector 1 & 1A rehabilitation project and the Ruth Cabin replacement project.

As you may recall from our previous staff discussions regarding the sources of funding for the Collector 1 & 1A project, the Board authorized the use of the DWFP reserve for this project. By re-allocating unused project budget to Advance Charges now for this project, a smaller amount of the DWFP reserve will be necessary, thereby making any unused DWFP reserves available for other CIP projects.

Under our Capital Improvement Plan, the next collector rehabilitation project was to be Collector 2. We have collected Advanced Charges in the current and prior fiscal years. The District had applied for a Prop 84 Round 3 grant for a substantial amount of funding for the Collector 2 project. We were not granted any funding from that application. Given the yield from the Collector 3 rehabilitation and the projected increased yield from the Collector 1 rehabilitation, staff is recommending that the Collector 2 project be postponed until the actual yield from the Collector 1 project is known. In addition, there are limitations under Ordinance 16 for the collection of Advance Charges. The project must exceed \$250,000 in cost and the project must be completed within 3 years of collecting the Advance Charges. This would require that the Collector 2 project be completed in the 2017/18 fiscal year. And finally, with the update to our CIP that is in progress, staff assisted by Bartle Wells will be analyzing possible financing mechanisms for the

next phase of major projects scheduled in the CIP. Therefore, staff recommends that the Collector 2 Advance Charges be re-designated to the Collector 1 & 1A rehabilitation project.

There are some maintenance projects with low actual expenditures relative to their budgeted amounts. All maintenance projects have been or will be completed with some minor carryovers and staff can provide details on specific projects if the Board is interested.

Recommendation and Action

Due to the short amount of time between the end of May and the Blue Book preparation on June 3rd, staff requires additional time to complete the re-allocation analysis in coordination with the Maintenance Staff at Essex. Staff will present a recommendation that the Board consider and approve modifying our current 2015/16 project budget at the Board meeting.

Staff further recommends that the 2014/15 Advance Charges for Collector 2 in the amount of \$125,000 be re-designated as Advance Charges for the Collector 1 & 1A rehabilitation project.

Humboldt Bay Municipal Water District

To: Board of Directors
From: John Friedenbach
Date: June 3, 2016
Re: 2016/17 Budget Summary

Staff will make a PowerPoint presentation summarizing the fiscal year 2016/2017 District Budget. The presentation will include: 1) a brief recap of the Service & Supply and Salary & Employee Benefits components which were introduced last month; 2) revenue summary; 3) Project Budget summary, and 4) estimate of wholesale customer charges.

Service and Supply

At the May Board meeting, the Board requested additional historical expense details for the following items: 1) Dues & Subscriptions; 2) Miscellaneous; 3) Office Expense; 4) Office Building Maintenance; 5) Regulatory Agency Fees; and 6) Telephone. Graphs for these items will be included in the PowerPoint presentation for review and discussion.

Salary & Employee Benefits

One additional item has come to light since the May Board meeting presentation on the SEB budget. The Superintendent has received notice from a Maintenance Mechanic that he intends to retire in April 2017. As you may recall, the other Maintenance Mechanic retired in April 2016. These two employees have a combined experience with the District of 29 years. The District only has two Maintenance Mechanic positions. So the District will lose all of the institutional knowledge of these two employees.

Five candidates were interviewed to fill the current Maintenance Mechanic vacancy and one candidate stood out in addition to the in-house Maintenance Worker who was ultimately hired. Staff recommends hiring an additional Maintenance Mechanic, similar to what we did for the Electrical Technician, to facilitate transfer of District knowledge to the two new Mechanics. The Maintenance Worker position that was vacated would remain vacant until April 2017. The District would then have three Maintenance Mechanics and one Maintenance Worker instead of two in each job classification, until the next Maintenance Mechanic retires in April 2017. This transitional approach would result in a budget impact of approximately \$7,500.

Project Budget

The Project Budget - Carryover Items will not be finalized until we close June's accounting. This is the only substantial item that will be revised after the June Board meeting.

Next Steps

The finalized budget will be presented for consideration and adoption at the July 13, 2016 Board meeting.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
Statement of Fund Balances at May 31, 2016

Account Fund Balance at Month End	AT 5-31-16	AT 5-31-15	Increase/(Decrease)
<u>U.S. BANK ACCOUNTS</u>			
- Commercial Account - Old General Fund Account	0.00	376.13	
- Commercial Account - New General Fund Account	133,253.31	519,755.74	
- Money Market Account (DWR Contract for SRF Loan) ①	297,027.29	296,668.99	
- Certificate of Deposit (DWR Contract for SRF Reserve) ②	547,381.82	547,383.30	
- Municipal Investor Account (Loan for Ranney & Techite Projects) ③	0.00	50,257.15	
- Prop 50 Project Account (Community Intertie Projects) ⑧	0.00	395,745.69	
Subtotal	<u>977,662.42</u>	<u>1,810,187.00</u>	(832,524.58)
<u>HUMBOLDT COUNTY:</u>			
- Investment Account	3,165,515.50	1,463,301.61	
- DWFP Reserve (in accordance with Ordinance 16) ④	465,928.39	577,677.07	
- MSRA Reserve (Municipal Supplemental Reserve Account) ⑤	417,269.78	413,941.30	
- SRF Loan Payment ⑥	139,353.19	138,956.49	
- A/B Bond Tax Account	0.00	0.00	
- 1% Tax Account ⑦	<u>373,738.84</u>	<u>366,950.63</u>	
Subtotal	<u>4,561,805.70</u>	<u>2,960,827.10</u>	1,600,978.60
<u>L.A.I.F.</u>	1,600.38	1,594.64	5.74
Cash on Hand	650.00	650.00	0.00
TOTAL CASH	<u><u>\$ 5,541,718.50</u></u>	<u><u>\$ 4,773,258.74</u></u>	<u><u>\$ 768,459.76</u></u>
Less: Encumbrances & Reserves (Funds Dedicated for Specific Purposes and Projects)			
<u>RESTRICTED</u>			
Municipal Customers PF2 Prior Year Reconciliation	(32,965.08)	(28,869.60)	
1% Tax Account ⑦	(373,738.84)	(366,950.63)	
Municipal Investor Account (Loan for Ranney & Techite Projects) ③	0.00	(50,257.15)	
Municipal Customer Advanced Charging - Ranney Collector 1 & 1A Rehabilitation	(786,784.47)	(525,506.55)	
Municipal Customer Advanced Charging - Ranney Collector 2 Rehabilitation	(212,056.19)	0.00	
DWR Reserve Fund for SRF Loan ②	(547,381.82)	(547,383.30)	
DWR Contract Payment for SRF Loan for DWFP (Drinking Water Filtration Plant-PF1 Charges from Munis) ①	(297,027.29)	(296,668.99)	
- Prop 50 Project Account (Community Intertie Projects) ⑧	0.00	(395,745.69)	
SUBTOTAL RESTRICTED RESERVES (Net Position)	<u>(2,249,953.69)</u>	<u>(2,211,381.91)</u>	<u>38,571.78</u>
<u>UNRESTRICTED:</u>			
<u>Board Restricted:</u>			
Paik-Nicely Development	(4,158.00)	(4,158.00)	
Sequoia Investments X, LLC (Hog Island Project)	(4,573.50)	0.00	
DWFP Reserve * ④	(465,928.39)	(577,677.07)	
MSRA Reserve (Municipal Supplemental Reserve Account) ⑤	(417,269.78)	(413,941.30)	
<u>Unrestricted Reserves</u>			
SRF Loan Payment ⑥	(139,353.19)	(138,956.49)	
Techite CalEMA Subgrantee Administrative Allowance	(30,004.63)	(30,766.18)	
Municipal Customer Accumulation for Debt Service for US Bank			
Ranney & Techite Project Loan Payment	20,794.45	14,556.75	
General Fund Reserve	<u>(2,251,271.77)</u>	<u>(1,410,934.54)</u>	
SUBTOTAL UNRESTRICTED RESERVES (Net Position)	<u>(3,291,764.81)</u>	<u>(2,561,876.83)</u>	<u>729,887.98</u>
Total Net Position	<u><u>(5,541,718.50)</u></u>	<u><u>(4,773,258.74)</u></u>	<u><u>768,459.76</u></u>

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

	MAY RECEIPTS	YTD TOTAL AT 5-31-16	BUDGET	% OF BUDGET	YTD TOTAL AT 5-31-15
MISCELLANEOUS RECEIPTS (RETURNED TO CUSTOMERS VIA PF2)					
RETAIL WATER SALES	\$ 20,327.48	\$ 269,564.60	\$306,000	88%	\$ 268,619.83
SUBTOTAL RETAIL WATER SALES	\$ 20,327.48	\$ 269,564.60	\$306,000	88%	\$ 268,619.83
GENERAL REVENUES					
INTEREST	0.00	11,661.29	\$12,000	97%	10,945.82
FCSD CONTRACT FOR MAINT. & OPERATIONS	0.00	236,541.42	175,000	135%	187,390.93
POWER SALES	23,024.69	130,368.44	175,000	74%	139,135.97
MISCELLANEOUS (SEE NEXT PAGE)	\$10,505.77	\$ 48,414.58	75,000	65%	\$ 44,935.64
SUBTOTAL GENERAL REVENUES	\$ 33,530.46	\$ 426,985.73	\$437,000	98%	\$ 382,408.36
TAX RECEIPTS					
1% TAXES	382,689.84	849,152.55	750,000	113%	487,709.51
TOTAL PF 2 CREDIT	\$ 436,547.78	\$ 1,545,702.88	\$1,493,000	104%	\$ 1,138,737.70
WHOLESALE CONTRACT RECEIPTS					
INDUSTRIAL	\$0.00	\$0.00	\$0	0%	\$0.00
TOTAL INDUSTRIAL	\$0.00	\$0.00	\$0	0%	\$0.00
CITY OF ARCATA	\$87,026.55	\$966,441.33	\$1,129,075	86%	\$813,999.47
CITY OF EUREKA	-	2,330,739.39	2,745,393	85%	1,990,074.36
HUMBOLDT CSD	70,904.29	784,018.41	939,692	83%	669,842.26
MANILA CSD	5,793.24	63,854.63	74,906	85%	54,077.37
MCKINLEYVILLE CSD	70,200.51	779,278.74	929,087	84%	666,082.84
FLDDBROOK CSD	11,432.45	137,353.35	148,575	92%	115,298.52
BLUE LAKE	12,556.04	143,886.33	173,361	83%	156,259.87
TOTAL MUNIS	\$257,913.08	\$5,205,572.18	\$6,140,089	85%	\$ 4,465,634.69
A/B BOND TAXES	\$0.00	\$0.00	\$0	0%	\$0.00
TOTAL RECEIPTS	\$ 694,460.86	\$ 6,751,275.06	\$7,633,089	88%	\$ 5,604,372.39

MISCELLANEOUS RECEIPTS

	MAY	YEAR TO DATE
Administrative		
<i>Parking Lot Rent</i>	\$25.00	\$275.00
<i>Employee Telephone</i>	12.60	115.13
<i>Employee Gas</i>	0.00	487.91
<i>Retirees' Reimbursement of Health Insurance Premium</i>	493.83	23,768.19
<i>COBRA Dental Ins & Admin Fee - Retiree</i>	216.48	697.46
<i>COBRA Vision Ins & Admin Fee - Retiree</i>	37.86	170.37
<i>Water Processing Fees</i>	0.00	540.00
<i>Hydrant Rental Deposit</i>	175.00	175.00
<i>Meter Installations</i>	0.00	0.00
<i>Retail Connection Charge</i>	0.00	0.00
<i>Mainline Connection Charge</i>	0.00	0.00
<i>Right of Way Fees</i>	0.00	0.00
<i>Special Event Liability Insurance</i>	0.00	361.50
<i>ACWA/JPIA Retrospective Premium Adjustment</i>	0.00	0.00
<i>ACWA/JPIA Insurance Claim</i>	0.00	0.00
<i>Dividend Check (Principal Life)</i>	0.00	811.68
<i>Bad Debt Recovery</i>	0.00	146.29
<i>Miscellaneous Payments for Copies &/or Postage Costs</i>	30.00	205.38
<i>Diesel Fuel Tax Refund</i>	0.00	20.57
<i>Park Use Fees</i>	25.00	300.00
<i>Overpayment Refund - Reynolds RV</i>	0.00	40.00
<i>McMaster-Carr- Refund of Sales Tax overpayment</i>	0.00	13.76
<i>Pump Solutions-Refund of Sales Tax overpayment</i>	0.00	4.50
<i>State of California - Open Meeting Act Claims 1997-2003</i>	0.00	1,465.00
<i>State of California - Refund of Sales Tax Penalty</i>	0.00	789.30
<i>US Bank - Closed Credit Card Rewards</i>	0.00	500.00
<i>IRS - Refund - Overpayment of Payroll Taxes 2015</i>	0.00	523.93
<i>Sequoia Investments X, LLC - Hog Island Project</i>	5,000.00	5,000.00
Ruth Area		
<i>Use of Ruth Cabin</i>	30.00	240.00
<i>RLCSD-Water System Permit Fees</i>	0.00	0.00
<i>Ruth Area Water Use Permit</i>	0.00	0.00
<i>Buffer Strip Right of Way License Fee</i>	0.00	0.00
<i>Ruth Buffer Strip PG&E Right of Way Fees</i>	0.00	0.00
<i>Ruth Sale of Merchantable Timber</i>	0.00	0.00
<i>Ruth Sale of Surplus Gravel</i>	10.00	10.00
<i>Don Bridge Lease</i>	0.00	691.20
Miscellaneous		
<i>Sale of Scrap Transformer</i>	0.00	714.00
<i>Sale of Surplus Transformer</i>	1,650.00	1,650.00
<i>Sale of Scrap Metals</i>	0.00	75.65
<i>Sale of Surplus Equipment</i>	0.00	3,200.00
<i>Sale of Surplus Vehicle</i>	2,800.00	2,800.00
<i>Humboldt Bay Harbor Recreation & Conservation District</i>	0.00	622.76
<i>GHD - Contribution for Carol Rische's Retirement Event</i>	0.00	2,000.00
<i>Other</i>	0.00	0.00
Total Miscellaneous Receipts	\$10,505.77	\$ 48,414.58
OTHER RECEIPTS or GRANTS		
<i>CalEMA Techite Grant Reimbursement (Note 1)</i>	\$0.00	\$279,518.00
<i>CDPH - Prop 50 Intertie Project Grant Reimbursement (Note 1)</i>	0.00	186,812.95
<i>Prop 84 - Ranney Collector 1</i>	0.00	15,962.35
<i>CalEMA Blue Lake/Fieldbrook Pipeline Crossing(Note1)</i>	0.00	10,267.00
<i>Fire Hydrant Installation - Techite Pipeline Replacement</i>	0.00	8,200.00

Notes:

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

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HUMBOLDT BAY MUNICIPAL WATER DISTRICT
TOTAL EXPENDITURES
AT MAY 31, 2016 (11 MONTHS - 91.67%)

	MAY EXPENSES	TOTAL 5/31/2016	BUDGET	% OF BUDGET	TOTAL 5/31/2016
PAYROLL:					
Regular	\$ 147,669.50	\$ 1,671,431.36	\$ 1,886,825	89%	\$ 1,593,368.95
Part-Time	1,553.25	23,127.02	53,600	43%	45,572.21
Overtime	6,612.22	25,660.39	35,000	73%	33,767.19
Standby	6,128.63	68,810.11	74,000	93%	67,043.51
Pay Differential	913.52	8,493.92	11,500	74%	7,672.71
Deferred Compensation	1,275.00	13,650.00	14,400	95%	13,200.00
Employee Assistance Plan	75.20	807.03	1,078	75%	827.39
Director Compensation	2,640.00	20,208.00	26,000	78%	25,760.00
Director - Secretary Fees	262.50	2,887.50	3,200	90%	2,887.50
Taxes/Benefits	98,736.91	1,199,658.49	1,347,689	89%	1,132,773.50
TOTAL PAYROLL	\$ 265,866.73	\$ 3,034,733.82	\$ 3,453,292	88%	\$ 2,922,872.96
SERVICE & SUPPLY					
O & M					
Engineering	\$7,485.25	\$72,608.59	\$ 75,000	97%	\$29,490.88
Maint., Repairs, Supplies	7,636.08	106,611.63	115,000	93%	88,441.77
TRF Maint, Repairs, Supplies	457.45	34,785.98	55,000	63%	43,900.61
Lab	620.00	8,990.16	13,000	69%	9,842.14
Auto Maintenance	3,156.89	33,047.09	46,000	72%	36,288.90
Radio Maintenance	250.00	7,608.45	10,500	72%	2,840.28
USGS Meter Station	0.00	0.00	7,800	0%	0.00
Ruth Lake License	0.00	1,500.00	1,500	100%	1,500.00
A&G					
Accounting Services	0.00	32,000.00	\$ 33,000	97%	26,150.00
Legal	0.00	9,498.50	28,000	34%	6,792.08
Professional Services	374.36	3,896.70	20,000	19%	8,477.45
Insurance	0.00	101,216.00	93,000	109%	97,182.60
Telephone	4,354.49	44,692.50	31,000	144%	38,408.59
Office Building Maintenance	1,342.29	19,869.40	14,000	142%	19,255.14
Office Expense	2,950.80	47,200.80	46,000	103%	45,715.40
Travel & Conference	1,408.17	8,813.77	25,000	35%	15,217.72
Dues & Subscriptions	0.00	14,094.03	14,500	97%	14,867.10
Technical Training	26.45	6,972.02	11,000	63%	2,765.44
County Tax Fee	8,951.00	17,902.00	21,000	85%	18,576.00
County Property Taxes	0.00	998.60	1,100	91%	998.60
LAFCO	0.00	5,847.74	4,500	130%	3,678.22
Regulatory Agency Fees	0.00	96,201.54	71,000	135%	69,917.40
Ruth Lake Programs	0.00	0.00	5,000	0%	4,000.00
Miscellaneous	2,816.88	19,041.96	10,500	181%	15,077.07
TOTAL SERVICE/SUPPLIES W/OUT POWER	\$41,830.11	\$693,281.46	\$ 752,400	92%	\$599,383.39
POWER					
Essex Pacific Gas & Electric	\$ 39,653.50	\$ 500,169.68			\$ 503,960.60
Fuel For 2 MW Generator	0.00	4,394.36			10,946.30
<i>Subtotal Essex Pumping</i>	<i>\$ 39,653.50</i>	<i>\$ 504,564.04</i>			<i>\$ 514,906.90</i>
All Other Pacific Gas & Electric	7,168.89	72,596.88			75,690.28
POWER EXPENSE SUBTOTAL	\$ 46,822.39	\$ 577,160.92	\$ 687,000	84%	\$ 590,597.18
TOTAL SERVICE/SUPPLIES WITH POWER	\$88,652.50	\$1,270,442.38	\$ 1,439,400	88%	\$1,189,980.57
PROJECTS, FIXED ASSETS & CONSULTING SERVICES					
	\$ 60,845.56	\$ 885,909.34	\$ 3,945,710	22%	\$ 5,583,598.05
TOTAL OPERATING	\$ 415,364.79	\$ 5,191,201.54	\$ 8,838,402	59%	\$ 9,696,451.58
DEBT SERVICE - SRF LOAN					
	\$0.00	\$547,336.96	\$ 547,337	100%	\$273,668.48
TOTAL EXPENDITURES	\$ 415,364.79	\$ 5,738,538.50	\$ 9,385,739	61%	\$ 9,970,120.06
DEBT SERVICE - US Bank					
	\$0.00	\$162,188.10	\$ 162,200	100%	\$162,188.10

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

I. CAPITAL PROJECTS	MAY		YTD TOTAL 5/31/2016	% OF	
	EXPENSES	BUDGET		BUDGET	BUDGET
A. Projects Charged to All Customers via Price Factor 2 (BWF)					
Ranney Collector 2 Rehabilitation	\$0.00	140,500	\$120,320.80	86%	
Collector 2 - Advanced Charge	9,090.91	100,000	100,000.01	100%	
Industrial/Domestic Intertie Repair	0.00	70,000	0.00	0%	
Upgrade Ethernet Radio Modems/PLC Systems at Samoa Booster Pump Station	106.58	18,000	106.58	1%	
Replace 200HP Variable Frequency Drive at Samoa Booster Pump Station	0.00	14,000	12,695.20	91%	
Replace Essex Septic System	0.00	60,000	2,730.20	5%	
Repair/Upgrade Park Restrooms	0.00	5,250	0.00	0%	
Upgrade Ruth Hydro Communications	0.00	5,000	2,257.44	45%	
Repair Ruth HQ Master Bath/Laundry Room	0.00	6,000	0.00	0%	
SUBTOTAL A:	\$9,197.49	418,750	\$238,110.23	57%	
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)					
Upgrade Chlorine Leak Response and De-Con Equipment	\$0.00	14,750	\$13,520.50	92%	
Replace/Modify TRF Access Gate	0.00	5,000	0.00	0%	
Replace Three TRF Chlorine Analyzers	0.00	29,500	29,926.05	101%	
Replace Particle Counter	0.00	35,000	26,401.45	75%	
Remodel TRF Line Shed 5	607.54	17,250	5,923.94	34%	
SUBTOTAL B:	\$607.54	101,500	\$75,771.94	75%	
C. Projects Funded by Other Sources (BWF)					
Blue Lake/FGCSD River Crossing Funded by Prop 84 & FEMA Grants	\$0.00	298,000	\$96,349.61	32%	
Ranney Collector 1 & 1A Laterals Partially funded through Prop 84 Grant & Adv. Charges	5,127.79	1,516,850	63,466.76	4%	
Replace Ruth Bunkhouse Partially funded through Reserves	1,481.21	395,000	6,786.04	2%	
SUBTOTAL C:	\$6,609.00	2,209,850	\$166,602.41	8%	
TOTAL CAPITAL PROJECTS:	\$16,414.03	2,730,100	\$480,484.58	18%	

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

FY2013/14 Annual Limit	1,083,300
Total charged to date	-\$313,882
Balance Remaining	769,417

While the total projects expenditures are budgeted at \$3,945,710, the actual wholesale customer charges are \$2,093,060. Capital Projects C is the listing of Projects Funded by Other Sources. In addition the Ranney Collector 3 and Techite Pipeline Replacement projects have been partially funded with financing over 10 years. Only the annual debt service for these financed projects are being charged to the wholesale customers.

I. FIXED ASSETS	MAY		YTD TOTAL 5/31/2016	BUDGET		% OF BUDGET
	EXPENSES					
A. Projects Charged to All Customers via Price Factor 2 (BWF)						
Essex- Replace Administrative Computers	\$0.00		\$4,386.36	4,250	103%	
Essex - Replace Control System Computer	0.00		0.00	2,500	0%	
Replace 8 Inch Barnes Pump	0.00		0.00	62,250	0%	
Hydraulic Lift Gate for Unit 15	0.00		3,760.65	4,800	78%	
Replace Unit 13	0.00		20,983.66	27,750	76%	
Remote Control for Shop Bridge Crane	0.00		866.65	1,250	69%	
Purchase Electric Jackhammer	0.00		1,590.47	1,750	91%	
Replace/Upgrade Portable Work Lighting	0.00		1,714.08	2,750	62%	
Purchase Portable Scaffolding	0.00		0.00	5,750	0%	
Install Signal Amplifier at Mt. Pierce	0.00		0.00	4,500	0%	
Replace Ruth Hydro 125 VDC Power System (Battery Bank)	1,108.12		17,087.25	20,750	82%	
Replace Eureka Office GIS Computer	0.00		2,815.64	3,600	78%	
SUBTOTAL A:		\$1,108.12	\$53,204.76	141,900	37%	
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)						
Replace Chlorine Safety Shutdown System	\$0.00		\$0.00	23,750	0%	
Replace V-Notch Chlorinators at Essex	0.00		0.00	13,250	0%	
Purchase Back-up TRF Sludge Pump	0.00		0.00	5,750	0%	
SUBTOTAL B:		\$0.00	\$0.00	42,750	0%	
TOTAL FIXED ASSETS PROJECTS:		\$1,108.12	\$53,204.76	184,650	29%	

II. MAINTENANCE PROJECTS		MAY	YTD TOTAL	% OF	
A. Charged to All Customers via Price Factor 2 (BWF)		EXPENSES	5/31/2016	BUDGET	
Pipeline Maintenance		\$0.00	\$5,565.23	12,330	45%
12KV Electric System Maintenance		0.00	0.00	4,000	0%
12KV Emergency Repair Parts		0.00	691.11	2,000	35%
Mainline Meter Flow Calibration		0.00	1,176.09	6,000	20%
Technical Support & Software Updates to Include Control System		4,537.00	10,121.86	21,000	48%
Generator Service		162.20	358.68	4,000	9%
Hazard & Diseased Tree Removal		0.00	0.00	5,540	0%
Catholic Protection		0.00	153.34	5,740	3%
Maintenance Emergency Repair		5,916.24	16,076.83	40,000	40%
Fleet Paint Repairs		0.00	3,740.08	5,000	75%
Large Business & Fire Service Meter Calibration & Maintenance		0.00	0.00	15,000	0%
Replace Eyewash/Shower Station and Drain System		1,933.04	1,933.04	5,500	35%
Replace Samoa Booster Pump Station Roof		0.00	3,823.66	6,750	57%
Paint 2MW Generator Enclosure and Fuel Tank		0.00	9,850.49	10,500	94%
Repair/Upgrade 1000 Gallon Fuel Tank		0.00	2,131.50	5,750	37%
Brush Abatement at Ruth Dam		3,200.00	3,200.00	5,540	58%
Ruth Hydro - Howell Bunger Valve Inspection		0.00	0.00	1,110	0%
Ruth Hydro - Replace Howell Bunger Valve Hydraulic Cylinder		0.00	7,045.78	7,000	101%
SUBTOTAL A:		\$15,748.48	\$65,867.69	162,760	40%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)					
TRF - Generator Service		\$0.00	\$141.96	500	28%
TRF Limitorque Valve MXA-05 Conversion Kits		0.00	6,232.94	6,500	96%
Rebuild TRF Sludge Pump		656.68	656.68	2,500	26%
Replace TRF Sludge Wet Well Control Valves		0.00	4,012.20	5,250	76%
SUBTOTAL B:		\$656.68	\$11,043.78	14,750	75%
TOTAL MAINTENANCE PROJECTS:		\$16,405.16	\$76,911.47	177,510	43%

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III. PROFESSIONAL & CONSULTING SERVICES		MAY	YTD TOTAL	BUDGET	% OF
A. Charged to All Customers via Price Factor 2 (BWF)		EXPENSES	5/31/2016	BUDGET	BUDGET
Crane Testing/Certification		\$0.00	\$1,059.19	6,500	16%
Crane Operator Training		0.00	50.00	7,000	1%
Essex Mad River Cross-Sectional Survey		0.00	8,567.00	10,000	86%
Mad River Watershed		0.00	5,000.00	50,000	10%
Urban Water Management Plan Update		56.00	4,998.00	10,000	50%
Focused Engineering Study for Facility Use Master Plan		3,658.75	29,781.25	27,000	110%
Essex Control Building Plans & Specifications		0.00	0.00	40,000	0%
Focused Engineering Studies		43.00	2,515.50	35,000	7%
Dune Monitoring Program - Component of Coastal Conservancy Climate Ready Grant		0.00	2,000.00	2,000	100%
Planning for SCADA System Upgrade		0.00	620.00	50,000	1%
GIS/Facilities Information System		0.00	9,029.65	13,000	69%
Backflow Tester Training		0.00	410.00	3,000	14%
Control Software Training		0.00	12,791.00	15,000	85%
Technical Training		0.00	1,125.00	5,750	20%
Ruth Lake Buffer Strip Timber Management		0.00	0.00	15,000	0%
Hydro Assessment & Analysis		4,216.00	4,221.11	15,000	28%
FERC Dam Safety Surveillance & Monitoring Report(DSSMR)/FERC Dam Safety Review (Part 12)		709.50	4,858.28	25,000	19%
FERC Dam Safety Surveillance Monitoring Plan Bi-Annual Surveys		0.00	29,920.00	30,000	100%
FERC Part 12 Seismic Analysis		0.00	12,808.63	10,000	128%
FERC Part 12 Independent Consultant Inspection and Engineering Support		4,910.00	21,104.55	100,000	21%
Upgrade District Website		0.00	25.00	10,000	0%
Grant Applications		11,943.40	29,070.90	30,000	97%
Water Resources Planning		1,290.75	14,665.58	75,000	20%
SUBTOTAL A:		\$26,827.40	\$194,620.64	584,250	33%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)					
Chlorine System Maintenance		\$90.85	\$9,258.33	16,100	58%
SUBTOTAL B:		\$90.85	\$9,258.33	16,100	58%
TOTAL PROFESSIONAL & CONSULTING SERVICES:		\$26,918.25	\$203,878.97	600,350	34%
IV. INDUSTRIAL SYSTEM PROJECTS		MAY	YTD TOTAL	BUDGET	% OF
A. Charged to All Customers via Price Factor 2 (BWF)		EXPENSES	5/31/2016	BUDGET	BUDGET
- Maintain Water Supply to Industrial Pump Station (Pump Station 6) During Low-Flow Months		\$0.00	\$340.00	13,250	3%
- Surge Tower Replacement Plans		0.00	7,917.00	50,000	16%
SUBTOTAL A:		\$0.00	\$8,257.00	63,250	13%
B. Charged to Municipal Customers via PF2 (DWTF)					
SUBTOTAL B:		\$0.00	\$0.00	0	0%
TOTAL INDUSTRIAL SYSTEM PROJECTS:		\$0.00	\$8,257.00	63,250	13%

CARRY-OVER PROJECTS FROM 2014/15	MAY EXPENSES	YTD TOTAL 5/31/2016	BUDGET	% OF BUDGET
I. CAPITAL PROJECTS				
A. Charged to All Customers via Price Factor 2 (BWF)				
Engineering & Design for Essex Septic System	\$0.00	\$15,078.86	12,000	126%
Replace Check Valves on Collector Pumps	0.00	2,175.00	2,100	104%
Energy Efficiency Upgrades for Electrical Shop	0.00	1,907.14	2,000	95%
Ruth Hydro - Install Auto Synchronizer System	0.00	11,732.32	14,000	84%
Ruth - Build Cover Over Fuel Tank	0.00	2,319.55	2,500	93%
Subtotal Capital Projects	\$0.00	\$33,212.87	32,600	102%
I. FIXED ASSETS				
A. Charged to All Customers via Price Factor 2 (BWF)				
SUBTOTAL A.	\$0.00	\$0.00	0	0%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
TRF - Security System Upgrades	\$0.00	\$0.00	20,000	0%
TRF - Install New Cabinets in Lab	0.00	0.00	750	0%
Purchase Slow Speed N-Poly Mixer	0.00	3,986.04	7,500	53%
SUBTOTAL B.	\$0.00	\$3,986.04	28,250	14%
Subtotal Fixed Assets Projects	\$0.00	\$3,986.04	28,250	14%
II. MAINTENANCE PROJECTS				
A. Charged to All Customers via Price Factor 2 (BWF)				
Update Essex & Maintenance Shop Restrooms	\$0.00	\$0.00	1,000	0%
Re-Grade Area Around Collector 4	0.00	2,481.00	5,000	50%
Relocate Radio Equipment at Picketts Peak	0.00	15,368.15	30,000	51%
Ruth Spillway Bridge Painting	0.00	0.00	85,000	0%
SUBTOTAL A.	\$0.00	\$17,849.15	121,000	15%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
SUBTOTAL B.	\$0.00	\$0.00	0	0%
Subtotal Maintenance Projects	\$0.00	\$17,849.15	121,000	15%
III. PROFESSIONAL & CONSULTING SERVICES				
A. Charged to All Customers via Price Factor 2 (BWF)				
Collector 3 Evaluation Report	\$0.00	\$8,124.50	8,000	102%
SUBTOTAL A.	\$0.00	\$8,124.50	8,000	102%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
SUBTOTAL B.	\$0.00	\$0.00	0	0%
Subtotal Professional & Consulting Projects	\$0.00	\$8,124.50	8,000	102%
2014/15 CARRYOVER PROJECTS TOTAL	\$0.00	\$63,172.56	189,850	33%
PROJECTS GRAND TOTAL:	\$60,845.56	\$885,909.34	3,945,710	22%
Less Projects Funded from Other Sources (Grants/Loans/Advanced Charges/Reserves)	(6,609.00)	(166,602.41)	(2,209,850.00)	8%
PF2 Project Total Charged to Customers excluding Debt Service (US Bank)	\$54,236.56	\$719,306.93	1,735,860.00	41%
Community Interties Funded by Prop 50 Grant	\$0.00	\$138,571.36		

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

Humboldt Bay Municipal Water District
Overtime Pay
May 2016

54TRF	52		53		54		55		56		58		TOTAL	
	Hours	May 16	Hours	May 16	Hours	May 16	Hours	May 16	Hours	May 16	Hours	May 16	Hours	May 16
Employee Wages, Taxes and Adjustments														
Gross Pay	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02
Double Time		0.00		0.00		0.00		0.00		0.00		0.00		0.00
Overtime			8.25	363.58	8.25	363.58	5.25	274.62	3.5	116.50	4	179.53	1	48.36
Total Gross Pay	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02
Adjusted Gross Pay	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02
Net Pay	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02	16	840.02
Employer Taxes and Contributions		0.00		0.00		0.00		0.00		0.00		0.00		0.00

51 - Ruth

52 - Pumping & Control

53 - Water Treatment

54 - Maintenance & Operation

55 - Customer Service

56 - Administration

58 - Ruth Hydro

SECTION Jad, PAGE NO. 10

06/02/16

Humboldt Bay Municipal Water District Expenses by Vendor Detail

May 2016

SECTION 22d, PAGE NO. 11

Memo	Amount
101Netlink	
Ruth Data Link/Internet	-160.00
Total 101Netlink	-160.00
Advanced Display & Signs	
Ruth Dam sign update	-120.03
Ruth Dam sign update	-120.04
Total Advanced Display & Signs	-240.07
Advanced Security Systems	
security system maintenance	-34.91
Total Advanced Security Systems	-34.91
AirGas NCN	
shop supplies	-70.00
shop supplies for portable welder	-61.11
Total AirGas NCN	-131.11
Arcata Garbage	
Essex garbage	-476.31
Total Arcata Garbage	-476.31
AT & T	
Ruth HQ	
TRF	
Essex office	
Eureka office	-75.76
Ruth Hydro	
Valve Building Samoa	
Ruth HQ	-14.15
TRF	-180.47
Essex office	-55.68
Eureka office	-6.32
Ruth Hydro	-691.68
Valve Building Samoa	-83.85
Total AT & T	-1,107.91
AT&T	
Eureka/Essex Landline	-35.32
Arcata/Essex Landline	-35.32
Samoa/Essex Landline	-236.85
Blue Lake Meter Signal Line	-60.98
Eureka Office	-107.27
Eureka Office Alarm Line	-38.55
Samoa Booster Pump Station	-71.88
Valve Building-Samoa	-107.27
Eureka Office	-299.92
Essex Office	-572.56
TRF	-272.21
Ruth Data Line	-104.23
Total AT&T	-1,942.36
AT&T Advertising Solutions	
white page listing	-21.00
Total AT&T Advertising Solutions	-21.00
B&B Portable Toilets	
Annual Ruth Maintenance	-60.90
Annual Ruth Maintenance	-60.90
Total B&B Portable Toilets	-121.80
Cardno, Inc	
FERC Part 12 Inspection Report	-4,795.00
Total Cardno, Inc	-4,795.00

Humboldt Bay Municipal Water District Expenses by Vendor Detail

May 2016

SECTION J2d PAGE NO. 12

Memo	Amount
Carl Johnson Company	
Replace Ruth Hydro 125VDC Power System (Battery Bank)	-243.50
Total Carl Johnson Company	-243.50
Carol McKibben	
expense reimbursement for safety boots	-163.48
Total Carol McKibben	-163.48
City of Eureka	
Eureka office water/sewer	-50.76
Total City of Eureka	-50.76
Coastal Business Systems Inc.	
Eureka office copy and fax machine	-563.00
Total Coastal Business Systems Inc.	-563.00
Cody Bruffett	
auto mileage reimbursement	-332.64
auto mileage reimbursement	-227.83
Total Cody Bruffett	-560.47
Consolidated Electrical Distributors, Inc	
Annual SCADA maintenance support	-4,537.00
Total Consolidated Electrical Distributors, Inc	-4,537.00
Corey Borghino	
Project Budget meeting & BBQ supplies	-31.98
Total Corey Borghino	-31.98
Dale H. Davidsen	
Re-Issue Safe Work Practice Award - (Lost Ck# 41364 - Stop Payment sub...	-200.00
expense reimbursement for Project budget meeting and BBQ	-90.97
Total Dale H. Davidsen	-290.97
David Deskins	
expense reimbursement for fuel purchase - Unit 5 to Ruth	-14.12
expense reimbursement for fuel purchase - Unit 5 to Ruth Hydro	-14.12
Total David Deskins	-28.24
Drake Vegetation Management, Inc	
Ruth Hydro brush abatement	-3,200.00
Total Drake Vegetation Management, Inc	-3,200.00
Eureka Oxygen	
cylinder rental	-99.20
Total Eureka Oxygen	-99.20
Eureka Rubber Stamp	
date stamp	-21.59
Total Eureka Rubber Stamp	-21.59
FEDEX	
mail quagga/zebra mussel grant program application	-21.90
return ACWA/JPIA training tape	-8.14
Total FEDEX	-30.04
FleetPride	
hydraulic fittings	-13.01
Total FleetPride	-13.01
Frontier Communications	
Ruth HQ	-50.28
Ruth Hydro	-156.01
Total Frontier Communications	-206.29

Humboldt Bay Municipal Water District Expenses by Vendor Detail

May 2016

SECTION 22d, PAGE NO. 13

Memo	Amount
GEI Consultants, Inc	
Review and provide input on District's annual FERC DSSMR	-430.50
Total GEI Consultants, Inc	-430.50
GHD	
(63208) Replace Ruth Bunkhouse	-616.21
(63206) Collector 1 & 1A Lateral Replacement	-703.00
(63212) Focused Engineering Studies	-43.00
(63218) Focused Engineering Study on Facility Use Master Plan	-3,658.75
(63209) Grant Applications	-1,946.00
(63210) Grant Applications	-9,975.50
(63207) Water Resources Planning	-1,290.75
(63583) General Engineering - Essex	-5,435.75
(63583) General Engineering - Techite Biological Monitoring	-775.50
(63583) General Engineering - Eureka	-847.50
(63583) General Engineering - FERC DSSMR & FERC Dam Safety Engine...	-279.00
(63584) Hog Island Flow Analysis	-426.50
Total GHD	-25,997.46
GR Sundberg, Inc	
Emergency road repair Old Navy Base Road	-3,666.24
Total GR Sundberg, Inc	-3,666.24
Hach Company	
chlorine maintenance	-90.85
Total Hach Company	-90.85
Harper Motors	
vehicle maintenance	-16.45
Total Harper Motors	-16.45
Hensel Hardware	
maintenance shop supplies	-115.17
TRF shutdown	-18.45
Total Hensel Hardware	-133.62
Humboldt Fasteners	
Annual Ruth Maintenance	-35.81
Annual Ruth Maintenance	-35.80
line marking paint	-108.36
maintenance supplies	-83.28
Total Humboldt Fasteners	-263.25
Industrial Electric	
rebuild TRF sludge pump	-656.68
Total Industrial Electric	-656.68
Keenan Supply	
replace Essex eyewash/shower station and drain system	-138.66
Total Keenan Supply	-138.66
Keith Daggs	
xpense reimbursement for replacement of Ruth Hydro 125 VDC Power Sys...	-102.25
Total Keith Daggs	-102.25
Keller America, Inc	
TRF filter basin #2 maintenance	-439.00
Total Keller America, Inc	-439.00
Lisa Newell	
auto mileage reimbursement for purchase of supplies for Annual Ruth Main...	-22.95
auto mileage reimbursement for purchase of supplies for Annual Ruth Main...	-22.95
auto mileage reimbursement - deliver lunch to work crew for Annual Ruth M...	-18.90
auto mileage reimbursement - deliver lunch to work crew for Annual Ruth M...	-18.90
auto mileage reimbursement	-19.22
Total Lisa Newell	-102.92

Humboldt Bay Municipal Water District Expenses by Vendor Detail

May 2016

SECTION 22d PAGE NO. 14

Memo	Amount
Mad River Union	
Notice of Public Hearing - 2015 Urban Water Management Plan	-56.00
Total Mad River Union	-56.00
McMaster-Carr Supply	
Ruth Annual Maintenance	-98.00
Ruth Annual Maintenance	-98.01
replace danger signs at Ruth Hydro	-166.67
Total McMaster-Carr Supply	-362.68
Michael King	
Retail customer refund - closed account	-22.16
Total Michael King	-22.16
Miller Farms Nursery	
replace 1" pump for Unit 8	-431.94
maintenance supplies	-17.23
Park 1 fence repair	-244.34
Total Miller Farms Nursery	-693.51
Mission Linen	
maintenance supplies	-80.48
Uniform Rental	-494.12
Total Mission Linen	-574.60
MM Diving, Inc	
Collector 3 dive services to remove 2 pipe plugs Pump 3-1	-2,250.00
Total MM Diving, Inc	-2,250.00
Napa Auto Parts	
maintenance supplies	-9.53
vehicle maintenance	-361.12
Howell Bunge Valve maintenance(credit)	286.34
account credit balance	43.38
Total Napa Auto Parts	-40.93
Network Management Services	
EssentialCare Computer Support Service for Eureka office	-368.10
Guard-IT Security Service for Eureka office`	-139.99
Recover-IT Backup Solution	-124.99
Domain Management	-3.00
Umbrella- Security	-30.00
Eureka office - Computer assistance	-374.36
Total Network Management Services	-1,040.44
North Bay Auto	
Unit 12 service	-171.46
Total North Bay Auto	-171.46
North Coast Cleaning Services, Inc	
Eureka office building maintenance	-545.00
Total North Coast Cleaning Services, Inc	-545.00
North Coast Laboratories	
lab tests	-620.00
Total North Coast Laboratories	-620.00
Northern California Safety Consortium	
monthly membership	-50.00
Total Northern California Safety Consortium	-50.00
Occupational Health Services of Mad River	
Pre-employment physical	-225.00
Total Occupational Health Services of Mad River	-225.00

Humboldt Bay Municipal Water District Expenses by Vendor Detail

May 2016

SECTION 220, PAGE NO. 15

Memo	Amount
Pacific Gas & Electric Co.	
Ruth Bunkhouse	-22.21
Eureka Office	-577.17
Jackson Ranch Rectifier	-18.18
299 Rectifier	-99.84
West End Road Rectifier	-106.30
TRF	-5,740.38
Ruth Valve Control	-23.70
Ruth Hydro	-258.19
Samoa Booster Pump Station	-289.64
Samoa Dial Station	-33.28
Essex Pumping April 1-30, 2016	-39,653.50
Ruth Hydro Assessment & Analysis Non-Refundable PPR fee	-2,700.00
Total Pacific Gas & Electric Co.	-49,522.39
Paul Helliker	
auto mileage reimbursement for attending water conservation regulation m...	-312.12
expense reimbursement for attending water conservation regulation meetin...	-20.00
auto mileage reimbursement for attending water conservation regulation m...	-464.40
expense reimbursement for attending water conservation regulation meeti...	-503.36
Total Paul Helliker	-1,299.88
Pierson Building Center	
Replace Ruth Hydro 125VDC Power System (Battery Bank)	-9.73
Total Pierson Building Center	-9.73
Pitney Bowes	
refill postage meter	-500.00
postage meter supplies	-120.69
Total Pitney Bowes	-620.69
Rebecca J. Moyle	
Project Budget meeting & BBQ supplies	-134.03
Eureka office landscaping	-23.91
Eureka office supplies	-14.31
Leadership training	-26.45
Project Budget meeting & BBQ supplies	-80.00
Total Rebecca J. Moyle	-278.70
Recology Humboldt County	
Eureka office garbage/recycling service	-75.27
Total Recology Humboldt County	-75.27
Redwood Electronics	
Samoa Booster Pump Station Ethernet Radio Modems/PLC systems upgra...	-106.58
Total Redwood Electronics	-106.58
Renner Petroleum	
cardlock fuel - pumping & control	-276.00
cardlock fuel - water quality	-276.01
cardlock fuel - maintenance & operations	-276.01
cardlock fuel - customer service	-276.00
Total Renner Petroleum	-1,104.02
RTA Construction, Inc	
Ruth Hydro Assessment & Analysis	-1,516.00
Total RTA Construction, Inc	-1,516.00
Ruth Lake C.S.D.	
Boat rental for FERC Part 12 Log Boom Inspection	-115.00
Boat rental for Log Boom Inspection	-52.00
Total Ruth Lake C.S.D.	-167.00
Sheri Woo	
expense reimbursement for attending ACWA Conference May 3 - 6, 2016	-884.81
Total Sheri Woo	-884.81

Humboldt Bay Municipal Water District Expenses by Vendor Detail

May 2016

SECTION 22d, PAGE NO. 16

Memo	Amount
Sierra Chemical Company	
replenish chlorine	-2,386.89
Total Sierra Chemical Company	-2,386.89
Sitestar Nationwide Internet	
Essex Internet	-52.90
Total Sitestar Nationwide Internet	-52.90
Staples	
Eureka office supplies	-115.01
Total Staples	-115.01
Steven A. Marshall	
Essex office supplies	-39.84
mail package to Ruth	-6.45
Supplies for Annual Ruth Maintenance	-16.47
Employee meeting	-22.37
Board of Directors Project Budget meeting	-17.98
tarp and bug spray	-20.65
vehicle supplies	-9.78
ice removal	-8.63
Remodel TRF Line Shed 5	-6.80
Total Steven A. Marshall	-148.97
Sudden Link	
Eureka office Internet	-204.95
Essex office Internet	-124.95
Total Sudden Link	-329.90
Tehama Tire Service	
replace trailer tires	-506.77
Total Tehama Tire Service	-506.77
The Mill Yard	
Remodel TRF Line Shed 5	-214.49
Park 1 Picnic Table repair	-177.58
Remodel TRF Line Shed 5	-356.25
replace Ruth Hydro 125 VDC power system (Battery Bank)	-32.60
shop supplies	-62.12
Total The Mill Yard	-843.04
The Times-Standard	
position advertisement - Maintenanc Mechanic	-1,505.36
Total The Times-Standard	-1,505.36
Thrifty Supply	
Ruth Annual Maintenance	-72.34
Ruth Annual Maintenance	-72.35
Replace Essex Eyewash/Shower Station and Drain system	-1,794.38
Collector 1 & 1A Lateral Replacement	-4,424.79
Total Thrifty Supply	-6,363.86
Times Printing	
BlueBook index tabs	-485.68
Total Times Printing	-485.68
Trinity County Building Department	
Plan Review - Ruth Bunkhouse remodel	-865.00
Total Trinity County Building Department	-865.00
Trinity County General Services	
Pickett Peak site lease	-250.00
Total Trinity County General Services	-250.00

Humboldt Bay Municipal Water District Expenses by Vendor Detail

May 2016

SECTION J2d, PAGE NO. 17

Memo	Amount
Trinity County Solid Waste	
Ruth HQ dump fees	-40.00
Ruth Hydro dump fees	-40.01
Total Trinity County Solid Waste	-80.01
U. S. Bank Corporate Payment System	
Essex office supplies	-81.73
Vehicle maintenance tools	-20.50
vehicle brake repair	-25.91
Paint 2MW Generator Encloserer & Fuel Tank	-162.20
Employee retirement luncheon	-342.57
Annual Ruth Maintenance	-403.63
Annual Ruth Maintenance	-403.63
Remodel TRF Line Shed 5	-30.00
Replace Ruth Hydro 125 VDC Power System (Battery Bank)	-720.04
Network Solutions email hosting	-181.92
mailing labels	-113.80
Employee and Director jackets	-323.81
Total U.S. Bank Corporate Payment System	-2,809.74
U.S. Bank Corporate Trust Services	
SRF Quarterly Account Maint Fee (January - March 2016)	-150.00
Total U.S. Bank Corporate Trust Services	-150.00
USTI, Inc	
eBill charge Humboldt Bay retail	-11.84
eBill charge Fieldbrook-Glendale CSD	-13.92
Total USTI, Inc	-25.76
Verizon Wireless	
Operations 1	-2.46
Superintendent	-115.25
Unit 3	-68.82
Electrician	-0.22
Operations 2	-0.85
Water Operations Supervisor	-49.91
Maintenance Supervisor	-44.79
Electrician	-10.67
Unit 6	-8.93
Unit 6	-8.94
Assistant Water Operations Supervisor	-62.15
Spare Operations	-0.22
Total Verizon Wireless	-373.21
West Coast Plumbing	
Essex bathroom maintenance	-9.99
Total West Coast Plumbing	-9.99
William B. Newell	
expense reimbursement for supplies for Annual Ruth Maintenance work crew	-377.84
expense reimbursement for supplies for Annual Ruth Maintenance work crew	-377.85
expense reimbursement for supplies for Annual Ruth Maintenance work crew	-36.57
expense reimbursement for supplies for Annual Ruth Maintenance work crew	-36.58
expense reimbursement for Ruth HQ building/landscaping maintenance	-45.94
expense reimbursement for Ruth Hydro landscaping maintenance	-35.10
Total William B. Newell	-909.88
TOTAL	-131,556.70

Humboldt Bay Municipal Water District

To: Board of Directors

From: John Friedenbach

Date: June 3, 2016

Re: District Auditor - RFP

Last month staff informed the Board that Request For Proposals (RFP) for three fiscal years (2016 to 2018) of auditing services were sent out. The response deadline was May 27th. The six firms were:

Anderson, Lucas, Sommerville & Borges in Fortuna	declined
David L Moonie & Company in Eureka	no response
DeMello, McAuley, McReynolds & Holland in Eureka	no response
Hunter, Hunter and Hunt in Eureka	declined
Jackson & Eklund in McKinleyville	proposal
R. J. Ricciardi, Inc. in San Rafael	proposal

The Audit Committee will meet on June 3rd to review and rank the submitted RFP's based on professional qualifications criteria. The criteria categories are:

- Responsiveness to scope of services
- Experience with auditing services to Special Districts
- Experience with Single Audit Act
- Qualifications of the firm
- Cost

The two responding CPA firms were: Jackson & Eklund (J&E) in Arcata, and R.J. Ricciardi, Inc. (RJR) in San Rafael. J&E's prices range from \$20,250 to \$25,250. Some of their current clients include: McKinleyville Community Services District; Jacoby Creek County Water District; Westhaven Community Services District; and the North Coast Unified Air Quality Management District. RJR's prices range from \$12,605 to \$17,405. Some of their current clients include: Humboldt Community Services District; Clear Creek Community Services District; and the City of Calistoga. The price paid for our June 30, 2015 audit was \$31,000.

Recommendation

At the June 9th Board meeting, the Audit Committee will present its auditor recommendation to the Board for consideration.

Operations

Memo to: HBMWD Board of Directors
From: Dale Davidsen, Superintendent
Date: June 2, 2016
Subject: Essex/Ruth May Operational Report

Ruth Lake, Upper Mad River and Hydro Plant

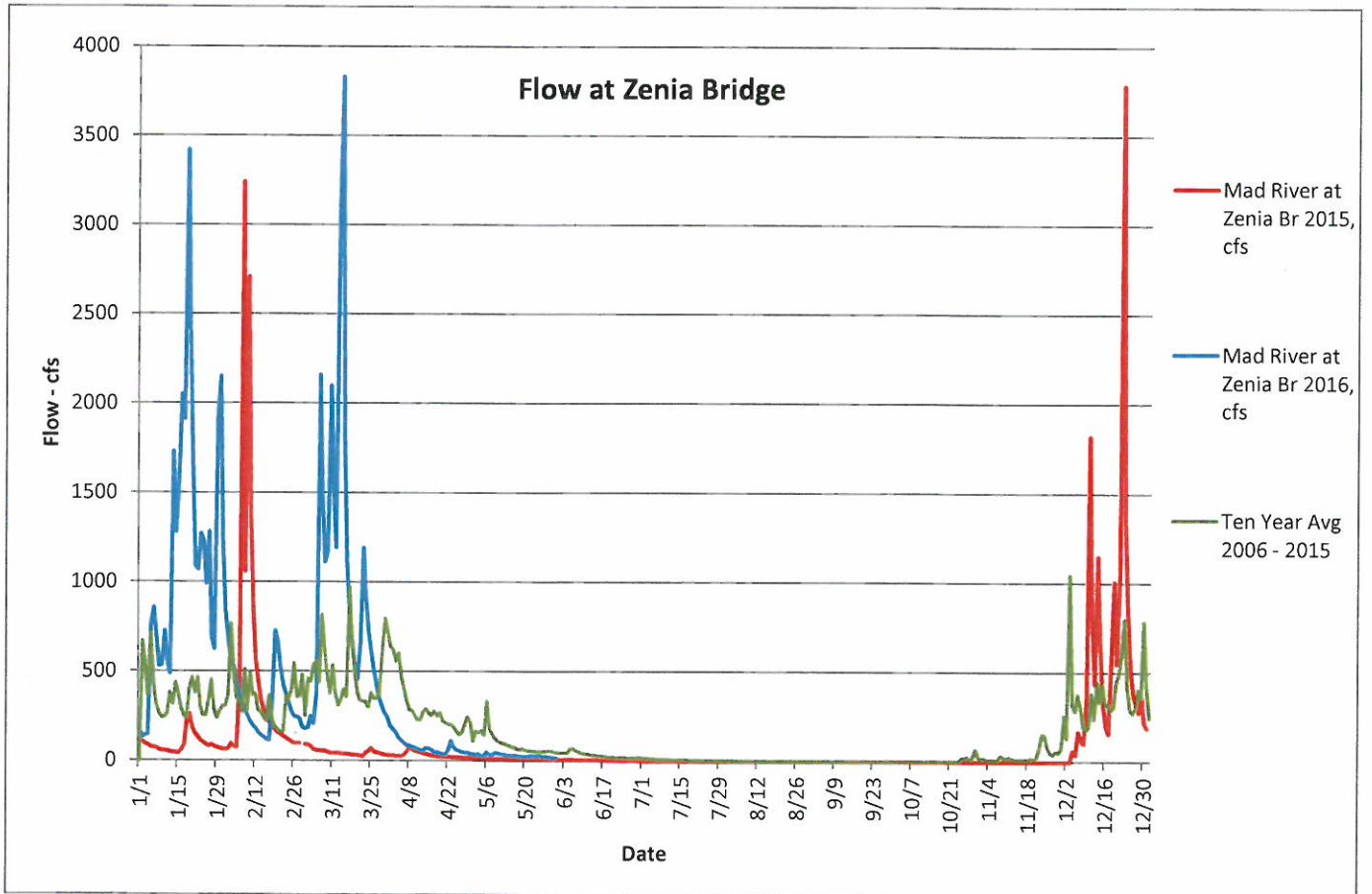
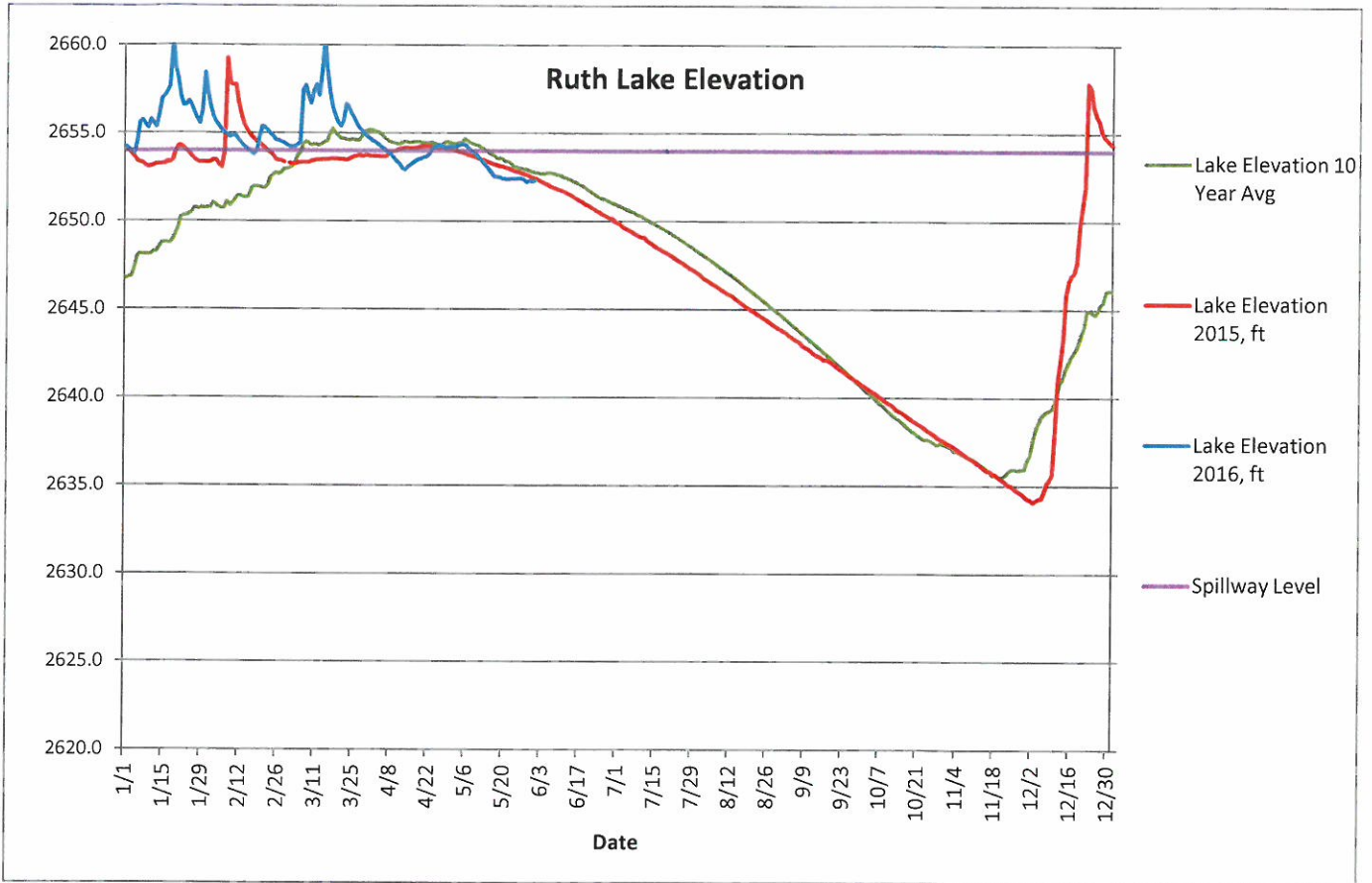
1. The high flow at Mad River above Ruth Reservoir (Zenia Bridge) during the month was measured on May 6 at 50 cfs and the low flow was measured on May 31 at 16 cfs.
2. The conditions at Ruth Lake in May were as follows:
 - a. The lake level on May 31, 2016 was 2652.30 feet which is:
 1. 1.94 feet lower than April 31, 2016
 2. 2.31 feet higher than May 31, 2015
 3. 0.56 feet below the ten year average
 4. 1.70 feet below the spillway
3. We measured 1.11 inches of rain at Ruth Headquarters during the month with a high reading of 0.31 inches measured on May 8.
4. Ruth hydro power production was 326,400 kWh during the month with 2 shutdowns and 30,799 kW lost production, including a 4 day shutdown for annual maintenance.
5. The high discharge flow from the lake this month was 171.8 cfs on May 6 and the low release flow from the lake was 40.3 cfs on May 30.

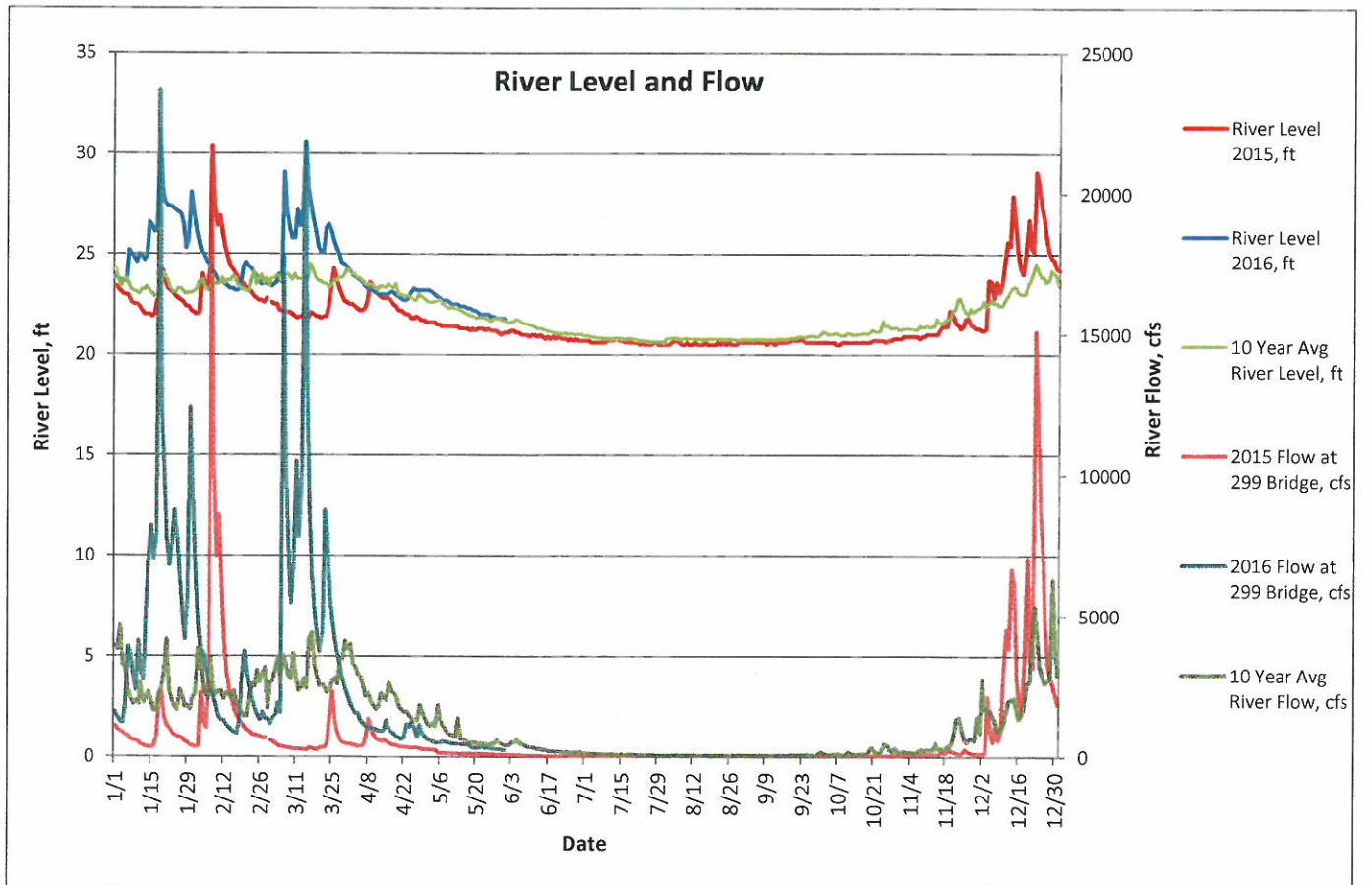
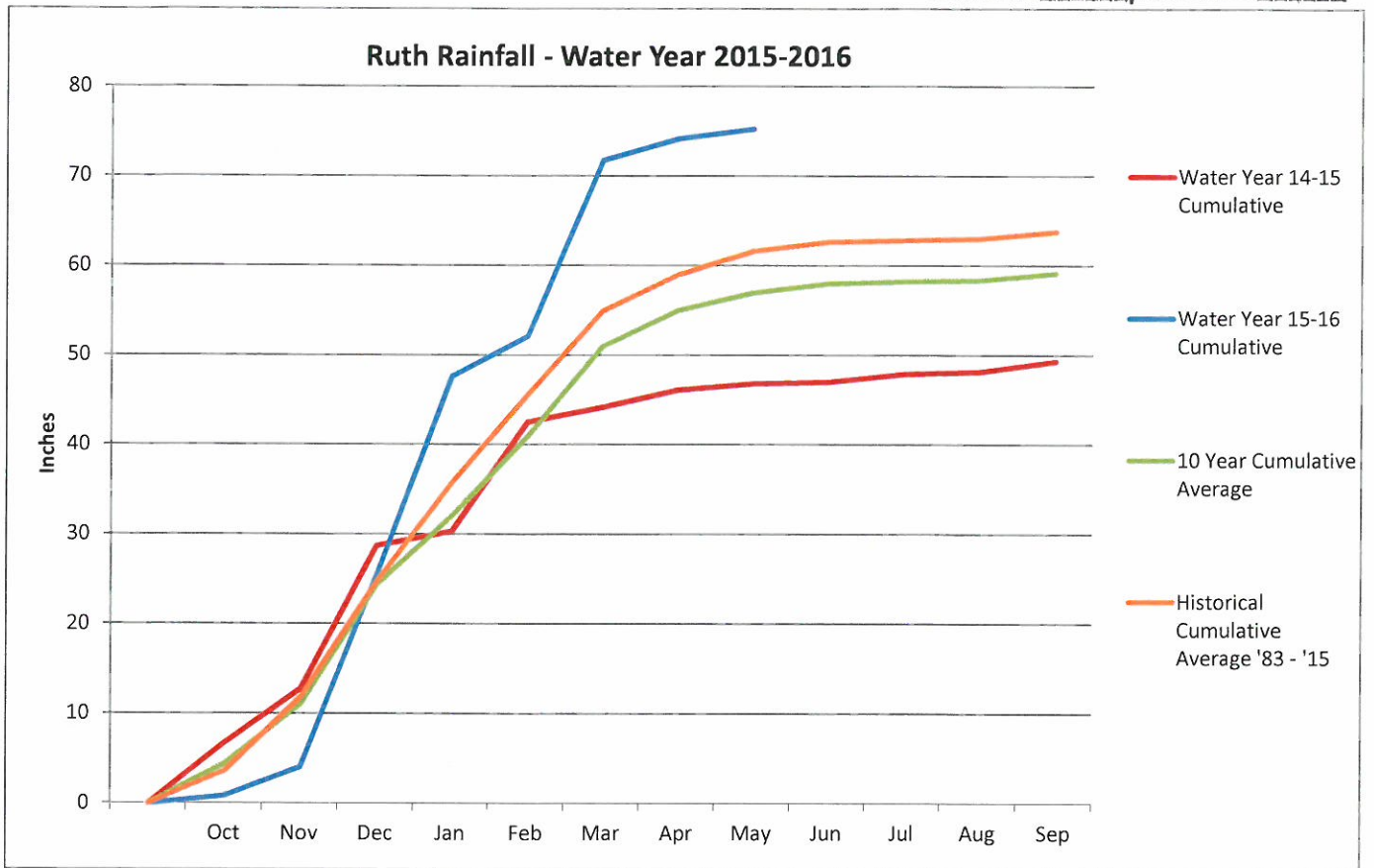
Winzler Control, TRF and Lower Mad River

6. The river at Winzler Control Center reached a high recorded flow of 651 cfs and a level of 23.2 feet on May 1. The low river flow was on May 31 with a flow of 242 cfs and a level of 21.7 feet.
7. The domestic water conditions for May were as follows:
 - a. The monthly turbidity average was 0.10 NTU, which meets Public Health Secondary Standards.
 - b. We metered 262.363 million gallons at an average of 8.463 MGD: note that the Fieldbrook-Glendale CSD meter has an electrical malfunction and remains out of service.
 - c. The maximum metered daily municipal customer use was 9.817 MGD on May 31.
8. The Turbidity Reduction Facility ran 21 days in May. The conditions were as follows:
 - a. Filtered water production was 173.910 million gallons.
 - b. Average monthly source water turbidity was 0.31 NTU.
 - c. Average monthly filtered water turbidity was 0.06 NTU.

9. May 2nd – May 6th - Maintenance crew left on the 2nd for Ruth to do Annual Ruth maintenance on the Hydro Plant returning on Friday May 6th.
10. May 10th-11th – Maintenance Department did required 90 day truck inspections
11. May 11th
 - a. Steve and I sat in on a Hazard Communications webinar. This was regarding the change from the old MSDS sheets (Material Safety Data Sheet) to the new GHS / SDS (Globally Harmonized System) for hazard communications and the new (Safety Data Sheet). This is a required regulatory change in how we label, record and communicate hazardous materials hazards to employees. We are well on our way to completing this change.
 - b. 5 people from Essex attended a Water Symposium class in Fortuna this class was put on by RCAC.
12. May 13th - Annual Project Budget Meeting and Board and Employee BBQ at Essex – I would like to thank all of you that could attend for being there. We also had a number of employees that work shifts return during their off hours. I think it is beneficial to get together and share common interests.
13. May 16th – The Supervisors and I conducted 5 interviews for the Maintenance Mechanic position.
14. May 17th – the Supervisors and I discussed the 5 candidates and decided to hire Keith Daggs, he has been one of our Maintenance Workers and since he has worked for the District he has gotten his T-2 and D-2 certifications and has excelled in the Maintenance Worker position and brings a lot of underground work and mechanical / maintenance talent to the District. We are now in the process of hiring someone for the Maintenance worker position.
15. May 18th
 - a. Maintenance Supervisor – Ryan Chairez conducted a Traffic Control safety meeting
 - b. I was on vacation but since I was in the area of Davis, Ca. I attended a Water Knowledge Seminar at the West Yost Associates office in Davis. This was a seminar put on by West Yost Associates and Henry Hunt of Layne. They showcased Sonoma County Water Agency and our District as being Northern California systems that use Ranney wells, and have well operated systems.
16. May 22nd – 26th – Operations Department shut down the TRF for the summer season.
17. May 24th – Met with Charles Ahlgren, our new FERC Part 12 Independent Consultant, and Paul Sorci of Cardno and took them to Ruth to review the Ruth project before the PFMA meeting on Wednesday.
18. May 25th – From Essex, Steve, Ryan, Mario, Chris and I attended the FERC Part 12 PFMA workshop at the Main Office. This was an educational experience for the Supervisors and Assistant Supervisors to see the detailed process this is, and stresses the importance of maintenance, record keeping and being diligent in general dam safety.

19. May 26th – We went to Ruth for the on-site inspection portion of the FERC Part 12 exercise. Since the new FERC Project manager was there he also conducted the annual FERC project review.






Ruth Hydro Production: kW per Month

	Historic Average: Cumulative	Ten Year Average: Cumulative	Hydro Production 2014: Cumulative	Hydro Production 2015: Cumulative	Hydro Production 2016: Cumulative	Hydro Production 2014	Hydro Production 2015	Hydro Production 2016
January	594,594	589,440	50,400	643,200	904,800	50,400	643,200	904,800
February	1,247,153	1,206,240	50,400	1,363,200	1,725,600	0	720,000	820,800
March	2,078,105	1,937,760	532,800	1,634,400	2,676,000	482,400	271,200	950,400
April	2,731,024	2,563,920	1,092,000	1,740,000	3,213,600	559,200	105,600	537,600
May	3,196,970	3,031,440	1,291,200	1,893,600	3,540,000	199,200	153,600	326,400
June	3,481,217	3,309,600	1,440,000	2,035,200		148,800	141,600	
July	3,688,054	3,492,720	1,588,800	2,186,400		148,800	151,200	
August	3,951,281	3,699,606	1,737,600	2,325,600		148,800	139,200	
September	4,255,289	3,918,486	1,881,600	2,469,600		144,000	144,000	
October	4,545,191	4,154,646	2,030,400	2,618,400		148,800	148,800	
November	4,817,748	4,403,536	2,179,200	2,764,800		148,800	146,400	
December	5,247,303	4,858,976	2,857,600	3,261,600		678,400	496,800	

Confidential: Documents submitted under General Order 66-C, §§2.8 and PU Code §583

 Pacific Gas and Electric Company Purchase / Sales Invoice Invoice Number: 68862 Delivery Period Start: 04/01/2016 Delivery Period End: 04/30/2016 Invoice Date: 05/19/2016 Due Date: 05/27/2016 Log Number: 19H051 Account Code: 2320900 Meter Channel: LJ600B Contract Start: 04/10/1983	From: Pacific Gas and Electric Company 77 Beale Street San Francisco, CA 94105	To: HUMBOLDT BAY MWD P. O. Box 95 Eureka, CA 95501
	Contract Manager: Nancy Breckenridge Phone: 415-973-4092 Email: NJB6@pge.com Settlement Analyst: Kimberly Song Phone: 415-973-5815 Fax: 415-973-9505 Email: K5SW@pge.com	Project Name: HUMBOLDT BAY MWD Payment Method: CHECK Vendor Number: 1024538 Contact: Steve Marshall Phone: 707-822-2918 Fax: Email: ops@hbmwd.com

Payment Name	Quantity	Unit	Amount
Energy Payment 04/01/2016 - 04/30/2016	523.572	MWh	\$-11,263.51
As-Delivered Capacity Payment	433.783	MWh	\$-1,254.49
		Net Total	\$-12,518.00

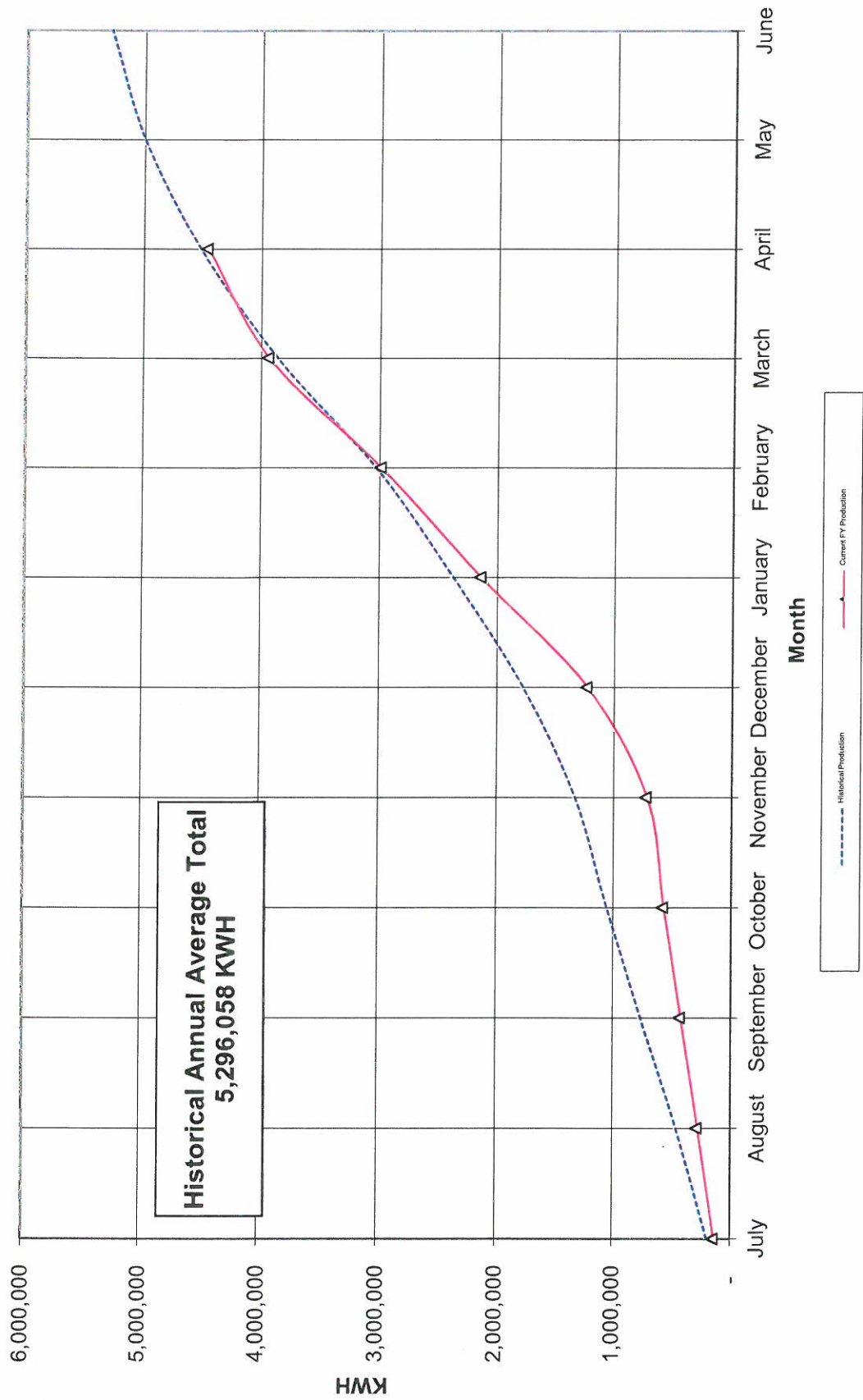
Total Amount Due to HUMBOLDT BAY MWD on Due Date: 05/27/2016	USD \$ 12,518.00
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Humboldt Bay Municipal Water District Ruth Hydro Production Report - Since June 1983

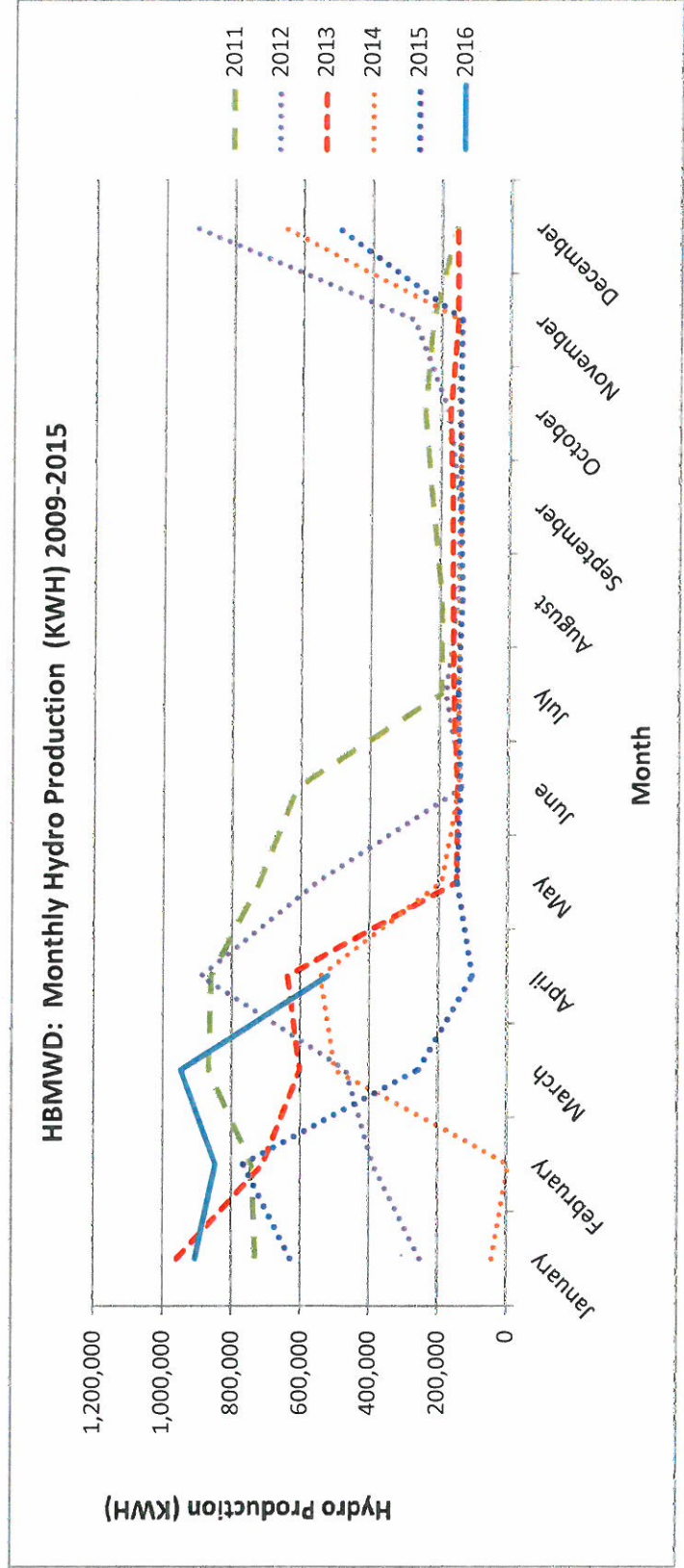
	Total Kwh Production	Production for Period Ending 4/30/2016	Average Monthly Kwh Production
On Peak	11,313,641		28,715
Part Peak	56,182,253	192,268	142,595
Off Peak	80,494,157	241,516	204,300
Super Off Peak	25,651,756	89,789	65,106
Grand Total	173,641,807	523,573	440,715
Grand Total Revenues		\$8,531,283.65	
No. of Months of Operation		394	
Average \$/Kwh		\$0.0491	

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



Humboldt Bay Municipal Water District
 Monthly Hydro Electric Production (KWH) for CY2011 - 2016

Month	2011	2012	2013	2014	2015	2016
January	731,895	255,300	962,724	47,002	632,611	907,103
February	743,385	390,898	713,055	0	769,170	848,575
March	868,396	470,351	605,327	501,812	261,555	950,250
April	862,182	892,452	642,402	545,893	106,258	523,573
May	720,776	553,888	152,795	196,968	151,803	
June	613,500	138,181	152,044	147,630	143,055	
July	197,448	186,027	164,775	149,503	150,599	
August	196,872	151,424	168,428	148,220	140,977	
September	224,463	147,850	169,768	145,020	145,468	
October	249,000	179,706	178,812	148,715	147,574	
November	226,807	282,768	157,195	148,816	145,196	
December	159,636	923,766	160,936	665,823	510,915	
Total Annual	5,794,360	4,572,611	4,228,261	2,845,402	3,305,181	3,229,501



ACWA

Pre mtg ACWA phone call, June 1, 2016, 1:30pm

Scanned/reviewed 147-page June ACWA Bd packet.

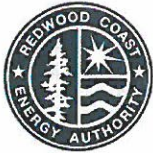
Members commended Tim Quinn for a good job.

Re: emergency regulations. Supply reliability is a message that should come out of ACWA, and State Board may not get that ACWA agencies are still conserving. At SWRCB meeting, Board and staff were concerned about whether agencies will still conserve. Jennifer thinks the story been controlled by SWRCB not ACWA, and maybe not clear that we are committed to conservation. Question raised as to what portion of agencies who will self-certify? I said HBMWD will likely self-certify. Sonoma and Marin will too.

R1 events. Tour at Lake Mendocino then following Russian River. Aug 5th. Looking into tour logistics now. Add to call agenda on Monday. Registration fee?

June 6th, post-mtg ACWA call.

RCEA, RREDC, LAFCO



Redwood Coast Energy Authority

633 3rd Street, Eureka, CA 95501

Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777

E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

MEETING AGENDA

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

May 16, 2016
Monday, 3:15 p.m.

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

I. ROLL CALL

II. REPORTS FROM MEMBER ENTITIES

III. ORAL COMMUNICATIONS

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

IV. CONSENT CALENDAR

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

- A. Approve Minutes of April 18, 2016 Board Meeting.
- B. Approve attached Warrants.
- C. Accept attached Financial Reports.
- D. Approve 2016-2021 Contract for Legal Services with RCEA General Counsel Nancy Diamond.

V. REMOVED FROM CONSENT CALENDAR ITEMS

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

VI. NEW BUSINESS

- A. Community Choice Aggregation
 - Community engagement subcommittee report
 - Discuss and consider adoption of Public Engagement Strategy Guidelines.
 - CCA launch updated timeline.
 - Informational presentation: technical analysis overview and status update – Jeff Fuller, TEA.
- B. CA Energy Commission grant opportunity GFO-15-603: DC Fast Chargers for California's Interregional Corridors
 - Approve partnering with HSU Schatz Energy Research and others on a response to GFO-15-603 to fund EV charging along the 101 corridor.

VII. ADJOURNMENT

RCEA PUBLIC ENGAGEMENT STRATEGY GUIDELINES

May 2016

Outlined below are the purpose, goals, and principles for RCEA's Public Engagement Strategy. This document is focused on RCEA's CCA program, but can be applied more broadly to RCEA's other efforts as well.

Purpose and Goals

The **Purposes** of RCEA's public engagement efforts are to:

1. Provide clarity to the public and the Board on the CCA program
 - a. Provide education to increase understanding and awareness of the CCA program
 - b. Build trust and confidence in the program with the public
2. Create inclusion for members of the public so they are—and feel—heard and understood.
3. Build community support for the CCA program
4. Provide input to the Board and staff before decisions are made
5. Engage a broad diversity of community stakeholders
6. Ensure that RCEA/CCA decisions are made in alignment with explicitly stated criteria

The **Goals and desired outcomes** for RCEA's public engagement are:

1. A very low CCA opt-out rate (opt-out < 10%)
2. Community enthusiasm and support for CCA decisions
3. High participation in the public engagement process
4. Recognition of RCEA's desire for a high standard for public engagement
 - a. Establish ongoing processes, not just engagement on initial launch decisions

Principles

- **Accountability and Transparency:** RCEA will enable the public to participate in decision-making processes by providing clear information on the issues, the ways to participate, and how their participation contributes to the decision.
- **Fairness and Respect:** RCEA will maintain a safe environment that cultivates and supports respectful public engagement.
- **Accessibility:** RCEA will respect and encourage participation by providing ample public notice of opportunities, resources, and accommodations that enable all to participate.
- **Predictability and Consistency:** RCEA will prepare the public to participate by providing meeting agendas, discussion guidelines, notes, and information on next steps.
- **Efficient Use of Resources:** RCEA will balance its commitment to provide ample opportunities for public involvement with its commitment to delivering government services efficiently and using RCEA resources wisely to make effective forward progress on RCEA's goals.
- **Evaluation:** RCEA will monitor and evaluate its public participation efforts to identify and act on opportunities to improve its processes.

Initial Strategies for Public Engagement and Board Decision-making Support:

- **Form expert advisory groups/committees and integrate their knowledge into policies and procedures:**
 - **Technical Advisory Group**
 - Established fall 2015 (will confirm continued participation):
 - Karen Diemer, City Manager, City of Arcata
 - Paul Helliker, General Manager, Humboldt Bay Municipal Water District
 - James Zoellick, Senior Research Engineer, Schatz Energy Research Center
 - Juliette Bohn, Principal, JPB Consulting
 - Arne Jacobson, Director, Schatz Energy Research Center
 - Carol Rische, General Manager, retired, HBMWD
 - Jana Ganion, Energy Director, Blue Lake Rancheria
 - David Carter, Senior Research Engineer, Schatz Energy Research Center
 - Gwelen Paliaga, Technical Director, Building Science Research & Emerging Solutions, TRC
 - **Environmental Review Group**
 - Inaugural members:
 - Natalynne DeLapp, Executive Director, EPIC
 - Stephen Kullmann, Environmental Director, Wiyot Tribe
 - Jen Kalt, Director, Humboldt Baykeeper
 - Sharon Kramer, Principal, HT Harvey & Associates
 - **Economic Decision Support**
 - Requesting the existing *Prosperity! Network* economic development working group (which meets monthly) provide input on economic considerations.
- **Organize participatory, workshop-style Special RCEA Board Meetings for education, input, and feedback**
 - Board will need to be actively engaged in these
 - Approximately once a quarter and/or at key decision points – 2 planned for remainder of 2016 (see schedule).
 - Also create complimentary mechanisms for getting public engagement, input, and feedback online and via other non-meeting opportunities
- **Create Board CCA background binders and resources**
 - Draft FAQs and talking points for Board and advisory committee members
- **Create a Citizens Advisory Committee (CAC)**
 - Will launch with a group of nine members with each RCEA Board member nominating an individual for the group.
 - Considerations to keep in mind when choosing a CAC member:
 - Is connected to multiple groups and constituencies across sectors.
 - Is not a single-issue person, is engaged in or knowledgeable about a number of issues.
 - Is somewhat process savvy, has been involved in other participatory processes.

- Able to think about the big picture and the inter-relationships among multiple components/issues.
- Has credibility across various sectors.
- Is interested in piloting new, more effective ways to conduct public process.
- Has a sense of urgency with regard to the issue.
- Eager and able to collaborate with others in the process.
- CAC members are expected to:
 - Work with facilitator/consultant to help plan and lead community workshops
 - Assist in summarizing and synthesizing input from community workshops
 - Present key messages from community workshops to RCEA Board of Directors
 - Encourage other stakeholders to participate in community workshops
 - Participate in 2 community workshop-style Special RCEA Board Meetings, duration 2 to 2.5 hours, held in July and September 2016
 - Participate in up to 6 meetings, two held before each workshop meeting and one after each workshop meeting, duration of each meeting 2 to 2.5 hours.
- Based on feedback from community workshops, refine and modify the role and future role and process for the CAC.

Schedule of 2016 RCEA Regular Business Meetings, Special Meetings, and key decision points.

2016 RCEA Board Meetings	Key meeting content and decision points
Mon., June 20 th Regular Meeting	RCEA FY16-17 Budget; <u>appoint CAC members</u> ; finalize contracts with TEA/Noble/LEAN; RCEA Board reviews draft technical study and provides Board input on technical study assumptions and parameters
Mon., July 18 th Regular Meeting	Review Technical Study feasibility and supply scenarios; make decision whether to move forward with CCA launch phase 2
<i>Thurs., July 28th (proposed day) Special Meeting</i>	<i>Evening community workshop and public engagement meeting: revisit RePower goals and criteria, provide input on Technical Study scenarios</i>
Mon., August 15 th Regular Meeting	Select the Technical Study scenario that will inform the Implementation Plan
<i>Mon., September 12th (proposed day) Special Meeting</i>	<i>Evening community workshop and public engagement meeting: review and provide input on Implementation Plan</i>
Mon., September 19 th Regular Meeting	September Regular meeting: review Draft Implementation Plan
Mon., October 17 th Regular Meeting	October Regular meeting: approve Final Implementation Plan for submittal to CPUC
Mon., Nov. 14 th Mon., December 19 th Regular Meetings	Finalize supply contracts, rate setting.
January/February 2017	Rates set, customer notification begins

The two key documents related to the above timeline are a Technical Study and an Implementation Plan:

Technical Study

The Technical Study will provide a clear assessment of the overall feasibility of its CCA program as it relates to meeting key goals, such as environmental benefits and cost competitiveness. The study will also provide multiple supply scenarios and information, such as:

- how the scenarios compare to PG&E in terms of greenhouse gas content
- an estimate of the percentage of renewable energy content that can be procured from locally-generated electricity
- an evaluation of the resulting economic/job impacts of local project development, and
- potential rate savings of each scenario compared to PG&E over the forecast period.

The goal is to be able to summarize in straightforward terms the results and options in a way that all stakeholders can understand.

Implementation Plan

The Implementation Plan is a CPUC requirement that describes the main aspects of the CCA plan of operations. It must be certified by the CPUC (within 90 days of submission) before the CCA can begin serving customers. The Plan will be drafted in accordance with all CPUC requirements and established best practices. The Implementation Plan will include the following:

- Communities participating in the program
- Organizational structure of the program, its operations and funding
- Rate setting and other costs to participants
- Disclosure and due process in setting rates and allocating costs among participants
- Methods for entering and terminating agreements with other entities
- Participant rights and responsibilities
- Termination of the program
- Description of initial power supply mix and sources at launch, as well as power procurement plans and strategy going forward into the future



Redwood Region
Economic Development
Commission

520 E Street, Eureka, California 95501 (707) 445-9651 FAX (707) 445-9652

REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION

Regular meeting of the Board of Directors

At the Prosperity Center 520 E Street, Eureka, CA

May 23, 2016 at 6:30 pm

AGENDA

- I. **Call to Order & Flag Salute**
- II. **Approval of Agenda and Minutes**
 - A. Approval of Agenda for May 23, 2016
 - B. Approval of Minutes of the Board of Directors for April 25, 2016
- III. **Public Input – for non-agenda items**
- IV. **Program – *Malinda Matson, Economic Development Representative for Northern and Coastal California, Economic Development Administration, will provide updates on EDA programs***
- V. **Consent Calendar**
 - A. Acceptance of Agency-wide Financial Report: April 30, 2016
- VI. **Reports – No Action Required**
 - A. Loan Portfolio Reports: April 30, 2016
 - B. Executive Director's Report
- VII. **Old Business**
- VIII. **New Business**
 - A. Approval of Renewal of Lease with Ronald Pileggi for 520 and 530 E Streets
 - B. Approval of memorandum of Understanding with the County of Humboldt for Headwaters Participation in New EDA Recapitalization Grant
- IX. **Member Reports**
 - A. Rio Dell
 - B. Eureka
- X. **Agenda/Program Requests for future Board of Directors Meetings**
- XI. **Adjourn**

The Redwood Region Economic Development Commission will, on request, make agendas available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the Board Secretary at (707) 445-9651. Notification 48 hours prior to the meeting will enable the Commission to make reasonable arrangements for accommodations.

MEMBER AGENCIES

City of Arcata • City of Blue Lake • City of Eureka • City of Ferndale • City of Fortuna • City of Rio Dell • City of Trinidad
County of Humboldt • Humboldt Bay Harbor, Recreation and Conservation District • Humboldt Bay Municipal Water District
Humboldt Community Services District • Manila Community Services District • McKinleyville Community Services District
Orick Community Services District • Redwoods Community College District • Hoopa Valley Tribe
Willow Creek Community Services District • Orleans Community Services District • Redway Community Services District