



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Board of Directors Meeting

April 2017



Minutes



Minutes for Meeting of Board of Directors

March 9, 2017

A. OATH OF OFFICE

President Woo called the meeting to order at 9:00 a.m. She conducted the swearing in of Director Michelle Fuller who was appointed on February 10, 2017 to fill the Division 5 vacancy. The Board welcomed Director Fuller.

B. ROLL CALL

Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Rupp and Woo were present. Director Latt was absent. General Manager John Friedenbach, Superintendent Dale Davidsen and Board Secretary Sherrie Sobol were also present. Pat Kaspari and John Winzler of GHD were present for a portion of the meeting.

C. FLAG SALUTE

President Woo led the flag salute.

D. ACCEPT AGENDA

On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 4-0 to accept the agenda.

E. MINUTES

On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve the minutes of the February 9, 2017 Regular Meeting and the February 10, 2017 Special Meeting.

F. PUBLIC COMMENT

No public comment was received.

G. CONSENT AGENDA

Director Rupp requested Item 2-Climate Ready Grant Update be pulled. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve the Consent Agenda less Item 2.

Climate Ready Grant Update

Director Rupp noted it seems as if damage has been done to the replanting and it's not been very successful. He added that the District is involved and interested due to our pipeline there. Mr. Friedenbach concurred the District benefits from the research in that the study area transects cross our pipeline. He attended the update meeting and shared that the planting has not been as successful as hoped in large part due to the storms. Director Hecathorn inquired if the District's pipeline was impacted. Mr. Friedenbach stated no, it has not been impacted. Mr. Davidsen stated he went to the site and walked along the pipeline route. He did not see any areas of concern at that time. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve Consent Item 2.

H. CORRESPONDENCE

Letter from State Water Board re: Requirements for lead sampling at K-12 Schools

Last month, Mr. Helliker shared that the State Water Board was going to require water districts to pay for lead sampling in schools if a school requests it. Mr. Friedenbach shared the letter notifying water agencies of this and he noted that the requirement for lead sampling at K-12 schools is actually an amendment to the water permit.



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I. CONTINUING BUSINESS

Water Conservation Regulations

Mr. Friedenbach shared the snow and precipitation summaries for California that clearly show both are well above average. As previously reported, last month the State Water Board extended the conservation regulations and will not revisit it until May. The District's conservation requirement is zero since we were able to show we have a three-year supply during drought conditions.

Water Resource Planning

Local Sales

Mr. Friedenbach spoke with Jack Crider of the Harbor District. Mr. Crider stated discussions are moving forward with the data center at the former pulp mill site. The data center could require a significant amount of water for cooling purposes however, discussions have not reached that level of detail. Mr. Crider did mention another potential new business looking into the area. They would use about three million gallons of water per year. Director Rupp reiterated that if any money is needed to improve the industrial system, it will not be subsidized by the Municipal Customers. Staff concurred.

Transport

There has been no additional activity.

Instream Flow

Mr. Friedenbach and Mr. Helliker met with Dennis Halligan of Stillwater Sciences and Sharon Kramer of H.T. Harvey & Associates regarding an application for an instream flow grant. A project description was developed for the dedication analysis for the one element that might garner some grant funding.

Private Memorial at Park 4/Contract amendment with Par Infinity

Last month, the Board discussed the request from Caleb Gribi of Par Infinity to install a memorial sign at Park 4. They requested staff bring back an amendment to the license agreement with Par Infinity allowing them to erect the sign with conditions pursuant the agreement. Mr. Friedenbach shared the amendment drafted by legal counsel. On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 4-0 to approve the first amendment to the Par Infinity License Agreement.

Food Service Patio Boat at Ruth Lake

Last month the Board discussed a request for a food service patio boat on Ruth Lake. Ruth Lake CSD expressed concerns regarding possible trash generated by this type of business and congestion it may cause with boating traffic on the lake. The District does not have a policy for this type of activity. Staff did some research and contacted agencies that govern lakes in the Northern California area, including Lake Shasta, Lake Sonoma, Trinity Lake and Whiskeytown Lake regarding their policies. None of agencies contacted have food service boats. The Board requested Ms. Diffin and Grant (food service boat operators) provide further details such as size of the boat and the layout, equipment used, etc. and requested GHD provide CEQA checklist.

Mr. Friedenbach stated Ms. Diffin and Grant provided the information requested and are present at the meeting. Mr. Kaspari stated he completed the CEQA checklist per the Board's request. He stated the CEQA checklist is not really geared towards this type of project. There is no impact except for one item which is listed as less than significant impact. This item is in the Land Use and Planning



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section and asks if the project would “Conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the project...”. Mr. Kaspari stated this was marked since Ruth Lake CSD does have a policy (7120) stating commercial use is prohibited. He noted the policy also states exceptions will be considered to accommodate special circumstances on a case-by-case basis. He has concerns since there is a policy against commercial use and additional trash could be an issue if debris gets in the turbines or is washed into the Mad River. For these reasons, he would recommend not approving the request. Mr. Friedenbach shared the letter from Ruth Lake CSD expressing their concerns. He noted the sewage issue mentioned in the Ruth Lake CSD letter is no longer a concern since the boat will not have toilet facilities, however, they still have other concerns. Director Hecathorn stated the primary purpose of Ruth Lake is water supply and recreation is secondary. She appreciates Ms. Diffin and Grant’s efforts to start a business, however, she feels that if their request is approved other commercial businesses may want to be on Ruth Lake as well. Director Rupp agreed and reiterated the District has an obligation to protect the high-quality water. President Woo inquired if Ms. Diffin and Grant would like to comment or address any of the concerns. They responded that they understand the concerns and the decision is up to the Board. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to deny the request for the food service patio boat.

Surge Tower

Mr. Friedenbach stated that per the District’s procurement policy, the District issued a Request for Qualifications (RFQ) for engineering, design, environmental, permitting, construction management and grant administration services for the Surge Tower project funded by FEMA Hazard Mitigation grant. The RFQ was sent to sixteen engineering and planning firms and was advertised in two local papers as well. The District received three Statement of Qualifications (SOQ). A four-member review team conducted independent evaluations of the three firms based on qualification criteria. All team members independently and unanimously concluded GHD was the best choice and recommended engaging the services of GHD. Mr. Friedenbach shared some of the concerns the review team had regarding the two firms not selected.

Once it was clear that GHD was the preferred firm, Mr. Friedenbach negotiated the agreement terms and GHD provided a revised scope and budget to reflect the decreased costs. Staff recommends approval to enter into an agreement with GHD for environmental, design plans and specifications, permitting, surveying, and construction management services for the Surge Tower Project at an estimated cost of \$304,000. The agreement will only authorize the work under Phase One of the grant in the amount of \$114,000. The remaining services in the amount of \$190,000 will be authorized once the full grant is approved by FEMA. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve entering into agreement with GHD for the Surge Tower Project.

HBMWD Procedures

Last month, the Board requested the check signing and bill review process be brought back to the Board after a discussion with the legal counsel and the auditor. Legal counsel expressed no concerns with Directors signing the checks. He indicated he sees no problems, only benefits with the procedure. The auditor believed bill review by the Directors is a beneficial, internal control process. Director Rupp stated he likes the idea of Board members signing checks. Mr. Friedenbach recommended continuing the process of signing checks and bill review. He did note that bill review can be a burden on some Directors and suggested he and the Board Policy Committee work together and bring back any changes to the Board.



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PG&E ReMat

Mr. Friedenbach stated he included the Project Details Form to show how detailed the process is. The District has completed four of the five remaining categories. The contract should be complete soon and he anticipates we will be operating under the new contract in April. He added that our consultants, JTN Energy, have done a very efficient job in moving the contract along.

J. NEW BUSINESS

Joint Board Meeting with Ruth Lake CSD

Each year the District Board meets with the Ruth Lake CSD Board to discuss issues of mutual interest to both Districts. The Directors discussed proposed meeting dates and consensus was to meet on June 23, 2017.

CSDA Membership

The Board discussed possible membership with the California Special District Association. The annual fee would \$6,485. The District is currently a member of the Association of California Water Agencies (ACWA), which is more specific to our District. Both ACWA and the CSDA offer many professional development opportunities via webinar, the classroom or at conferences. Based on courses the Board and staff have taken previously, had the District been a member of CSDA, there would have been a savings of \$640. Staff recommends signing up for the 90-day trial membership with CSDA but not continuing the membership as the cost savings in the professional training do not justify the annual membership fees. Additionally, ACWA is specifically for water agencies and continues to provide excellent member benefits. The Board concurred.

Resolution 2017-4 Concurring in Nomination of Melody Henriques- McDonald to ACWA/JPIA Executive Committee and Resolution 2017-6 Concurring in Nomination of David Drake to ACWA/JPIA Executive Committee

Director Rupp stated the two people being considered for nomination are current members of the Executive Committee. They are doing a good job and he recommends endorsing their candidacy. Director Hecathorn concurred. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 by roll call vote to concur in the nomination of Melody Henriques-McDonald and David Drake to the ACWA JPIA Executive Committee.

May Meetings

Mr. Friedenbach stated that the ACWA Conference is the same week as the May Board meeting. Staff suggests scheduling the regular May meeting on the 4th and the Special Project Meeting at Essex on the 24th. The Board concurred with the May meeting dates of the 4th and 24th.

K. REPORTS (from Staff)

1. Engineering

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

Mr. Kaspari stated all four of the laterals are in on Collector 1A and Collector 1 has two laterals for a total of 770 feet. The contract was for 750 feet of laterals. Change Order 9 was issued to cover a 10-foot blank in lateral four. Change Order 10 is to cover the additional 10 linear feet



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installed at \$1,300 per lineal foot for a total of \$13,000. Mr. Kaspari stated that 10 feet less of drawn down on Collector 1A will be a very good thing. He stated that incredibly clean water is coming from the laterals and lots of it from 1A. He is very happy with the results. The perc pond still needs to be removed but dry weather is needed to remove it and the ground is currently saturated from the weather. Once the perc pond is removed, a notice of completion will be filed.

Mr. Friedenbach added that as part of the grant funding agreement, a press release is required. Prop 84 staff will be present for the press release and he will notify the Board in advance of the scheduled press release.

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

Mr. Kaspari shared some good news on the project, the State Historic Preservation Office approved the project going forward. FEMA will send the project on to CalOES for approval of Phase 2 (permitting and design) so hopefully the District will go out for construction bids on the project this fall.

IMG Reservoir Roof Replacement & Painting

Mr. Kaspari stated the contract was awarded to the low bidder, Paso Robles Tank. The contract paperwork is in process.

12kV HMG/PDM

There is nothing to report, the District is still hoping to receive grant funding for this project.

Ruth Slide

Mr. Kaspari stated he and Mr. Davidsen planned to go see the slide but were unable to access it due to snow. The slide is on the left abutment and k-rails are installed to keep debris out. Geologists agree that it is a shallow seeded slide and not a threat to the backside of the dam. Director Rupp asked for confirmation that survey monuments are in the area to determine movements. Mr. Kaspari confirmed there are survey monuments in the area and that no movements of concern have been detected.

2. **Financial**

Financial Report

Director Rupp provided the February report. Director Latt reviewed the bills. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve the February financial statement and vendor detail report in the amount of \$540,453.86.

FY 2017/18 Budget Calendar

Mr. Friedenbach reviewed the proposed budget calendar and inquired if the Board had questions or concerns. The Board concurred with the calendar.

Unum Insurance

Three years ago the District switched insurance companies for LTD, Life and AD&D. At that time, the rates with the new carrier, Unum, were locked in for two years. The District saved \$13,000 annually and doubled the coverage. Mr. Friedenbach stated he expected the rates to increase this year, however, was pleased to report the current rates will remain in effect for one more year with no increase.



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3. Operations

Mr. Davidsen provided the February Operational Report. Collector 1 is out of service due to the lateral replacement project and with the intense storms, turbidity was higher than normal requiring the TRF to run all month. He stated the crew worked extremely hard under challenging conditions to continue to provide high quality water. A maintenance crew went to Ruth to clean up from the storms. They removed a lot of debris from the slide that was encroaching on the road, cleaned culverts and drainages. Essex personnel completed the annual Hearing and Respiratory exams. These exams are required for employees required to use respirators and SCBA's. Also, the District hired a new electrician who started on March 6.

L. DIRECTOR REPORTS & DISCUSSION

1. General

Director Rupp stated he receives a stipend for his duties as Board Secretary/Treasurer. Given potential changes, he would like to discuss this further and requested staff have the topic on the agenda for the next Board meeting. Staff stated it will be on the agenda for the next meeting.

President Woo stated the Water Resource Planning Instream Flow ad-hoc Committee has opening and inquired if Director Fuller would like to participate. Director Fuller stated she would be happy to serve on the committee.

2. ACWA – JPIA

Director Rupp stated as a member of the Executive Committee, he will be presenting a check to Humboldt Community Services District. The check is a refund given their low loss ratio. He will be presenting a check to an agency in Redding as well. Director Rupp also shared that he is now the chair of the Employee Benefits Committee.

3. ACWA

Director Rupp stated he attended the Finance Committee meeting and that ACWA dues will be increasing by three percent, per the budget. Director Rupp also shared that he and Mr. Friedenbach will be attending the ACWA Conference in May.

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

RCEA

President Woo reported out on the RCEA meeting. She stated RCEA is on schedule for the launch of the Community Choice Energy program. They have procured energy sources that include wind, solar and biomass.

RREDC

Director Rupp reported out on the RREDC meeting. They received a presentation regarding physician recruitment by Dr. David O'Brien of St. Joseph Hospital. Dr. O'Brien shared that they were able to recruit nineteen physicians last year, however, they are having a difficult time recruiting family practice physicians. St. Joseph Hospital will be partnering with Open Door Clinic to start a residency program and expect to graduate six residents per year. The hope is that some of them will stay in the area.

Director Rupp stated he has served on the RREDC Board for a number of years and is reconsidering his role on the Board. He feels it would be good to have another member of our



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Board serve on RREDC and requested this be on the agenda for next month's Board meeting. He noted that RREDC meets once a month and they are evening meetings.

NCRP

Mr. Friedenbach stated the two previous General Managers have served on the committee and it is an appointed position. He shared that he expressed interest and is willing to serve if appointed. He hopes to hear back soon regarding appointment to the committee.

ADJOURNMENT

The meeting adjourned at 11:59 p.m.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer

Consent



SECTION Fl PAGE NO. 1
HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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BOARD OF DIRECTORS

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

GENERAL MANAGER

JOHN FRIEDENBACH

March 17, 2017

Amanda Huber, COO
Southern Trinity Health Services, Inc.
PO Box 4
Mad River, CA 95552-0004

RE: Medivac Landing Zones

Dear Ms. Huber,

In April 2015, STAR entered into a Facilities Use Agreement with our District for Medivac Medical Emergency Landing Zones. This is a follow up letter to check in and see how things are going and if the signage for the two locations is in place. Signage was to include wording to the effect of Medical Helicopter Landing Zone, No Parking or Camping.

Additionally, our District and Ruth Lake CSD will be conducting our annual Joint Board Meeting on June 23rd. In the past, Rose Comstock, Brooke Entsminger or others from your agency have attended. I hope you will be able to attend this year. As the date gets closer, you will receive more information.

Regards,


John Friedenbach
General Manager

cc: Dale Davidsen, Superintendent
Brian Newell, Ruth Operations



SECTION F2 PAGE NO. 1
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BOARD OF DIRECTORS

SHERI WOO, PRESIDENT

NEAL LATT, VICE-PRESIDENT

J. BRUCE RUPP, SECRETARY-TREASURER

BARBARA HECATHORN, DIRECTOR

MICHELLE FULLER, DIRECTOR

GENERAL MANAGER

JOHN FRIEDENBACH

March 20, 2017

Ryan Sundberg
Humboldt County Board of Supervisors
825 5th Street, Room 111
Eureka, CA 95501

Dear Mr. Sundberg,

I would like to congratulate you on your recent appointment by Governor Edmund G. Brown Jr. to the California Coastal Commission. This is a very important commission to our lives here on the north coast. I know that you have the experience and knowledge to be a very effective participant on the Commission.

I am pleased to know that that our county will have a strong voice with you as the North Coast Representative for not only Humboldt County, but Del Norte and Mendocino Counties as well.

Congratulations!

Regards,

A handwritten signature in cursive script that reads "John Friedenbach".

John Friedenbach
General Manager

ADAPTING TO SEA LEVEL RISE ON HUMBOLDT BAY'S AGRICULTURAL LANDS

*A forum for agricultural landowners, resource management agencies,
local governments, and the community*

Thursday May 4, 2017

9:00 am – noon

Wharfinger Building, 1 Marina Way, Eureka



Photo courtesy of Humboldt Baykeeper King Tides Photo Initiative

TOPICS:

- **Importance of Humboldt Bay's agricultural lands**
– Jonathan Shultz, District Conservationist, Natural Resources Conservation Service
- **Projected sea level rise impacts**
– Aldaron Laird, Humboldt Bay Sea Level Rise Adaptation Planning Project
- **Sea level rise adaptation strategies**
– Kelsey Ducklow, Climate Change Analyst, California Coastal Commission
- **Collaborative visioning: The future of Humboldt bottomlands**
– Joe Tyburczy, Extension Specialist, California Sea Grant
- **Overview of coastal development permitting**
– Melissa Kraemer, Supervising Analyst, and Cristin Kenyon, Analyst, Calif. Coastal Commission
- **Updating local land use regulations to address sea level rise**
– John Ford, Planning and Building Director, Humboldt County
– David Loya, Community Development Director, City of Arcata
– Rob Holmlund, Development Services Director, City of Eureka
- **Provide input to regulators on your sea level rise issues & concerns**

~~~~~ Please Register for this Free Event by April 26 ~~~~~

Register at <https://goo.gl/forms/DquYelHZu9clbgi93>

or contact Vanessa Metz (707) 826-8950 x 6, [Vanessa.Metz@coastal.ca.gov](mailto:Vanessa.Metz@coastal.ca.gov)

Forum hosted by the California Coastal Commission and Humboldt County



**Sherrie Sobol**

**From:** Friends of the Dunes <steven@friendsofthedunes.ccsend.com> on behalf of Friends of the Dunes <info@friendsofthedunes.org>  
**Sent:** Wednesday, March 22, 2017 12:21 PM  
**To:** Sherrie Sobol  
**Subject:** Notes from Feb. 15 Dunes Climate Ready Meeting



## Dunes Climate Ready Study

Notes from Feb. 15, 2017  
Public Meeting & Listening Session

On February 15, 2017, Andrea Pickart, Ecologist for the Humboldt Bay National Wildlife Refuge, gave a presentation at the Humboldt Coastal Nature Center on the Dunes Climate Ready Study. The presentation was divided into four main sections: 1) Background and introduction, 2) Overview of beach and dune transect surveys including some early results, 3) Lanphere Dunes demonstration adaptation site, and 4) Other components of the project including the Eel River adaptation demonstration site and the propagation site. After each section of the presentation, there was a five-minute facilitated question period when people were encouraged to ask questions pertaining to the topics that had just been discussed. Attendees were given sticky notes and a pen at the beginning of the evening so they could jot down questions/notes during the presentation.

At the end of the presentation a formal listening session was held. There were four stations dispersed around the Humboldt Coastal Nature Center, each with a different topic; beach and dune surveys, adaptation site, misc. questions/comments, and what people were interested in learning more about. At each station there was a poster to write down questions/comments or attach sticky notes. Representatives from the US Fish & Wildlife Service and Friends of the Dunes helped facilitate answering questions and recording those that couldn't be answered, as well as comments people wanted recorded. The listening session lasted about half an hour. The following comments and questions pertaining to the Dunes Climate Ready Study were gathered that evening from the listening session. Questions from the public listening session held in February 2016 have also been incorporated below.

### Comments

- Thank you for sharing information about the project and teaching us about

our coastal dunes, vegetation, geomorphology, climate change, etc.

- I would like to learn more about adaptations measures in the Eel River Area

#### Questions

**Q1:** At what sea level elevation do you anticipate regular breaches of Humboldt Bay?

**A:** The climate ready study is designed to gather data in order to make informed predictions about the behavior of our dunes as sea level rises. We hope to continue the monitoring for a minimum of five years, which will require additional funding. Equipped with these data we can embark on modeling sea level rise and responses to extreme events in Humboldt Bay. At that point we can make predictions, based on empirical data, as to whether, where, and when we expect breaching of the North and South spits to occur, and under what conditions. Foredune overtopping and/or breaching are most likely to occur as the direct result of storm surges and wave energy, rather than one specific threshold of sea level.

**Q2:** On the adaptation site; why did they choose to use small less [than] 8 [inches] more likely 4" woody material instead of logs to stabilize the foredune?

**A:** At the Eel River adaptation site, available driftwood that could be moved by hand or dragged with an ATV was used. We hope to use larger driftwood in future experiments.

**Q3:** What reason(s) are there for not using Humboldt Bay channel dredge material (sediment/sand) for beach replenishment? Where are dredged materials from the bay currently deposited? Can they be used to build up the dunes?

**A:** The use of sand-sized dredged material from Humboldt Bay for either beach nourishment or dune augmentation has been proposed in a conceptual way through the Draft Eureka Littoral Cell Sediment Management Plan which was released by the Army Corps of Engineers in 2017. Beach nourishment and dune augmentation have been used elsewhere with success, but it is important to note that these are only temporary fixes when used in a sediment-deprived system. The climate ready study is examining which parts of the Eureka littoral cell have adequate or surplus sediment supply and which have sediment deficits. Beach nourishment and dune augmentation could be tested in future adaptation demonstration projects, depending on cost and feasibility. However, this possibility is not currently being supported by the U.S. Army Corps of Engineers (USACE). The recently released "Humboldt Bay Harbor and Bay Operations and Maintenance Dredging Environmental Assessment and FONSI (Finding of No Significant Impact) for Fiscal Years 2017-2020" eliminated as potential alternatives the use of beach nourishment or dune augmentation for dredge spoil, evaluating only alternatives that assume all disposal of dredge material (up to 12.8 million cubic yards) at the existing deepwater disposal site known as "HOODS," HOODs has been operational since 1995 and results in all sediment being removed from the littoral cell and therefore unavailable to the beaches and dunes. The justification for dropping these alternatives were: 1) the lack of a nearshore placement site, and 2) the need for retrofitting of the USACE dredge(s) to have the capability to pump dredged material to upland sites. The Corps states that non-deepwater disposal alternatives should be reconsidered if a nearshore site becomes available and/or the dredge is retrofitted. Although the comment period for the EA closed March 10, the California Coastal Commission, which must issue a consistency finding, is expected to hear a

request for this project in June in our area. Humboldt Baykeeper will be following this issue ([humboltdbaykeeper.org](http://humboltdbaykeeper.org))

**Q4:** Are the markers moving or being buried? Have they been measured/used?

**A:** Assuming you are referring to the benchmarks used in this study, they have all been measured and are being used. Since they are of a known elevation, if they are moved we can tell, and they are replaced with a new measured benchmark. This would also be done if they were buried (that has not yet occurred).

**Q5:** Are there other ways to combat sea level rise other than vegetation?

**A:** We assume you are asking if there are other ways to respond to sea level rise than by planting dunes with particular vegetation. Many different techniques have been used around the world. Possible responses include those that resist sea level rise, such as building or raising dikes and erecting barriers to storm surges at entrances to bays. Other methods are geared at adapting to sea level rise where possible, such as through the use of "living shorelines" like salt marshes or dune systems that are able to buffer extreme events and/or migrate with sea level rise (this approach may use vegetation as one component). A third approach is "managed retreat," which involves the strategic relocation of important infrastructure inland over time.

**Q6:** Can you explain the Littoral Cell?

**A:** A littoral cell (littoral means nearshore) is a stretch of the coast with a sediment cycle that is isolated from adjacent coastal reaches. Theoretically, a littoral cell has its own sediment sources (such as river mouths or eroding coastal bluffs or dunes) and sinks (submarine canyons, or dune systems where sediment is primarily being moved out of the littoral zone into the upland dune system, or dredging of bays and estuaries when dredge spoil is deposited outside the littoral zone). Isolation of a littoral cell from adjacent cells is typically caused by protruding headlands, submarine canyons, inlets and some river mouths that prevent littoral sediment from one cell to pass into the next. Littoral cells are frequently models that are based on our best understanding of sediment movement, due to the difficult nature of measuring all inputs, outputs, and sediment movement. The Eureka littoral cell is believed to extend from Trinidad to False Cape. Its major sediment sources are the Mad, Little, and Eel Rivers, as well as sediment from Humboldt Bay watersheds and those eroded from bluffs and headlands. Major sinks identified for the Eureka littoral cell include the Eel River submarine canyon and the continued removal of more than one million cubic yards of sediment through dredging of Humboldt Bay channels. This sediment is deposited in a deepwater disposal site located outside the littoral cell (see Q2). Sediment transport direction in the ELC is not completely understood (this study should increase our understanding). We know that we have bi-directional transport, which is generally south in summer and north in winter when river inputs to the littoral cell are highest.

**Q7:** How does the foredune vegetation affect the backdunes?

**A:** In this area we have both incipient and established foredunes. Incipient foredunes are younger, shorter, less stable features than established foredunes. They may, over time, become established foredunes or they may erode away before this happens. Vegetation on either type of foredune will influence the movement of sand from the beach to the foredune, and from the foredune to



the dune forms found behind it. Waves carry sand to the top of the intertidal "swash zone" at high tides, where, during low tides, it dries out and can be carried by wind to the upper beach (or "backshore") and beyond. The presence of vegetation on the upper beach and beyond causes "drag," slowing the wind and causing sand to be deposited. You can see this in the form of "sand shadows"-little mounds of sand forming downwind of an obstacle such as a piece of driftwood or a plant. The taller and denser the vegetation, the more drag is created. It takes a much higher windspeed to transport sand along and over the top of stable, vegetated foredune than one that is characterized by lower or sparser vegetation. The native backdune plant community, known as "dune mat," is adapted to disturbances including sand erosion and deposition. When the foredune becomes over stabilized by invasive European beachgrass, the backdune vegetation changes. Species that could not become established in a more dynamic environment (both native and invasive) become abundant and add more nutrients to the system. Eventually, the original native plants are no longer competitive because the traits they evolved to exist in the original, harsher conditions, no longer confer benefits in the more stable environment. These "early successional" native species include two federally listed endangered plants, beach layia and Menzies' wallflower.

**Q8:** Are wood surveys being collected?

**A:** The climate ready surveys include measurement of wood in plots. The elevation of the wood is recorded, and its contribution to cover in the plot.

**Q9:** How will the bay be affected by sea level rise and foredune erosion?

**A:** A separate but similar effort to the Dunes Climate Ready project has been looking at sea level rise effects inside the bay resulting from tidal inundation through the mouth of the bay (<http://humboldt-bay.org/humboldt-bay-sea-level-rise-adaptation-planning-project>). On the ocean side of the North and South spits, foredune erosion in particular, and erosion of the dune barriers in general, could have a profound effect inside Humboldt Bay if it results in frequent overtopping (waves that overtop the dunes and reach the bay) or overwash/breaches (waves that erode through the dune barrier). Overtopping has an ephemeral effect because the foredune barrier is not damaged. Breaches/overwashes actually erode away the foredune, so that the area becomes repeatedly overwashed during the highest tides. The goal of the Dune climate ready study is to measure sediment movement, erosion and deposition along beaches and foredunes in order to provide quantitative data that can be modeled, leading to predictions that could help answer this question.

**Q10:** Why is rolling over of the foredune the desired response - is this an assumption?

**A:** "Rolling over" is a casual term used in place of the more correct technical term "translation," which is the movement both inland and upward of the foredune elevation. Translation will occur with sea level rise unless there is a very large sediment surplus allowing the foredune to remain in place and grow vertically and even oceanward with sea level rise. More commonly, the foredune will go through cycles of erosion and deposition while it slowly migrates both inland and upland. What is desired is that the foredune maintain its form and integrity during this process, so that it continues to serve as a buffer for wave energy. During large storms with high wave energy and elevated sea levels, waves remove sand from the beach and undercut the foredune, causing it to collapse and form cliffs or "scarps." During the summer, sand returns to the eroded beach,

building its elevation back up. Scarps also may collapse, reducing their steepness. Eventually, an aerodynamic "ramp" is formed that allows the beach sand to reach the top of the foredune, which can help to move the foredune inland before it is once again colonized by vegetation. If there is not enough sand delivered to heal the scarp and form the ramp, then the foredune won't grow vertically or migrate (i.e. translate), and with repeated scarping may erode away entirely. This could lead to sand flowing unimpeded from the beach to the back dunes, smothering vegetation, and potentially to large scale destabilization of the dune field.

**Q11:** Are there other vegetation types being scrutinized to support vulnerable areas?

**A:** Because transects are located in all of the major vegetation types present in the study area, we will gain information on whether and how vegetation type affects vulnerability and resilience. The only vegetation types being actively experimented with in the adaptation sites are Dune mat, American dunegrass (*Elymus mollis*) and European beachgrass (*Ammophila arenaria*).

**Q12:** Are transect sites parallel with wind?

**A:** The linear transects are parallel with prevailing wind direction, which is also the direction of dune movement

**Q13:** What will be the frequency of dune overwash?

**A:** See answers to Q1 and Q9.

**Q14:** If south spit is lost, how does this affect Humboldt Bay?

**A:** See answers to Q1 and Q9.

**Q15:** Why are tides higher in the winter?

**A:** Take a look at an annual tide table and you will see that there are plenty of high tides in the summer months (7-8+ ft). "Spring" tides occur when the sun, moon, and earth are in alignment, twice a month during the new and full moons. "Perigeal tides" occur monthly when the earth and moon are closest. Although the solar component of tides is less than the lunar, when the earth is closest to the sun (in early January) the confluence of earth-sun distance, earth-moon distance, and earth-moon-sun alignment causes the highest tides of the year. "Close-enough" conditions occur in November and December for the highest monthly tides of these three months to be dubbed "King Tides." Remember that in winter, the effect of storms can be significant. Storm surges caused by low pressure and onshore winds can add up to a foot or more of sea level. Significant El Niño events also elevate sea level during the winter months due to increased ocean temperatures (water molecules expanding) and the reversal of tradewinds, which then pile up warm waters off the west coast. Coastal flooding and dune erosion can be most severe when there are additive effects of astronomical tides, storm surges, and a significant El Niño.

**Q16:** What is the relationship between sea level rise to the height and width of the dunes?

**A:** We'll assume you are asking about the influence of the height and width of the foredune on the effects of sea level rise. This is one of the questions that we hope to answer - for our local coastline - with this project. Foredune height has an obvious role, since a lower foredune will be more susceptible to overtopping by high tides. However, the influence of storms and wave energy

makes this more complicated than the idea of a bathtub overflowing. Wave energy is dissipated in complex ways as foredunes erode and scarp. The width of a foredune will also have obvious implications since a breach is more likely to occur in a narrow foredune and in a foredune without significant backdune elevation. Slope of the foredune may also play a role. Modeling will attempt to address this issue as sufficient data are accumulated.

**Q17:** Will the analysis of the data ultimately support that the overall volume of the dunes (given adequate sediment supply in our littoral cell) resist and be resilient to rising seas?

**A:** Along this littoral cell there are many different conditions affecting dune behavior, such as differences in sediment supply (quantity and grain size), currents (including rip currents), beach and foredune slope, foredune height and width, vegetation, wave energy, winds, subsidence, embayments, the presence of river mouths and outflow, driftwood, and the presence of infrastructure (jetties). We will attempt to understand the role of as many of these variables as possible in determining resiliency. There is no assumption that resiliency will be constant along the entire littoral cell.

**Q18:** How applicable is this study to other geographic areas, such as the Mendocino Coast?

**A:** There are dune systems located on the Mendocino coast, which could benefit from this work. However, there are many differences in geologic setting, geomorphology, vegetation, littoral cell characteristics, etc. that would need to be considered in applying the results of this study.

**Q19:** Where are other dune studies like this happening?

**A:** Based on our searches of the internet and literature, and communications with organizations that focus on adaptation, there are no studies similar to our adaptation experiment examining the role of vegetation in resilience. Measurements of dune erosion based on dune profiles and/or LiDAR (elevation data collected from the air) are being carried out along many places on the west coast US, with a large gap in data collection between San Francisco Bay and Oregon. This research has tied dune erosion to significant El Niño events. Related studies include research being conducted out of Oregon State University, which is indirectly examining the relative influence of two different invasive beachgrasses (*Ammophila arenaria* and *A. breviligulata*) on foredune height and morphology and modeling vulnerability to wave runup and overtopping. This research has so far not addressed evolution of the foredunes over time, and focuses on coastal flooding prevention rather than long-term resiliency.

*Following the public meeting held on February 15, 2017, Uri Driscoll submitted additional comments and questions via email which can be found on the Friends of the Dunes website with a copy of this document, titled "[Listening Session 2/15/2017](#)"*

## **UPCOMING OUTREACH EVENT**

### **Dunes Climate Ready Walk at the Eel River Wildlife Area**

Friday, April 14, 9 a.m. - 11 a.m.

Learn about the Dunes Climate Ready Study and the impacts of winter conditions on the Eel River Wildlife Area with Michael van Hattem, Environmental Scientist at the California Department of Fish and Wildlife. R.S.V.P. required by contacting Friends of the Dunes at 707-444-1397.

**GRANITE BAY, Calif. (KCRA) — |**

Updated: 7:02 PM PST Mar 9, 2017

The San Juan Water District is calling on the governor to rescind California's drought emergency declaration.

The district argued the state should no longer be under a drought emergency because of the exceptional rainfall totals this season.

"It's time. This is the end of the three rainiest months. We've had more than 200 percent of normal rainfall," San Juan Water District General Manager Paul Helliker said outside the Capitol Thursday. "So, from our point of view, it's time to get back to normal."

Officials sent a letter to the governor and announced that the district will change its drought status to Stage 1. That means customers are still prohibited from wasting water, but there aren't any specific conservation targets.

"With wetter-than-normal conditions in the Sacramento Valley beginning in 2016, the State was no longer experiencing a statewide drought emergency," said San Juan Water District Board president Ken Miller. "Our customers did a fantastic job of reducing their water use when the drought threatened our supplies in 2014 and into 2015. With California in the midst of its wettest water year in 122 years, we are now returning to normal operations."

The communications director for the California EPA, Alex Barnum, told KCRA that the governor will consider such a move after the rainy season.

"As the governor said in a press conference on Feb. 24, he will consider whether to rescind the statewide drought emergency declaration at the end of the rainy season. Among the factors he'll consider are precipitation, reservoir, snowpack and groundwater levels," Barnum said. "The State Water Resources Control Board made a similar commitment when it extended the statewide conservation regulations at its Feb. 8 meeting. The board said it would revisit the regulation in May and consider repealing it based on a more complete picture of water supply conditions at the end of the rainy season."

[CLICK HERE](#) to read the letter send by sent by the San Juan Water District

The San Juan Water District covers 265,000 people in eastern Sacramento County and southern Placer County using water from American River and delivered to Folsom Reservoir.

The San Juan Water District is not the first California water district to declare the drought over.

Districts in Humboldt, San Diego and Orange counties have already done so, and some have called on Brown to end the statewide emergency declaration also.



March 9, 2017

Honorable Jerry Brown, Governor  
State of California  
State Capitol  
Sacramento, CA 95814

Dear Governor Brown:

I am writing on behalf of the Board of Directors of the San Juan Water District, the water supply provider for over 150,000 residents of Sacramento and Placer Counties. We serve four wholesale customer agencies – the City of Folsom, the Citrus Heights Water District, the Fair Oaks Water District and the Orangevale Water Company.

Our water supply comes from the American River via Folsom Reservoir. This reservoir filled completely last year and has filled to well above average levels multiple times this winter. Precipitation in the Sacramento Valley was 125% of average in water year 2015-16, and so far this water year, is 164% of average.

Also in the Sacramento Valley, Shasta, Trinity and Oroville Reservoirs are all above normal storage levels for this time of year, and flood control releases are currently underway throughout the Valley. This water year is the wettest on record, with precipitation currently running 219% of normal in the Sacramento Valley, and snowpack at 185% of average statewide, and 163% of the April 1 average. Precipitation levels are greater than average in Central and Southern California, as well.

With the wetter than normal conditions in the Sacramento Valley beginning in 2015, the State was no longer experiencing a statewide drought emergency. This was confirmed by the “stress test” results in 2016 – more than 80% of the State’s urban water suppliers determined that their water supplies were adequate to meet demand through 2019 – *even given the assumption of three additional years of drought*. These conditions have improved even further this year, as drought conditions no longer exist in any part of the state. In fact, many rivers in the State are now in flood condition.

For the past two years, we have repeatedly presented information to the State Water Resources Control Board and other agencies in your Administration that shows that Northern California has not been experiencing a drought. Attached is a resolution from the San Juan Water District Board of Directors stating that our service area is no longer experiencing drought conditions. We now call on you to rescind your emergency proclamation of drought conditions, contained most recently in Executive Order B-37-16, in recognition of the extremely wet conditions statewide that California is experiencing this water year.

Sincerely,

  
Kenneth Miller  
President

**Directors**

Edward J. “Ted” Costa  
Kenneth H. Miller  
Dan Rich  
Pamela Tobin  
Bob Walters

**General Manager**

Paul Helliker

## HUMBOLDT COUNTY

# Rain totals 163 percent above norm

### Mix of sun, showers in week; another storm on the horizon

By **Natalya Estrada**  
[nestrada@times-standard.com](mailto:nestrada@times-standard.com)  
[@natedoge4412](https://twitter.com/natedoge4412) on Twitter

It's been a very wet water year for the county so far. And according to forecasters, there is more to come.

"From Oct. 1 through right now we've gotten 49.67 inches of rain which is 163 percent of the normal and the normal is 39.49 inches," National Weather Service Eureka meteorologist Karleisa Rogacheski said Tuesday.

During the same period last year, which starts Oct. 1, the Woodley Island weather station recorded 41.86 inches of rain, she said.

Looking ahead, the forecast this

week is a mix of sun and showers with nice weather today, rain Wednesday and a cloudy late-week before a storm moves over the county over the week-end.

Rogacheski said temperatures on the coast today will be in the high 50s to low 60 degrees with warmer temperatures inland.

On Wednesday morning, the chance of rain will increase before tapering off in the evening. Eureka is expected to see a quarter-inch of rain, Southern Humboldt County could get 0.3 inches of rain while the Orick, Orleans and Willow Creek areas will get nearly a half-inch of rain.

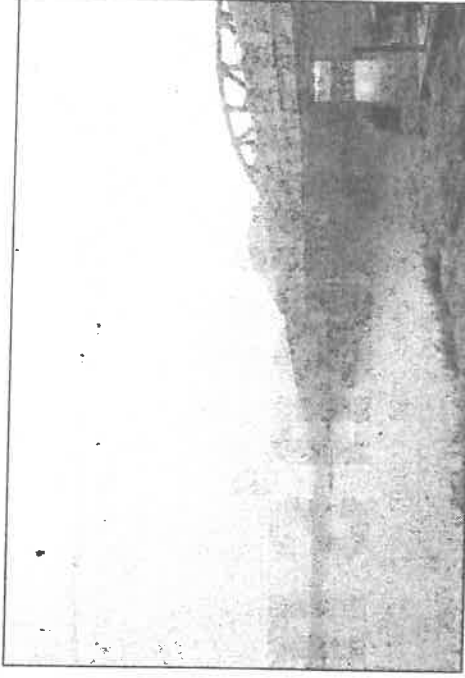
"Most of the rain will be in northern Humboldt," Rogacheski said.

National Weather Service Eureka meteorologist Kathleen Lewis said the marine environment would have a lower sea state for the first half of the week. In the second half of the week, the waves and sea state levels will increase.

Thursday will be mostly sunny while Friday is expected to be mostly cloudy across the county with cooler temperatures than earlier in the week, Rogacheski said.

Access more local and up-to-date weather information at [weather.gov/eureka](http://weather.gov/eureka).

*Natalya Estrada can be reached at 707-441-0510. Hunter Cresswell contributed to this report.*



NATALYA ESTRADA — THE TIMES-STANDARD  
Humboldt County has had an above-average amount of precipitation since Oct. 1 — about 163 percent above average for rain totals.

## Local residents conserved water in stormy February

### Permanent water use rules expected in near future

*By Will Houston, Eureka Times-Standard*

Tuesday, April 4, 2017

Despite not being held to any mandatory water conservation standards, Humboldt County communities cut back on their water use in February, according to State Water Resources Control Board data released Tuesday.

Water use dropped by 25 percent statewide in February compared to the same month in the baseline year of 2013. These water savings came during a month of heavy rainfall for much of California, especially on the North Coast.

“Even with a banner year for winter precipitation, Californians have continued to practice sensible conservation, with a significant drop in water use in the South Coast,” State Water Board Chairwoman Felicia Marcus said in a Tuesday statement.

“Though our water picture is significantly improved in most of California, we have to maintain our drought memory and shift to planning and action to prepare for the long term,” she continued. “From transitioning to California-friendly landscapes and smart irrigation systems, to reducing leaks and increasing use of recycled water and other measures – we need to keep in motion to face a future with longer and more severe droughts under climate change.”

California took an unprecedented step in June 2015 when it implemented mandatory water conservation rules in response to several years of drought. Between then and February this year, the state has conserved nearly 847 billion gallons of water, according to the state water board.

The state relaxed its conservation rules in June 2016 by allowing water suppliers to set their own conservation targets. The six largest water suppliers in Humboldt County are not being held to any conservation standards due to the continued bountiful supply at Ruth Lake Reservoir in Trinity County, which filled multiple times even during the worst drought years.

However, residents statewide will still be held to other rules such as not allowing runoff when watering a lawn, not watering for two days after significant rainfall and using a spray nozzle on hoses. The state water board is expected to release a plan in the near future detailing permanent prohibitions on water wasting practices.

The majority of California is out of the drought except for portions of Southern California, which show moderate drought conditions, according to the latest U.S. Drought Monitor update from March 28.

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

URL: <http://www.times-standard.com/general-news/20170404/local-residents-conserved-water-in-stormy-february>

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**WATER SAVINGS**

Figures show water savings percentages for February 2017 and cumulative savings for June 2016 through February 2017. All conservation percentages comparative to the same time period in 2013.

**ARCATA**

**Mandate:** 0 percent

**Cumulative:** 2.7 percent

**February:** 7.7 percent

**February daily per capita use:** 47.8 gallons

**EUREKA**

**Mandate:** 0 percent

**Cumulative:** 11.8 percent

**February:** 11.2 percent

**February daily per capita use:** 53.8 gallons

**FORTUNA**

**Mandate:** 0 percent

**Cumulative:** 5.5 percent

**February:** 3.9 percent

**February daily per capita use:** 66.2 gallons

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**

**Mandate:** 0 percent

**Cumulative:** 8.6 percent

**February:** 7.7 percent

**February daily per capita use:** 49.4 gallons

**HUMBOLDT COMMUNITY SERVICES DISTRICT**

**Mandate:** 0 percent

**Cumulative:** 8 percent

**February:** 8.7 percent

**February daily per capita use:** 47.2 gallons

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

**Mandate:** Not being held to percentage due to large industrial users

**Cumulative:** 7.2 percent

**February:** 64.7 percent

**February daily per capita use:** 49.8 gallons

Source: State Water Resources Control Board



## Drink the Tap Water, Just Don't Eat the Paint

Posted by Claire Roth

Date: March 29, 2017

in: News

[Leave a comment](#)

### Why Lead Poisoning Rates in Eureka are Higher than in Flint, Michigan

By Kelly Bessem

A recent Reuters report showed that the lead poisoning rate of children in Eureka is 10.9 percent, more than one in every 10 kids. This is more than twice the rate seen in Flint, Michigan which had a 5 percent rate. Contrary to speculation spurred by a Lost Coast Outpost article, the heavy metal is not linked to lead pipes like in Flint. Almost every case in Humboldt has been linked to the lead-based paint in aged homes, as confirmed by the Humboldt County Department of Health and Human Services.

Water and related infrastructure is good in Humboldt County and people should feel free to drink the tap water as they wish. Humboldt's water infrastructure was deemed good to excellent and safe for providing clean water in an independent review done by the American Society of Civil Engineers. There have also been no water quality violations recorded by the Environmental Protection Agency in the county in the past 10 years.

The real issue of lead paint in Humboldt County remains. According to the New York Times, the effects of lead exposure are often irreversible and preventing them should be a priority. Lead has been connected to decreased intellectual capacity and negative social behaviors. As seen in the graphic, Vox used the age of houses and poverty rates to create a nationwide map that shows lead exposure risk by census tract. Though Flint was deemed more at risk, Humboldt County children are still facing higher actual exposure.

Greg Moskowitz, a Humboldt State business major, lives in an apartment where lead paint was recently removed. He noted that many renters in Humboldt County are subjected to living in places with lead paint.

"I still know a lot of people who are living with lead paint and I'd like to see something done," Moskowitz said. "City hall should set a certain date that lead paint needs to be removed from residences in Humboldt County."

Currently, landlords are only obligated by federal law to disclose whether or not their building could have lead-based paint. No further action aside from educating people on how to live with lead paint is required. The Humboldt County website states that lead exposure is the most common and preventable environmental threat to young children in the U.S. Visit the [county website](#) to get lead poisoning prevention tips.

news

march 16, 2017

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### The Carrot and the Stick

While urging compliance, county does little to ramp up enforcement

BY THADEUS GREENSON

COURTESY OF THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

**B**y law enforcement estimates, there are about 10,000 marijuana farms in Humboldt County. About 2,300 of them have applied for the county permits needed to legitimize under local and state laws. Of those, about 400 have gone through the required permitting process by the California Department of Fish and Wildlife. Of those, about 200 are already back out of compliance.



click to flip through (2)  
COURTESY OF THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE  
Aerial photograph of the Mad River in eastern Humboldt County in 2014.

For all the talk of legalization, regulation and progress, Humboldt County has a whole lot of work to do.

Humboldt County Planning Director John H. Ford said the county received a total of 2,337 cannabis cultivation permit applications, about 90 percent of which are incomplete and a large number of which are "grossly incomplete." Those that are incomplete have been notified by letter and told what's missing. Ford said the county has two teams of planners — including some extra help — and is working on processing applications as quickly as it can. Applicants who have made no headway on their applications for six months will receive a 30-day notice, he said, after which the applications will be voided.



"But if we see that people are making an effort to get a complete application, we're going to work with them," Ford said. "The numbers are crazy. Two-thousand-three-hundred — that's a daunting number."

They aren't seeing anything like that number over at the Department of Fish and Wildlife, environmental scientist Scott Bauer said. "We've permitted about 400 sites since 2015," he said. "And we're receiving calls daily from people wanting us to go look at their sites."

Bauer said the permitting is a labor intensive process, as every site is different. So the application process necessitates site visits to look at water storage, grading, roads and culverts in an effort to make sure any adverse impacts to wildlife will be mitigated. And often, Bauer said, the permit process includes a site improvement plan, under which a farm will pledge to re-grade a road, widen a culvert or increase water storage capacity in future years. The permits often require monitoring reports and status updates, which is where about half of all permits have landed out of compliance, he said.

The department is trying to be flexible and pragmatic, Bauer said, with full knowledge that an underground industry can't come into compliance over night. But you can also

hear frustration in Bauer's voice.

"At some point, you've got to accept responsibility," he said. "And that means getting your permits and changing your practices to reduce your impacts to the environment to be less than significant."

The host of agencies involved in permitting these cannabis cultivation operations are pledging to exercise patience to those coming into the system, but what about the other 7,500 or so growers who seemingly have passed on the opportunity to legitimize? The plain answer is there doesn't seem to be much of a stick awaiting them.

Humboldt County Sheriff Mike Downey has said in the past that his department only has the resources to go after a few dozen large-scale marijuana grows a year and, with legalization passing, it seems marijuana enforcement is shifting from a law enforcement issue to more of a regulatory one.

And enforcement is an issue that has been largely absent from community discussions about how to spend local tax revenue from measures Z and S.

Currently, the county's code enforcement unit has two investigators, support staff and an attorney, according to County Counsel Jeff Blanck. And the unit handles everything from complaints of unpermitted cannabis farms to junk cars and building code violations. "They are very busy," he said flatly. "And what's potentially facing us now is much larger."

Blanck said that if his department starts getting significantly more marijuana related calls he'd approach the board about increasing funding so he can hire another officer. But in the meantime, he said his unit will just "try to keep up with whatever's generated."

And the water board and Fish and Wildlife will keep up their enforcement efforts as well. When it comes to Fish and Wildlife, Bauer said wardens are focusing efforts on watersheds with threatened or endangered species, particularly the South Fork of the Eel River and the Sprowel Creek area. But resources are scarce and it's hard to keep up.

"All agencies that have skin in this game with laws that need enforcement should enforce them," Bauer said. "I think that's important and I think that would also encourage compliance. You have to have both the carrot and the stick. At some point, laws have to be enforced."

— Thadeus Greenson is the news editor at the Journal. Reach him at 442-1400, extension 321, or [thad@northcoastjournal.com](mailto:thad@northcoastjournal.com). Follow him on Twitter @thadeusgreenson.

# Correspondence



## H. R. LABOUNTY SAFETY AWARD PROGRAM NOMINATION FORM

Agency: Humboldt Bay Municipal Water District


**Employee Nominated:**

Name: The Maintenance Department

Job Classification: Maintenance

**Reason for Nomination:**

The maintenance department for our district is responsible for responding to emergency leak repairs out in the field, no matter what time of day. One of the Problems that we have come across in those situations are making sure all of our trenching and shoring equipment make it to the jobsite. The equipment is awkward to place in the back of trucks due to its size and number of components. Members of the maintenance department came up with the idea of fabricating a trailer which could hold all this equipment. Through many lengthy discussions and brainstorming an overall idea was hatched on how to achieve this goal. Then the work started. A basic flat deck trailer was purchased and was prepped for the build. Racks were fabricated for the equipment and anchors/tie-downs were installed. The final result of this hard work is a very valuable, practical, and safe piece of equipment that has all the necessary items to tackle any trenching/shoring situation. This trailer has made us more efficient in responding to emergencies and making repairs. Our maintenance staff is composed of individuals that have a wide range of skills and abilities. The final result of this project displays these traits. We are very lucky to have such a great team.

Nominated by: Chris Merz  
Signature:   
Date: March 16, 2017  
General Manager: John Friedenbach  
Date: March 16, 2017

Please email this form with supporting documents and digital photos to [tlofing@acwajpia.com](mailto:tlofing@acwajpia.com) or mail to:

ACWA JPIA  
P.O. Box 619082  
Roseville, CA 95661-9082  
FAX: (916) 774-7040







SECTION G2 PAGE NO. 1  
**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

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

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

FAX 707-443-5731 707-822-8245

EMAIL [OFFICE@HBMWD.COM](mailto:OFFICE@HBMWD.COM)

Website: [www.hbmwd.com](http://www.hbmwd.com)

**BOARD OF DIRECTORS**

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NEAL LATT, VICE-PRESIDENT  
J. BRUCE RUPP, SECRETARY-TREASURER  
BARBARA HECATHORN, DIRECTOR  
MICHELLE FULLER, DIRECTOR

**GENERAL MANAGER**

JOHN FRIEDENBACH

March 23, 2017

**Regarding: Expenditure of Measure S funds**

Dear Board of Supervisors,

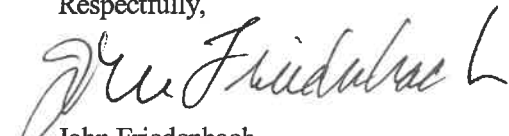
The Humboldt Bay Municipal Water District (HBMWD) is deeply concerned about the adverse effects of marijuana cultivation in the Mad River watershed. Our interests and concerns are as follows:

- 1) Water quality for our public drinking water system which serves 88,000 people (two-thirds of Humboldt County's population).
- 2) Water quantity especially during the low-flow season.
- 3) Lawful water diversions that do not injure other water right holders, conducted pursuant to the approval and reporting process established by the State Water Resources Control Board.
- 4) Protection of important habitat resources in the main-stem Mad River and also the tributaries. HBMWD is the only water district in the state with an approved aquatic species Habitat Conservation Plan. Our water supply system enhances aquatic habitat in the main-stem Mad River which supports salmonids reaching important spawning habitat in the tributaries. Water quality, quantity and the general health of the watershed are critically important for the listed salmonids.

In your narrative about Measure S, you state that there are as many as 10,000 to 12,000 marijuana grows in Humboldt County. And of those, only 2,300 took the first step to submit an application to get a permit. And of those 2,300 applications, just over 80 were complete. Therefore, only .6% (0.006) of the estimated 12,000 grows in Humboldt County are in compliance with a completed application. Conversely, there are in excess of 11,000 illegal grows in Humboldt County. We know that you are well aware of the environmental impact that illegal grows have on watersheds. Moreover, many grows are negatively impacting the streams through their illegal water diversions.

Therefore, we respectfully suggest that a large portion of the Measure S funds be utilized to protect our public drinking water source of supply and high quality water by enhancing the law enforcement team dedicated to eliminating illegal marijuana grow operations within the Mad River Watershed.

Respectfully,

  
John Friedenbach  
General Manager



## Measure S

### Introduction

In November 2016, Humboldt County voters passed Measure S which places a tax on individuals who cultivate cannabis for commercial purposes. Now, the Board of Supervisors wants to hear from you. They want to know your priorities for funds generated by this tax. The county estimates Measure S will produce around \$2.2 million in revenue in Fiscal Year 2017-18.

The following survey will ask you to identify the services that are most important to you. The following list of services was taken directly from the ballot language that citizens voted on last year:

1. Public Safety,
2. Job Creation,
3. Crime Investigation and Prosecution,
4. Environmental Cleanup and Restoration,
5. Children and Family Mental Health Services,
6. Drug Rehabilitation, and
7. Other County Services.

Each of these services can be carried out in a number of ways, which we're calling strategies. This survey also asks you to let us know which individual strategies are most important to you.

### **Background and Perspective**

While \$2.2 million is a significant amount of money, it is important to remember that the county has some outstanding obligations that need to be addressed in order to continue providing the level of service our community expects. Some of these obligations include:

- Making improvements to facilities and programs so they are in compliance with the Americans with Disabilities Act (ADA)
- Repairing buildings like local Veterans Halls and the Public Defender's Office
- Building up the county's Rainy Day Fund
- Economic recession likely in next year or two

- Bracing for changes at the state and federal level, including impacts from a potential repeal of the Affordable Care Act (Obamacare).

### **Permitting Challenge**

Measure S includes a basic structure that taxes cultivators according to the size and type of their grow. Outdoor cultivators are taxed at a rate of \$1 per square foot; Mixed light at \$2/sq foot; Indoor at \$3/sq foot. While some estimate that there are as many as 10,000 to 12,000 or more grows in Humboldt County, only those who are permitted by the county can be taxed. Last year there was a concentrated effort to have cultivators begin the permit process, and more than 2,300 took the first step which is to submit an application to get a permit. However, just over 80 of those applications were complete (3.5 percent of all submitted applications).

The list of requirements that come with seeking a cannabis cultivation permit is extensive. The checklist alone is three pages long. If an applicant does not meet a requirement, that item must be fixed in order to move on to the next. In some cases, this can involve meeting regulations of other agencies, and as other folks who have obtained permits for building or otherwise can attest, it can involve significant investment.

This is all to say that it takes a significant amount of time and work to permit those involved with this newly regulated industry, so it is important to keep our expectations grounded.

### **Next Steps**

Once all of the responses have been received, county staff will take the information and try to reflect the community's input when it proposes the budget to the Board of Supervisors on June 6. That date, and during the Public Hearings on June 19, are great times for you to attend Board meetings and let us know whether we got it right. The budget is set to be adopted later that month.

TO: HUMBOLDT BAY MUNICIPAL WATER DISTRICT

FROM: David deBernardi, Director of Finance 

DATE: February 8, 2017

RE: RPA Stabilization Fund Report

Enclosed is the RPA Stabilization Fund Report for your agency including backup documentation. For those agencies that have a balance that exceeds the attachment point, a check for the amount over the attachment point is also enclosed. Approximately 151 members are receiving a check with this report. Total refunds approximate \$4.5 million.

The RPA Stabilization Fund was established in 1999 to help stabilize the fluctuating cycle of refunds and billings for prior policy years. In 2001, the Executive Committee authorized expanding the Fund to include all pooled programs.

The report has several parts. It starts with the beginning balance, the amount on the books for each member before adjustments. The first adjustment is the Liability Program's 10/1/14-15 policy year Deposit Premium for actual payroll vs. estimated payroll. Afterwards, there are adjustments for the Liability, Property and Workers' Compensation programs. These program adjustments are Retrospective Premium Adjustments for prior policy years that still have open claims. Finally, if the resulting balance is negative by more than 40% (or positive by more than 50%) of the attachment point, the district is billed (refunded) for the difference.

Also enclosed is your agency Catastrophic Fund (CAT Fund) statement. This reports discloses the activity in the CAT Fund for the both the liability and workers' compensation programs.

It should be noted that each agency's balance is maintained separately for both RPA Stabilization Fund and CAT Fund and not all agencies' balances change at the same rate.

If you have any questions regarding the RPA Stabilization Fund or any of the adjustments, please call (800) 231-5742 or e-mail me at [ddebernardi@acwajpia.com](mailto:ddebernardi@acwajpia.com).

**ASSOCIATION OF CALIFORNIA WATER AGENCIES**  
**JOINT POWERS INSURANCE AUTHORITY**  
**PO BOX 619082**  
**ROSEVILLE, CA 95661-9082**  
**RPA STABILIZATION FUND REPORT**  
**AS OF 09/30/2016**

FOR: HUMBOLDT BAY MUNICIPAL WATER DISTRICT

|                                                                                                 |                    |
|-------------------------------------------------------------------------------------------------|--------------------|
| BEGINNING BALANCE                                                                               | \$16,759.04        |
| LIABILITY PREMIUM ADJ. - ACTUAL VS ESTIMATED PAYROLL - PY 10/1/2016-2017                        | (\$2,066.00)       |
| LIABILITY PREMIUM ADJ. - PY 10/1/1999-2000, 2004-2005 to , 2005-2006, 2007-2008 to 2012-2013    | \$33,596.00        |
| PROPERTY RETROSPECTIVE PREMIUM ADJ. - PY 4/1/2012-2013                                          | \$4,175.05         |
| W/C RETROSPECTIVE PREMIUM ADJ. - PY 7/1/1988-1989, 1993-1994, 1998-1999, 2000-2001 to 2012-2013 | \$2,016.49         |
| LIABILITY - CATASTROPHIC APPROPRIATIONS ADJ. - 09/30/2016                                       | (\$1,914.48)       |
| W/C - CATASTROPHIC APPROPRIATIONS ADJ. - 09/30/2016                                             | (\$3,581.01)       |
| <b>FUND BALANCE</b>                                                                             | <b>\$48,985.10</b> |
| CURRENT ATTACHMENT POINT ( 50% OF BASIC LIABILITY PREMIUM)                                      | \$36,139.50        |
| <b>AMOUNT OF REFUND DUE TO THE MEMBER DISTRICT</b>                                              | <b>\$12,845.60</b> |

**ACWA/JOINT POWERS INSURANCE AUTHORITY  
CATASTROPHIC FUNDS  
Humboldt Bay Municipal Water District**

|                                        | <u>Liability</u> | <u>Workers' Comp</u> |
|----------------------------------------|------------------|----------------------|
| Catastrophic Fund Balance 09/30/2015   | \$97,494         | \$72,836             |
| Refunds to Rate Stabilization Fund     | 0                | 0                    |
| Additions from Rate Stabilization Fund | 1,914            | 3,581                |
| Appropriated for Catastrophic Losses   | 0                | 0                    |
| <b>Ending Balance 9/30/2016:</b>       | <b>\$99,409</b>  | <b>\$76,417</b>      |

|                                                   |          |          |
|---------------------------------------------------|----------|----------|
| <b>Fully Funded Catastrophic Goal</b>             | \$99,409 | \$76,417 |
| <b>Ending Balance 9/30/2016:</b>                  | 99,409   | 76,417   |
| <b>Fully Funded = 0,<br/>Amount = Underfunded</b> | \$0 ✓    | \$0 ✓    |



# Continuing Business

To: Board of Directors  
From: John Friedenbach  
Date: March 31, 2017  
Subject: Support letters for AB 968 and AB 1654

\*\*\*\*\*

**DISCUSSION**

On May 9, 2016, Governor Jerry Brown issued Executive Order B-37-16, which was the most recent of his executive orders pertaining to the 2013-15 California drought. This Executive Order, entitled "Making Water Conservation a California Way of Life," included a range of actions directed to State agencies to address various water management topics. One of these directives required the Department of Water Resources (DWR) to work with the State Water Resources Control Board (SWRCB) to develop new water use targets that build on existing state law requirements that the state achieve a 20% reduction in urban water use by 2020 (SB x7-7 of 2009.) The Governor specified that these water use targets would be customized to the unique conditions of each water agency, shall generate more statewide water conservation than existing requirements and shall be based on strengthened standards for indoor use, outdoor irrigation, commercial, industrial and institutional water use, and water lost through leaks.

Another directive required DWR to update requirements for urban water shortage contingency plans, to include adequate actions to respond to droughts lasting at least five years, as well as more frequent and severe periods of drought. Urban water supply agencies are currently required to prepare and submit plans to DWR every five years to address three year droughts, as part of Urban Water Management Plans.

DWR, the SWRCB and their sister agencies (called the "EO agencies") conducted a stakeholder advisory group process last fall, which culminated in the release of a draft report on November 30, 2016, entitled "Making Water Conservation a California Way of Life: Implementing Executive Order B-37-16." This report provides some details of the proposed legislative mechanism(s) to implement the Governor's directives. To date, no legislation has been introduced by the Administration, although there are some spot bills from various authors.

In response to the draft report, 114 water supply agencies throughout the state, including our Humboldt Bay Municipal Water District, submitted a joint comment letter on December 19, 2016. This letter laid out a number of points of agreement and disagreement with the State's draft proposal.

Based on this letter, draft legislative language was prepared and reviewed by a subcommittee of the State Legislative Committee of the Association of California Water Agencies (ACWA.) As of March 24, ACWA's full State Legislative Committee approved support for this language to become two water supplier-sponsored bills; one relating to water shortage contingency plans and the other to update standards for water use efficiency.

These bills have now been introduced by Assemblywoman Blanca Rubio, from the San Gabriel Valley, who is a member of the Assembly Water Parks and Wildlife Committee. The bills are AB 968, which relates to water use efficiency standards and AB 1654, which relates to water shortage contingency planning.

Attached is a fact sheet that describes these bills.

**RECOMMENDATION**

Staff recommends a support position by our Board/District on AB 968 and 1654. See attached draft letter. Letters must be submitted by 5:00 pm on April 14, 2017.





## HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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### GENERAL MANAGER

JOHN FRIEDENBACH

April 14, 2017

The Honorable Blanca Rubio  
State Capitol, Room 5175  
Sacramento, CA 95814  
Via email: [Chinook.Shin@asm.ca.gov](mailto:Chinook.Shin@asm.ca.gov)

**Re: AB 968 Retail Water Use: Water Efficiency Standards and  
AB1654 (Rubio): Urban Water Management Planning**

**Position: SUPPORT**

Dear Assemblymember Rubio:

On behalf of Humboldt Bay Municipal Water District, I am writing to express our support for AB 968 and 1654, your measures which would implement water use efficiency measures at the regional and local levels to reflect the best way to meet the water supply needs of the community and achieve water shortage contingency planning and management; and enhance existing urban water management planning requirements and strengthen water suppliers' abilities to plan and prepare for future droughts.

AB 968 would require water suppliers to promote the efficient use of water versus increasing the efficiency of water use.

AB 968 would acknowledge that factors used to formulate long-term water use efficiency targets can vary significantly at various locations due to many factors. It is therefore necessary to utilize local and regional use efficiency measures that reflect the unique water supply and demand circumstances that best meet the needs of their communities.

AB 968 will would establish standards that recognize and provided credit to water suppliers that made substantial capital investments in urban water use efficiency, sustainable drought resilient supplies and emergency supplies since the drought in the early 1990's.

AB 1654 would enhance existing reporting and drought response requirements related to water shortage contingency analyses. Under the bill, urban retail water suppliers ("water suppliers") would report annually to the Department of Water Resources on the status of their water supplies for that year and whether supplies will be adequate to meet projected customer demand. If supplies are not

adequate to meet demand, the water supplier would be required to implement the appropriate responses as described in their water shortage contingency analysis.

AB 1654 would also prohibit a water supplier from being required to reduce its use or reliance on any water supply available beyond the steps specified in its water shortage contingency analysis, protecting water suppliers' and their customers' investments in resilient water supply sources.

For these reasons, Humboldt Bay Municipal Water District supports both AB 968 and AB1654. If you or your staff have any questions, please contact me at (707) 443-5018 or via email at: [friedenbach@hbmwd.com](mailto:friedenbach@hbmwd.com).

Sincerely,

John Friedenbach  
General Manager

cc: The Honorable Eduardo Garcia, Chair, Assembly Water, Parks, and Wildlife Committee  
Honorable Members of the Assembly Water, Parks, and Wildlife Committee

**Local Water Agencies' Proposal for Long-Term Drought Preparation  
and Water Use Efficiency Improvements**

**Background**

In January 2014, Governor Brown proclaimed a State of Emergency due to historic dry conditions, and subsequently issued three Executive Orders under the Statewide Drought Emergency in April 2014, April 2015, and May 2016. Under Executive Order B-37-16 ("EO"), issued in May 2016, Governor Brown directed five state agencies to develop a framework to implement various elements of the EO. In part, the EO included direction to the Department of Water Resources to work with the State Water Resources Control Board to develop, by January 10, 2017, new water use targets as part of a permanent framework that builds on existing requirements established by SB x7-7 (2009) to reduce urban water use by 20 percent by 2020, as well as additional water shortage contingency plan requirements under the Urban Water Management Planning Act.

Implementation of the final Administration framework (which, as of March 22, 2017, has not been released) will require the Legislature to act to create new authorities for State Agencies as well as new requirements for local water agencies under State law. The positions described by 116 California water suppliers and association signatories in a December 19, 2016 comment letter on the Water Use Target Setting and Urban Water Management Plan elements of the framework are outlined below. While the water supplier comment letter expressed support for many of the provisions proposed by the State, there were several important areas of disagreement.

***Water suppliers from throughout the state are uniting around a comprehensive approach to long-term drought preparation and water use efficiency improvements that would:***

- 1. Enhance drought planning, preparation, and reporting.***
- 2. Ensure a balanced approach between the development of resilient sources of supply and continued improvements in water use efficiency.***
- 3. Maintain the Legislature's control over long-term water use target setting.***

**Long-Term Water Use Efficiency Target Setting**

**Preserve the Legislature's Authority** – The Legislature must retain its control and oversight over water use target setting. Any revisions of standards or performance measures beyond the initially adopted standards must be approved by the Legislature, not implemented through ongoing regulatory authority.

**Incorporate Multiple Compliance Methods for Water Use Targets** – SB x7-7 (2009) established four methods that water suppliers can use to determine compliance with water use efficiency requirements. The draft Framework's proposal to impose a single method for target setting does not account for the diversity of water supply conditions and uses across the State. Additional compliance methods that are based on the proven alternatives in SB x7-7 should be maintained, including the regional compliance option.

**No Impact on Water Rights** – Water Code section 1011, which allows water right holders to use or transfer conserved water, must continue to apply. The new legislation should not adversely impact water supply contracts or water rights.

Enhance and Incentivize Sustainable Water Management – As described in the California Water Action Plan, both water use efficiency improvements and development of additional resilient water supplies will be required to sustainably manage California’s water. New laws or regulations must not result in stranded water resource assets nor discourage continued regional or local investments in these critical new water supplies.

Maintain Existing Enforcement Measures – The current sanction for failure to meet efficiency targets—ineligibility for State water grant funds—should be maintained, but not expanded.

Ensure that Any Landscape Area Data Used in Target Setting is Accurate – Consistent with the EO’s call for a water use target based in part on landscape area, the State should provide validated land use data of the irrigable area at the parcel level to each water supplier in a timely manner, and defer to water suppliers that choose to utilize their own validated data sets if a supplier opts to use the landscape based compliance method. Compliance deadlines must be extended if the State fails to meet its commitment to provide necessary land use data.

Incorporate Proven Efficiency Standards into Water Use Targets – Proven efficiency standards, such as the 55 gallons per capita per day standard for indoor residential use and the appropriate Model Water Efficient Landscape Ordinance (MWELO) for irrigable areas, should be incorporated into one of the compliance options. A stakeholder consultation process should be used to develop performance measures for commercial, industrial and institutional uses, and to develop variances for unique circumstances that cannot be fully addressed through a standardized methodology.

Account for Recycled Water – Consistent with existing law, recycled water should be excluded from calculations of water use targets and corresponding efficiency standards, as it is already a highly regulated and efficient beneficial reuse of water.

#### **Urban Water Management Planning and Water Shortage Contingency Analyses**

Enhance Existing UWMP Plan Requirements – Urban Water Management Plans should include a Water Shortage Contingency Analysis that utilizes a five-year drought planning sequence, and include a communications strategy, specific compliance and exemption procedures, monitoring and reporting protocols, and a regular review process.

Provide the State with Annual Water Supply and Demand Forecast – Water suppliers should provide State agencies with an annual supply and demand assessment to facilitate better understanding of regional hydrology and local supply conditions throughout the State. This annual assessment should include any projected shortage and actions to be taken to reduce demand or augment supply.

Provide Monthly Reporting to the State When a Shortage Occurs – Water suppliers that implement a water shortage contingency stage should report water use and demand reduction actions monthly.

Rely on Local Water Supplier Planning and Preparation for Drought – Water supplies that are documented to be available to a water supplier during drought conditions shall not be subject to state-mandated reductions in use. Any actions to conserve water in response to a shortage shall be at the discretion of a local water supplier.



**AB-968 Urban retail water use: water efficiency targets.** (2017-2018)

SHARE THIS:



Date Published: 03/28/2017 09:00 PM

AMENDED IN ASSEMBLY MARCH 28, 2017

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

**ASSEMBLY BILL**

**No. 968**

**Introduced by Assembly Member Rubio**

**February 16, 2017**

An act to amend Section ~~10610~~ of 10608 of, and to add and repeal Section 10608.45 of, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 968, as amended, Rubio. Urban ~~water management planning~~: retail water use: water efficiency targets.

Existing law requires the state to achieve a 20% reduction in urban per capita water use on or before December 31, 2020, and to make incremental progress toward that state target by reducing urban per capita water use by at least 10% on or before December 31, 2015.

This bill would require the Department of Water Resources to submit to the Legislature by December 31, 2018, a report that states preliminary water efficiency targets for 2025 for each of the state's hydrologic regions with per capita daily water use targets based on and considering specified factors. The bill would require the department to consult with a representative task force with members designated by the department by July 1, 2018.

Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified.

This bill would make nonsubstantive changes in these provisions:

Vote: majority Appropriation: no Fiscal Committee: ~~no~~yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 10608 of the Water Code is amended to read:

10608. The Legislature finds and declares all of the following:

- (a) Water is a public resource that the California Constitution protects against waste and unreasonable use.
- (b) Growing population, climate change, and the need to protect and grow California's economy while protecting and restoring our fish and wildlife habitats make it essential that the state manage its water resources as efficiently as possible.
- (c) Diverse regional water supply portfolios will increase water supply reliability and reduce dependence on the Delta.
- (d) Reduced water use through *long-term water use efficiency and conservation* provides significant energy and environmental benefits, and can help protect water quality, improve streamflows, and reduce greenhouse gas emissions.
- (e) The success of state and local water ~~conservation~~ *use efficiency* programs to increase efficiency of water use is best determined on the basis of measurable outcomes related to water use or efficiency.
- (f) *Strengthening local and regional drought resilience is essential to increasing water supply reliability and the sustainable management of the state's water resources.*

~~(f)~~

(g) Improvements in ~~technology~~ *technology, infrastructure, and management practices* offer the potential for increasing water efficiency in California over time, providing an essential water management tool to meet the need for water for urban, agricultural, and environmental uses.

~~(g)~~

(h) The Governor has called for ~~a 20 percent per capita reduction in urban water use statewide by 2020.~~ *implementation of the comprehensive California Water Action Plan.*

~~(h)~~

(i) The factors used to formulate *long-term* water use efficiency targets can vary significantly from location to location based on factors including weather, patterns of urban and suburban development, *water supplies*, and past efforts to enhance water use efficiency. *Therefore, it is necessary to implement water use efficiency measures at the regional and local level to reflect and best meet the water supply needs of each community and achieve effective water shortage contingency planning and management.*

~~(i)~~

(j) Per capita water use is ~~a valid~~ *one* measure of a water provider's efforts to reduce urban water use within its service area. However, per capita water use is less useful for measuring relative water use efficiency between different water providers. Differences in weather, historical patterns of urban and suburban development, and density of housing in a particular location need to be considered when assessing per capita water use as a measure of efficiency.

**SEC. 2.** Section 10608.45 is added to the Water Code, to read:

**10608.45.** (a) By December 31, 2018, the department shall submit to the Legislature a report that states preliminary water efficiency targets for 2025 for each of the state's hydrologic regions. The report shall include per capita daily water use targets based on, and the department shall explain in the report how it considered, factors that include, but are not limited to, all of the following:

(1) A uniform statewide standard for per capita indoor water use, based on current conditions affecting indoor water use.

(2) Outdoor water use standards that reflect the variable climates, land use densities, and age of building stock within urban retail water suppliers' service areas in each hydrologic region.

(3) The amount of reductions in water use in each hydrologic region that can be expected as a result of a normal rate of improvement in plumbing facilities and the development of new residential, commercial, and other structures that reflect state-of-the-art water efficiency methods and facilities.

(4) ~~The regional target determination methodology used in the state's 20x2020 Water Conservation Plan (dated February 2010).~~

(b) *In developing the report pursuant to subdivision (a), the department shall consult with a representative task force consisting of academic experts, urban retail water suppliers representing each of the state's hydrologic regions, economic development interests, business community representatives, environmental organizations, commercial water users, industrial water users, and institutional water users. The department shall designate the task force's members by July 1, 2018.*

(c) (1) *A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.*

(2) *Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2023.*

~~SECTION 1. Section 10610 of the Water Code is amended to read:~~

~~10610. This part shall be known and may be cited as the Urban Water Management Planning Act.~~



**AB-1654 Water shortage: urban water management planning.** (2017-2018)

SHARE THIS:



Date Published: 03/29/2017 04:00 AM

AMENDED IN ASSEMBLY MARCH 28, 2017

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1654**

**Introduced by Assembly Member Cooper Rubio**

**February 17, 2017**

An act to amend ~~Section 10608~~ of Sections 10621, 10631, 10632, and 10635 of, to repeal Section 10631.7 of, to add Sections 10613.5 and 10658 to, and to add Part 2.56 (commencing with Section 10609) to Division 6 of, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1654, as amended, Cooper Rubio. Water conservation, shortage: urban water management planning.

(1) Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified.

This bill would require the update of a plan on or before July 1, in years ending in one and six. The bill would require each urban retail water supplier to report annually by June 15 to the Department of Water Resources the status of its water supplies for that year and whether the supplies will be adequate to meet projected customer demand, as prescribed. The bill would require the urban retail water supplier to implement the appropriate responses as described in its water shortage contingency analysis if the urban retail water supplier reports that all available water supplies for the applicable water year will not be adequate to meet projected customer demand. The bill would require the urban retail water supplier to continue to implement the mandatory demand reduction measures described in its water shortage contingency analysis until certain conditions have changed to the point that the urban retail water supplier finds that it is able to meet projected customer demand over the next 12 months without continued implementation of the measures. The bill would require an urban retail water supplier to file a certain report with the department by the 15th day of each month during a period that the urban retail water supplier is implementing mandatory demand reduction measures. The bill would require the department to establish an electronic portal through which an urban retail water supplier is required to provide these reports to the department and would require the department to provide the State Water Resources Control Board with access to the reports and data.



(2) ~~The act requires an adopted plan to include certain components, including, among other things, an identification and quantification of the existing and planned sources of water available to the supplier over 5-year increments, a description of the reliability of the water supply and vulnerability to seasonal or climatic shortage for an average water year, single-dry water year, and multiple-dry water years, and quantification of distribution system water loss for each of the 5 years preceding the plan update.~~

*This bill would add to the requirements of a plan a description of how an emergency supply has been established to increase water supply reliability during times of shortage and how the supply is in addition to the supplies that the agency draws upon during nonshortage times, if an emergency supply, as defined, is identified as an existing or planned source of water available to the urban retail water supplier. The bill would require a description of the reliability and vulnerability for 5 consecutive years consisting of a repeat of the 5 consecutive historic driest years experienced by the urban retail water supplier, except as provided, rather than multiple-dry water years. The bill would specify that distribution system water loss to be included in the plan is potable distribution system water loss.*

(3) ~~The act requires the department, in consultation with the California Urban Water Conservation Council, to convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand management measures, technologies, and approaches. The act requires the panel to report to the Legislature no later than January 1, 2010, and every 5 years thereafter, and requires the department to review the report and include in the final report to the Legislature recommendations and comments. The act deems an urban water supplier that is a member of the council and in compliance with the provisions of a certain memorandum to be in compliance with certain requirements relating to including water demand management measures in a plan.~~

*This bill would delete these provisions.*

(4) ~~The act requires that the plan provide an urban water shortage contingency analysis that includes certain elements, including an estimate of the minimum water supply available during each of the following 3 water years based on the driest 3-year historic sequence for the agency's water supply.~~

*This bill would revise the elements included within an analysis.*

(5) ~~The California Constitution declares the policy that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use of the waters in the interest of the people and for the public welfare. Existing law requires the department and the board to take all appropriate proceedings or actions to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state.~~

*This bill would prohibit an urban water supplier, during a statewide drought, local drought, or water shortage, from being required to reduce its use or reliance on any water supply available for its use and identified in its plan or from being required to take additional actions beyond those specified in its water shortage contingency analysis for the level of water shortage, as specified.*

~~Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires agricultural water suppliers to prepare and adopt agricultural water management plans with specified components on or before December 31, 2012, and to update those plans on or before December 31, 2015, and on or before December 31 every 5 years thereafter. Existing law sets forth various findings and declarations related to water conservation.~~

~~This bill would make a nonsubstantive change in those findings and declarations.~~

Vote: majority Appropriation: no Fiscal Committee: ~~no~~yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** *Part 2.56 (commencing with Section 10609) is added to Division 6 of the Water Code, to read:*

**PART 2.56. Urban Water Management Demand Reduction Measures**

**10609.** *The following definitions govern the construction of this part:*

(a) "Water shortage contingency analysis" means the component of an urban water management plan described in Section 10632.

(b) "Urban retail water supplier" has the meaning provided in Section 10608.12. SECTION Ha PAGE NO. 12

(c) "Urban water supplier" has the meaning provided in Section 10617.

(d) "Urban wholesale water supplier" has the meaning provided in Section 10608.12.

**10609.5** (a) In addition to and separate from the urban water management plans required pursuant to Part 2.6 (commencing with Section 10610), by June 15 of each year an urban retail water supplier shall report to the department the status of its water supplies for that year and whether the supplies will be adequate to meet projected customer demand.

(b) (1) If an urban retail water supplier reports pursuant to subdivision (a) that all available water supplies for the applicable water year will not be adequate to meet projected customer demand, the urban retail water supplier shall implement the appropriate responses as described in its water shortage contingency analysis. If demand is projected to exceed all available supply sources and mandatory water demand reduction measures are required, the annual report shall describe the water supply shortage stage and the measures that the supplier will take to reduce water demand consistent with its water shortage contingency analysis.

(2) If an urban retail water supplier determines that it cannot meet demands with all available water supplies and is required to implement mandatory water demand reduction measures as described in its water shortage contingency analysis pursuant to paragraph (1), the urban retail water supplier shall do both of the following:

(A) Continue to implement the mandatory demand reduction measures as described in its water shortage contingency analysis until hydrologic, water supply, or other conditions have changed to the point that the supplier finds that it will be able to meet projected customer demand over the next 12 months without continued implementation of the mandatory demand reduction measures.

(B) During the period that the urban retail water supplier is implementing the mandatory demand reductions measures described in its water shortage contingency analysis, the supplier shall file a report with the department by the 15th day of each month that describes how the supplier is implementing the measures.

(3) If an urban retail water supplier reports pursuant to subdivision (a) that supplies are adequate to meet projected customer demand, the urban retail water supplier, at its sole discretion, may declare any stage of its water shortage contingency analysis to balance supply and demand through the augmentation of supplies or to encourage water demand reduction as a precautionary measure. If an urban retail water supplier declares a stage of its water shortage contingency analysis pursuant to this paragraph, the urban retail water supplier shall not have an additional obligation to report to the department on the implementation of its plan.

(c) Multiple urban retail water suppliers within the same hydrologic region may file a joint report with the department if those urban retail water suppliers' water supplies are interrelated and if each urban retail water supplier determines that a joint report most accurately reflects the condition of their respective water supplies. Regardless of whether a joint report is submitted, an urban retail water supplier may submit an individual report to the department.

(d) An urban wholesale water supplier shall provide its retail agencies with information on the status of the urban wholesale water supplier's water supplies annually so that an urban retail water supplier reliant on the wholesale supply has sufficient data to comply with subdivision (a). An urban retail water supplier shall provide an urban wholesale water supplier with information regarding its estimated annual demand for water from each wholesaler annually. An urban retail water supplier and its urban wholesale water suppliers shall meet and determine the process and dates by which they will comply with the requirements of this subdivision.

(e) An urban water supplier shall not be required to comply with any requirement in Part 2.6 (commencing with Section 10610) for any action taken or report made pursuant to this section. An action taken or report made pursuant to this section shall not be considered part of, amendments to, or changes to, an urban water management plan.

(f) The department shall establish an electronic portal through which suppliers shall provide the reports required by this section. The department shall provide the board with access to the reports and data submitted through the portal.

SEC. 2. Section 10613.5 is added to the Water Code, to read:

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**10613.5.** "Emergency supply" means a water supply identified in the urban water management plan of an urban water supplier that has been developed to increase an urban water supplier's water supply reliability during times of shortage, including, but not limited to, unplanned service disruptions, and is in addition to the water supplies that the agency draws upon during nonshortage times to meet water demands within its service area.

SEC. 3. Section 10621 of the Water Code is amended to read:

**10621.** (a) Each urban water supplier shall update its plan at least once every five years on or before ~~December 31, July 1,~~ in years ending in ~~five and zero,~~ except as provided in subdivisions ~~(d) and (e):~~ *one and six.*

(b) Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days before the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640).

~~(d) Each urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.~~

~~(e) Each urban water supplier shall update and submit its 2020 plan to the department by July 1, 2021.~~

SEC. 4. Section 10631 of the Water Code is amended to read:

**10631.** A plan shall be adopted in accordance with this chapter that shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a). ~~ff~~

(1) If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

~~(1)~~

(A) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management.

~~(2)~~

(B) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition.

~~(3)~~

(C) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(4)

(D) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(2) *If an emergency supply is identified as an existing or planned source of water available to the supplier, the supplier shall describe how the supply has been established to increase water supply reliability during times of shortage and how the supply is in addition to the supplies that the agency draws upon during nonshortage times to meet water demands within its service area.*

(c) (1) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:

(A) An average water year.

(B) A single-dry water year.

~~(C) Multiple dry water years.~~

*(C) Five consecutive dry years consisting of a repeat of the five consecutive historic driest years that the urban water supplier has experienced, unless the urban water supplier finds that a shorter multiple-year dry period would more severely impact its water supplies, in which case the urban water supplier shall use that shorter period.*

(2) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.

(d) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(e) (1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses among water use sectors, including, but not necessarily limited to, all of the following uses:

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural.

~~(J) Distribution-Potable distribution system water loss.~~

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

~~(3) (A) For the 2015 urban water management plan update, the distribution system water loss shall be quantified for the most recent 12-month period available. For all subsequent updates, the~~ *The potable* distribution system water loss shall be quantified for each of the five years preceding the plan update.

~~(B) The~~ *potable* distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

(4) (A) If available and applicable to an urban water supplier, water use projections may display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following:

(i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections.

(ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

(f) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1) (A) For an urban retail water supplier, as defined in Section 10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years. The narrative shall describe the water demand management measures that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.

(B) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

(i) Water waste prevention ordinances.

(ii) Metering.

(iii) Conservation pricing.

(iv) Public education and outreach.

(v) Programs to assess and manage *potable* distribution system real loss.

(vi) Water conservation program coordination and staffing support.

(vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented.

(2) For an urban wholesale water supplier, as defined in Section 10608.12, a narrative description of the items in clauses (ii), (iv), (vi), and (vii) of subparagraph (B) of paragraph (1), and a narrative description of its distribution system asset management and wholesale supplier assistance programs.

(g) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use, as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in average, single-dry, and multiple-dry water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

(h) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

~~(i) For purposes of this part, urban water suppliers that are members of the California Urban Water Conservation Council shall be deemed in compliance with the requirements of subdivision (f) by complying with all the provisions of the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated December 10, 2008, as it may be amended, and by submitting the annual reports required by Section 6.2 of that memorandum.~~

~~(j)~~

(i) An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing

and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (c). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (c).

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**SEC. 5.** *Section 10631.7 of the Water Code is repealed.*

~~10631.7. The department, in consultation with the California Urban Water Conservation Council, shall convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand management measures, technologies, and approaches. The panel shall consist of no more than seven members, who shall be selected by the department to reflect a balanced representation of experts. The panel shall have at least one, but no more than two, representatives from each of the following: retail water suppliers, environmental organizations, the business community, wholesale water suppliers, and academia. The panel shall be convened by January 1, 2009, and shall report to the Legislature no later than January 1, 2010, and every five years thereafter. The department shall review the panel report and include in the final report to the Legislature the department's recommendations and comments regarding the panel process and the panel's recommendations.~~

**SEC. 6.** *Section 10632 of the Water Code is amended to read:*

**10632.** ~~(a)~~ The plan shall provide an urban water shortage contingency analysis that includes each of the following elements that are within the authority of the urban water supplier:

~~(1) Stages~~

~~(a) Anticipated stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions that are applicable to would trigger each stage.~~

~~(2) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.~~

~~(b) Communications strategies to inform customers, state agencies, elected officials, and others whenever water supply shortage conditions require the implementation of the stages of action described in subdivision (a).~~

~~(3) Actions~~

~~(c) Anticipated actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.~~

~~(4) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.~~

~~(5) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.~~

~~(6) Penalties or charges for excessive use, where applicable.~~

~~(d) Additional anticipated mandatory prohibitions against specific water use practices during water shortages.~~

~~(e) Anticipated actions to balance water supply and demand for each water supply shortage stage, including the use of emergency supplies, demand reduction methods, reoperation, or any combination of these actions. Each urban water supplier may use any type of consumption reduction, reoperation approach, or supply augmentation methods in its water shortage contingency analysis that would balance supply and demand, are appropriate for its area, and have the ability to successfully respond to each water supply shortage stage. If an urban water supplier has established an emergency supply, the supplier shall include in the description of actions to be taken when the emergency supply will be used to balance water supply and demand, and the quantity of water from the emergency supply that is planned to be used. An emergency supply designated for use during a water supply shortage shall be fully available for use by the supplier during a shortage and its use shall be at the sole discretion of the urban water supplier.~~

(f) Anticipated processes for monitoring and ensuring compliance by customers with mandatory prohibitions against specific water use practices and mechanisms to enforce compliance. The analysis shall include a description of the urban water supplier's established method to identify and discourage excessive water use as required by Sections 366 and 367.

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(7)

(g) An analysis of the impacts of each of the actions and conditions described in paragraphs (1) to (6), subdivisions (a) to (f), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.

~~(8) A draft water shortage contingency resolution or ordinance.~~

(h) A description of the water supplier's source of authority for implementing the water shortage actions, as identified in subdivision (e), including any adopted resolutions or ordinances.

~~(9) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.~~

~~(b) Commencing with the urban water management plan update due July 1, 2016, for purposes of developing the water shortage contingency analysis pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.~~

**SEC. 7.** Section 10635 of the Water Code is amended to read:

**10635. (a)** Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, ~~and multiple dry water years.~~ and, in accordance with subparagraph (C) of paragraph (1) of subdivision (c) of Section 10631, five consecutive dry years or a shorter multiple-year dry period. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

(c) Nothing in this article is intended to create a right or entitlement to water service or any specific level of water service.

(d) Nothing in this article is intended to change existing law concerning an urban water supplier's obligation to provide water service to its existing customers or to any potential future customers.

**SEC. 8.** Section 10658 is added to the Water Code, to read:

**10658. (a)** It is the intent of the Legislature in enacting this section to do all of the following:

(1) Encourage continued investment in water supply reliability and diversification.

(2) Incentivize new and protect existing local investments made by urban water suppliers in drought resiliency and drought resilient supplies in order to better prepare local communities and the state for drought and times of shortage.

(3) Incentivize new and protect existing local investments in water recycling and potable reuse.

(4) Encourage local agencies to develop emergency supplies, including storage of flood flows in water banks throughout the state, to better protect California from the effects of drought.

(5) Encourage local agencies to take steps to prepare for the effects of climate change.

(6) Ensure that urban water suppliers have adequate supplies or take appropriate measures to reduce demand during times of drought.

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(b) During a statewide drought, local drought, or water shortage, an urban water supplier shall not be required to reduce its use or reliance on any water supply available for its use and identified in its urban water management plan, or be required to take additional actions beyond those specified in its water shortage contingency analysis for the level of shortage that is anticipated in the annual report required by Section 10609 or the level of shortage that it is currently experiencing, whichever is greater.

~~SECTION 1. Section 10608 of the Water Code is amended to read:~~

~~10608. The Legislature finds and declares all of the following:~~

~~(a) Water is a public resource that the California Constitution protects against waste and unreasonable use.~~

~~(b) A growing population, climate change, and the need to protect and grow California's economy while protecting and restoring our fish and wildlife habitats make it essential that the state manage its water resources as efficiently as possible.~~

~~(c) Diverse regional water supply portfolios will increase water supply reliability and reduce dependence on the Delta.~~

~~(d) Reduced water use through conservation provides significant energy and environmental benefits, and can help protect water quality, improve streamflows, and reduce greenhouse gas emissions.~~

~~(e) The success of state and local water conservation programs to increase efficiency of water use is best determined on the basis of measurable outcomes related to water use or efficiency.~~

~~(f) Improvements in technology and management practices offer the potential for increasing water efficiency in California over time, providing an essential water management tool to meet the need for water for urban, agricultural, and environmental uses.~~

~~(g) The Governor has called for a 20 percent per capita reduction in urban water use statewide by 2020.~~

~~(h) The factors used to formulate water use efficiency targets can vary significantly from location to location based on factors including weather, patterns of urban and suburban development, and past efforts to enhance water use efficiency.~~

~~(i) Per capita water use is a valid measure of a water provider's efforts to reduce urban water use within its service area. However, per capita water use is less useful for measuring relative water use efficiency between different water providers. Differences in weather, historical patterns of urban and suburban development, and density of housing in a particular location need to be considered when assessing per capita water use as a measure of efficiency.~~



Members & Staff

[View the Committee Staff](#)

*California State Assembly  
Committee on Water, Parks & Wildlife*  
SECTION Ha, PAGE NO. 19

| Committee Members                            | District | Office & Contact Information                                                                                                                                   |
|----------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">Eduardo Garcia (Chair)</a>       | Dem - 56 | <a href="#">Contact Assembly Member Eduardo Garcia</a><br><b>Capitol Office, Room 4140</b><br>P.O. Box 942849, Sacramento, CA 94249-0056; (916) 319-2056       |
| <a href="#">James Gallagher (Vice Chair)</a> | Rep - 03 | <a href="#">Contact Assembly Member James Gallagher</a><br><b>Capitol Office, Room 2158</b><br>P.O. Box 942849, Sacramento, CA 94249-0003; (916) 319-2003      |
| <a href="#">Frank Bigelow</a>                | Rep - 05 | <a href="#">Contact Assembly Member Frank Bigelow</a><br><b>Capitol Office, Room 4158</b><br>P.O. Box 942849, Sacramento, CA 94249-0005; (916) 319-2005        |
| <a href="#">Steven S. Choi, PhD.</a>         | Rep - 68 | <a href="#">Contact Assembly Member Steven S. Choi, PhD.</a><br><b>Capitol Office, Room 2016</b><br>P.O. Box 942849, Sacramento, CA 94249-0068; (916) 319-2068 |
| <a href="#">Kansen Chu</a>                   | Dem - 25 | <a href="#">Contact Assembly Member Kansen Chu</a><br><b>Capitol Office, Room 2160</b><br>P.O. Box 942849, Sacramento, CA 94249-0025; (916) 319-2025           |
| <a href="#">Laura Friedman</a>               | Dem - 43 | <a href="#">Contact Assembly Member Laura Friedman</a><br><b>Capitol Office, Room 2137</b><br>P.O. Box 942849, Sacramento, CA 94249-0043; (916) 319-2043       |
| <a href="#">Todd Gloria</a>                  | Dem - 78 | <a href="#">Contact Assembly Member Todd Gloria</a><br><b>Capitol Office, Room 4162</b><br>P.O. Box 942849, Sacramento, CA 94249-0078; (916) 319-2078          |
| <a href="#">Jimmy Gomez</a>                  | Dem - 51 | <a href="#">Contact Assembly Member Jimmy Gomez</a><br><b>Capitol Office, Room 3126</b><br>P.O. Box 942849, Sacramento, CA 94249-0051; (916) 319-2051          |
| <a href="#">Matthew Harper</a>               | Rep - 74 | <a href="#">Contact Assembly Member Matthew Harper</a><br><b>Capitol Office, Room 5126</b><br>P.O. Box 942849, Sacramento, CA 94249-0074; (916) 319-2074       |
| <a href="#">Marc Levine</a>                  | Dem - 10 | <a href="#">Contact Assembly Member Marc Levine</a><br><b>Capitol Office, Room 5135</b><br>P.O. Box 942849, Sacramento, CA 94249-0010; (916) 319-2010          |
| <a href="#">Devon I. Mathis</a>              | Rep - 26 | <a href="#">Contact Assembly Member Devon I. Mathis</a><br><b>Capitol Office, Room 2111</b><br>P.O. Box 942849, Sacramento, CA 94249-0026; (916) 319-2026      |
| <a href="#">Blanca E. Rubio</a>              | Dem - 48 | <a href="#">Contact Assembly Member Blanca E. Rubio</a><br><b>Capitol Office, Room 5175</b><br>P.O. Box 942849, Sacramento, CA 94249-0048; (916) 319-2048      |
| <a href="#">Rudy Salas Jr.</a>               | Dem - 32 | <a href="#">Contact Assembly Member Rudy Salas Jr.</a><br><b>Capitol Office, Room 4016</b><br>P.O. Box 942849, Sacramento, CA 94249-0032; (916) 319-2032       |
| <a href="#">Tony Thurmond</a>                | Dem - 15 | <a href="#">Contact Assembly Member Tony Thurmond</a><br><b>Capitol Office, Room 4005</b><br>P.O. Box 942849, Sacramento, CA 94249-0015; (916) 319-2015        |
| <a href="#">Jim Wood</a>                     | Dem - 02 | <a href="#">Contact Assembly Member Jim Wood</a><br><b>Capitol Office, Room 6005</b><br>P.O. Box 942849, Sacramento, CA 94249-0002; (916) 319-2002             |

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**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

To: Board of Directors

From: John Friedenbach

Date: April 7, 2017

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**

Funding for new fiber optic line along highway 299 ("Digital 299"). See attached article. This project brings our area one step closer to the installation of a data center at Harbor District property on the peninsula.

**b) Transport**

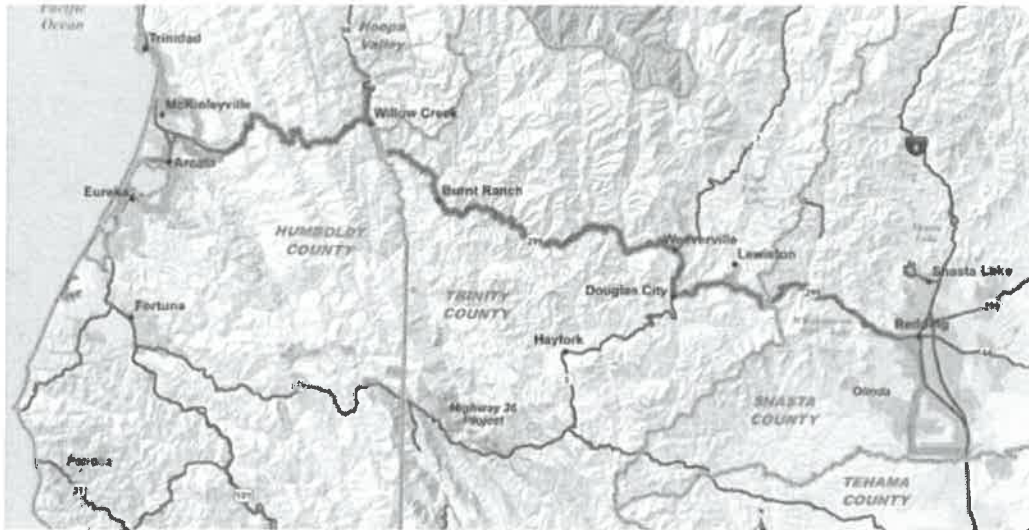
No significant activity has transpired on this topic during the past month.

**c) Instream Flow Dedication**

Director Woo and I met with Dennis Halligan of Stillwater Sciences and Sharon Kramer of H.T. Harvey & Associates to discuss application for an instream flow grant. Dennis and Sharon also participated in a State Coastal Conservancy (SCC) Prop 1 grant webinar (Grant applications due by May 31, 2017). Following that meeting and webinar, Sheri and I talked with our area representative, Karyn Gear, from SCC about our project. She recommended that we pursue a grant from the Prop. 1 funding from the Wildlife Conservation Board Streamflow Enhancement program (Grant applications due this summer). Staff will confer with our consultants and determine the best course forward for grant funding to obtain an instream flow dedication permit and possible funding to the District.

3/27/17 Lost Coast Outpost

## New Fiber Optic Line a Go! State Pledges \$47 Million to Dredge Internet Up From the Sea, Thread Fat Pipe From Eureka to Redding



The future path of Humboldt's freshest data pipe. Source: CPUC application.

### From the Office of Assemblymember Jim Wood:

Today, Assemblymember Jim Wood (D-Healdsburg) announced that the California Public Utilities Commission (CPUC) recently approved the "Digital 299" broadband infrastructure project along California State Route 299. This project, by Inyo Networks, Inc. (Inyo), will receive almost \$47 million in funding from the California Advanced Services Fund (CASF), which is a fund that promotes deployment of high-quality advanced communications services to Californians.



Assm. Jim Wood.

"Rural California is not a priority for many companies that build technology infrastructure. We often hear them say that 'the numbers just don't pencil out' because

the population is so small,” said Wood. “That’s what makes the CASF grant program so essential to bridging the digital divide.”

CASF was created in 2007 to provide grants to “telephone corporations” to bridge the digital divide in unserved and underserved areas in the state. The fund supports projects that will provide broadband services to areas currently without broadband access and build out facilities in underserved areas.

The Digital 299 project, likely to be completed in 3 years, will provide high-capacity infrastructure and interconnection points to communities along the Highway 299 corridor and will directly connect 307 underserved households to Internet services capable of 1 Gbps using underground and aerial fiber facilities, with as many as 102 schools, colleges, research institutions, hospitals, clinics, public safety, tribal lands, and other institutions also able to take advantage of such connections.

**[Ed. note:** For more on those 307 households, see [“That Superfast Undersea Internet? You’re Probably Not Getting It, Unless You are One of 307 People Who Live in Lewiston.”](#)]

“Digital 299 is a powerful infrastructure that brings tremendous benefit to Trinity County and the Redwood Coast,” said Michael Ort, Inyo’s CEO. “We acknowledge the public trust and look forward to working with the community and its leaders to ensure its future in the digital economy.”

“Although the build out will take some time,” said Wood, “we are thankful that the needs of rural California are recognized and one step closer to bringing almost 2,400 square miles of rural Northern California between Redding and the California coast, running through Shasta, Trinity and Humboldt counties, into the 21st Century.”

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**  
**Officers and Committee Assignments**

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

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**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**  
**Officers and Committee Assignments**

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

**INACTIVE COMMITTEES**  
**Charters attached**

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

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

SECTION H3, PAGE NO. 1

To: Board of Directors  
From: Sherrie Sobol  
Date: April 7, 2017  
Subject: CIP-Bartle Wells Financial Plan

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Documents from Bartle Wells were not available in time for production of the Board Packet. Materials will be distributed as soon as we receive them.

**REDWOOD ELECTRICAL SERVICES**

PO Box 6097, Eureka, Ca. 95502. Office 707-444-1374 Fax 707-444-2004

Matthews Dam Hydro Facility  
Electrical Inspection and Maintenance Report

Facility Name and Address:

Matthews Dam Hydro Facility  
40 Lower West Side Rd.  
Ruth, Ca. 95526

PG&E Log No. 33R340RM

Inspector:

Mark Brown  
C-10 Electrical Contractor's License No. 920555  
PO Box 6097  
Eureka, Ca. 95502

Electrical Inspection:

On 3/20/17, I performed an inspection of the electrical portion of the generation facility and in my best judgment the facility is being properly maintained to ensure the safe and reliable operation of the facility.

During my inspection, I identified the following items that should be addressed to ensure safe and reliable operation of the facility:       None Identified.

The owner or operator of this facility will address the items by performing the following work:  
N/A.

Facility Maintenance:

On 3/20/17, I performed an inspection of the non-electrical portion of the generation facility and in my best judgment the facility is being properly maintained to ensure the safe and reliable operation of the facility. The inspection included discussions of the maintenance schedules, maintenance performed, generator maintenance, turbine housing and wheel, high voltage wiring, and hydraulic system. In my opinion, this is a clean and well-maintained facility.

During my inspection, I identified the following items that should be addressed to ensure safe and reliable operation of the facility:       None identified.

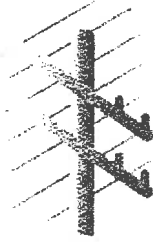
The owner or operator of this facility will address the items by performing the following work:  
N/A.

I certify that I have performed the electrical and maintenance inspections of the facility and that I am not an owner or operator of this facility.

  
\_\_\_\_\_  
Mark Brown, Owner/Inspector  
Redwood Electrical Services

4-4-17  
\_\_\_\_\_  
Date





**Redwood Electrical Services**  
**Mark A. Brown**

Office 707-444-1374 Cell 707-499-8349 Fax 707-444-2004  
 PO Box 6097 Eureka, CA. 95502 License #920555

To whom it may concern:

**About Redwood Electrical Services:**

Redwood Electrical Services has been the industrial electrical contractor of choice in Northern California for over 11 years. The owner Mark Brown has been working in the field for over 37 years. We provide quality electrical services for customers that range from residential power to 12KV industrial power. We provide these services with a qualified and professional staff who have a strong commitment to safety. Our industrial electrical experience includes setting new power poles, replacing damaged power poles and equipment, installation of pole top switches, running new conductors, repairing damaged conductors, large and small transformer installations, troubleshooting and repairing motor control panels, installing large main breakers, sub panel breakers, installing motor control centers, installing fiber optic cables and connections, installing or modifying conduit runs, and all associated planning with the customer for successful project completion. We also perform emergency repairs of all types as needed for our customers. We are well equipped with service trucks, large man lift and pole setting trucks and all associated equipment and safety gear.

**Specifically Regarding Humboldt Bay Municipal Water District:**

Redwood Electrical Services has performed many of the tasks listed above for the Humboldt Bay Municipal Water District. We have safely completed: emergency storm damage repairs; safety inspections; power pole replacements; repaired and replaced 12KV conductors in their system; installed new pole top switches; replaced 12KV/480V transformers on the Districts' Ranney Well pump stations; replaced Ranney Well pump stations main breakers, sub breaker panels and motor control panels. Additionally, we have installed fiber optic communications cable between the control center and one of the Ranney Wells.

**Redwood Electrical Services Information:**

Owner: Mark Brown  
 California C10 Electrical contractor license number—920555  
 Mark Brown—IBEW Journeyman Electrician card number is D530660.

**Contact Information:**

Address: PO Box 6097  
 Eureka, Ca. 95502

Phone: Office: 707-444-1374  
 Cell: 707-599-9111  
 Fax: 707-444-2004

E-Mail: 12kvsparky@suddenlink.net

**Attestation:**

I, Mark Brown, am an independent contractor, and I am not an owner operator of the R.W. Matthews Dam or Tony Gosselin Hydro Electric plant.

Signed Mark Brown Date 3-6-17

# New Business

To: Board of Directors  
From: John Friedenbach  
Date: March 29, 2017  
Subject: Compensation for Secretary/Treasurer

**Background**

Last month, Director Rupp stated he receives a stipend for his duties as Secretary/Treasurer and requested the topic of Compensation for Secretary/Treasurer be on the April agenda given potential procedure changes.

Listed below are the duties and compensation for the Board Secretary/Treasurer per the Board Governance Manual.

**Section 10.2 – Compensation for Secretary/Treasurer**

The Secretary and Treasurer are separate officers of the District. Since at least 1960, the Board of Directors has elected to combine these offices into one Secretary/Treasurer position. The Water Code (Section 71361) states that:

*The treasurer, or such other person or persons as may be authorized by the board, shall draw checks or warrants to pay demands when such demands have been audited and approved in the manner prescribed by the board.*

The Secretary/Treasurer position carries with it certain duties and obligations, which occur on an ongoing basis. Examples of these duties and obligations are as follows:

- o Reviewing, and editing as necessary, the minutes from Regular and Special Board of Director meetings. [*Secretary*]
- o Standing member on the District’s Agenda Review Committee, and as such attendance at a monthly committee meeting prior to the Regular Board of Directors meeting. [*Secretary*]
- o Standing member on the District’s Audit Committee, and as such attendance at multiple committee meetings during the annual audit cycle. Specific activities or duties may result from the audit process at the request of the Board. [*Treasurer*]
- o Review of the District’s monthly financial report and presentation of this report to the Board of Directors at their Regular meeting. [*Treasurer*]
- o The primary signatory on all checks associated with the District’s accounts payable or other financial obligations. This requires a minimum of three or four trips to the Eureka office each month (for which no mileage reimbursement is paid). [*Treasurer*]
- o Other duties that may periodically be assigned by the Board of Directors.

Given the nature of the duties and resulting time commitment and trips to the Eureka office, in January 1971, the Board of Directors established a stipend of \$250 per month, (\$3,000 per year) for the Secretary/Treasurer. The Board increased the amount in 2001 to \$262.50 per month (\$3,150 per year) for the Secretary/Treasurer and this is still the current stipend amount. Any change to this amount must be approved by the Board of Directors at a regular meeting of the Board.

Pending outcomes of discussion regarding procedures, the Board may wish to modify the duties and compensation for the Secretary/Treasurer position at a future date.

**Recommendation**

Staff recommends keeping the Treasurer stipend at the current level.

## San Jose: Government emails on personal devices are public record, state's top court decides

RAMONA GIWARGIS | rgiwargis@bayareanewsgroup.com |  
PUBLISHED: March 2, 2017 at 9:50 am | UPDATED: March 3, 2017 at 7:37 am

California's highest court Thursday unanimously ruled the public has a right to see emails and text messages about public affairs on government officials' personal devices, ending a long legal battle that began in San Jose and setting a statewide precedent for records disclosure.

The ruling closes what government watchdogs said was a loophole that let public officials conduct the people's business privately on personal phones and computers outside the reach of records requests that until now covered only their government-issued devices and accounts.

"We hold that when a city employee uses a personal account to communicate about the conduct of public business, the writings may be subject to disclosure under the California Public Records Act," the court opinion said. "If public officials could evade the law simply by clicking into a different email account, or communicating through a personal device, sensitive information could routinely evade public scrutiny." Peter Scheer, former executive director of the First Amendment Coalition, called the ruling "a great thing for the public."

"Government officials have been using this trick of communicating about public business on their personal email or text in order to avoid public scrutiny," Scheer said. "It means the people we elect to represent us won't be able to avoid public scrutiny by using personal email accounts — rather than government ones."

After San Jose in 2009 refused to release personal emails and texts about a downtown development, one man waged a legal battle that went all the way to the California Supreme Court and led to Thursday's 20-page ruling.

Ted Smith, a former lawyer with a background in nonprofit work, suspected that San Jose officials were using their private phones and email accounts to conceal dealings with former Mayor Tom McEnery, who proposed a development in downtown San Jose. McEnery received a \$6 million loan from the city's Redevelopment Agency.

In June 2009, Smith submitted a request to the city seeking public records involving specific officials related to downtown San Jose redevelopment. The city turned over everything — except Smith’s request for “any and all voicemails, emails or text messages sent or received on private electronic devices used by Mayor Chuck Reed or members of the City Council, or their staff, regarding any matters concerning the City of San Jose, including any matters concerning Tom McEnery.”

The city’s argument was simple: “What we’re saying is California’s Public Records Act doesn’t cover private emails,” said San Jose City Attorney Rick Doyle. A trial court sided with Smith, but in March 2014, an appellate court ruled in the city’s favor and Smith appealed to the state’s high court.

Although the San Pedro Square Market — McEnery’s project — is already built, Smith argued all communications about city business should be public, regardless of how they’re created, communicated or stored.

While San Jose owns more than 4,000 mobile phones for employees to use, government officials in smaller agencies across California often rely solely on personal devices for business. The court’s ruling applies to all public entities in California — from water districts to school districts to cities, counties and state agencies.

“This is an important victory for the public’s right to know,” Smith said. “Once again California is at the forefront of creating rules to guarantee that the public’s business is conducted with public scrutiny.”

Following the decision Thursday, Doyle said San Jose will need to craft policies to determine how it collects public records from private accounts. The court opinion only says a “reasonable effort” to search records must be made — but allows local agencies to decide how.

“We’re going to have to tread carefully on the issue of how we do a search for records on private devices,” Doyle said. “Is it enough to say ‘Check your devices and let us know,’ or will employees have to sign some kind of affidavit?”

After Smith filed suit in August 2009, the San Jose City Council adopted a policy to release elected officials’ communications from private devices, relying on “self-reporting” to get them. But Smith and his attorney, James McManis, said the rules should apply to city employees too.

“There was nothing sensitive about this information except that someone didn’t want to talk about what was going on at City Hall with respect to former Mayor Tom McEnery,” McManis said Thursday.

McEnery said “the public deserves full transparency” and that he had no quarrel with the ruling. He said dozens of other projects had received similar redevelopment loans but his got more scrutiny because “I was mayor for eight years and I picked up my share of enemies.”

McManis said the ruling also applies to city workers’ social media accounts because it focuses on the content of the communication — not the medium in which it occurred.

The ruling suggests cities can set policies to prohibit using personal devices for official business, but it also recognized that not all private writings by city workers are public. The communications “must relate in some substantive way to the conduct of the public’s business.”

“The court does acknowledge government workers’ right to privacy,” Doyle said. “If a city official writes a text to their spouse and says their co-worker is an idiot — that may not be a public record.”

**I. CONFLICT-OF-INTEREST AND DISQUALIFICATION PROVISIONS  
UNDER THE POLITICAL REFORM ACT OF 1974**

Government Code Section 87100 et seq.<sup>1</sup>

**A. Overview**

The people of the State of California enacted the Political Reform Act of 1974 (“the Act”), by an initiative measure in June 1974. It is the starting point in any consideration of conflict-of-interest laws in California. Chapter 7 of the Act (§§ 87100-87500) deals exclusively with conflict-of-interest situations. The Act also limits the receipt of specified gifts and honoraria, which is addressed in Chapter II of this Guide.

One of the declarations at the outset of the Act forms the foundation of the conflict-of-interest provisions: “[p]ublic officials, whether elected or appointed, should perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them.” (§ 81001, subd. (b).) Further, the Act sets up a mechanism whereby “[a]ssets and income of public officials which may be materially affected by their official actions . . . [are] disclosed and in appropriate circumstances the officials . . . [are] disqualified from acting in order that conflicts of interest may be avoided.” (§ 81002, subd. (c).)

The Fair Political Practices Commission (“FPPC”) is the agency primarily charged with the responsibility of advising officials, informing the public, and enforcing the Act.

**B. The Basic Prohibition**

Under the Act, public officials are disqualified from participating in government decisions in which they have a financial interest. The Act does not prevent officials from owning or acquiring financial interests that conflict with their official duties, nor does the mere possession of such interests require officials to resign from office.

The Act’s disqualification requirement hinges on the effect a decision will have on a public official’s financial interests. When a decision has the requisite effect, the official is disqualified from making, participating in making, or using his or her official position to influence the making of that decision at any stage of the decision-making process.

By establishing a broad, objective disqualification standard, the Act attempts to cover both actual and apparent conflict-of-interest situations between a public official’s private interests and his or her public duties. It is not necessary to show actual bias on the part of the official and it is not even necessary to show that an official’s assets or the amount of his or her income will be affected by a decision in order to trigger disqualification. Other more attenuated effects may also bring about an official’s disqualification. However, even though this is a broad

<sup>1</sup> All further statutory references in this Chapter are to the Government Code unless otherwise indicated.

disqualification requirement, it is by no means all-inclusive. Conflicts arising out of matters other than a financial interest, such as friendship, family, or general sympathy for a particular viewpoint, are outside the purview of the Act.

To determine whether a conflict of interest exists under the Act, the FPPC applies the following eight-step process.

- STEP 1: Is the individual a public official? (See Section C of this Chapter.)
- STEP 2: Is the public official making, participating in making, or influencing a governmental decision? (See Section D of this Chapter.)
- STEP 3: Does the public official have one of the qualifying types of economic interest? (See Section E of this Chapter.)
- STEP 4: Is the economic interest directly or indirectly involved in the governmental decision? (See Section F of this Chapter.)
- STEP 5: Will the governmental decision have a material financial effect on the public official's economic interests? (See Section G of this Chapter.)
- STEP 6: Is it reasonably foreseeable that the economic interest will be materially affected? (See Section H of this Chapter.)
- STEP 7: Is the potential effect of the governmental decision on the public official's economic interests distinguishable from its effect on the general public? (See Section I of this Chapter.)
- STEP 8: Despite a disqualifying conflict of interest, is the public official's participation legally required? (See Section J of this Chapter.)

The answers to these questions will assist you in determining whether a conflict of interest exists. If it does, and no exceptions apply, disqualification is required.

The Act deals with conflict-of-interest situations on a transactional, or case-by-case, basis. This means that situations must be assessed for possible conflicts of interest in the light of their individual facts. The Act demands continual attention on the part of officials. They must examine each transaction to determine if a conflict of interest that triggers disqualification exists.



**PART 3. ETHICAL CONSIDERATIONS AND CONFLICTS OF INTEREST****§ 2.3.01 POLITICAL REFORM ACT OF 1974.**

(A) **Introduction.** The Political Reform Act (the PRA) controls conflicts of interests of public officials, *see* Cal. Gov't Code § 82048 (defining public officials), through disclosure of financial interests and prohibitions on participation in the making of decisions in which the official knows or has reason to know he or she has a financial interest. The PRA's standards are found in Cal. Gov't Code §§ 81000 *et seq.* The Fair Political Practices Commission (FPPC) has also adopted regulations implementing the PRA, *see* 2 Cal. Code Regs. §§ 18109 *et seq.*, and issues formal opinions and advice letters on the application of the PRA to particular situations. The FPPC maintains a website at [www.fppc.ca.gov](http://www.fppc.ca.gov) which contains the PRA regulations, opinions and advice letter summaries. Copies of advice letters are available on Lexis and Westlaw.

**(B) Disqualification.**

(1) **General Rule.** Public officials are prohibited from making, participating in or in any way attempting to use their official position to influence a governmental decision in which they know or have reason to know they have a financial interest. *See* Cal. Gov't Code § 87100. *See also* 2 Cal. Code Regs. §§ 18700, 18702 - 18702.4.

(2) **Financial Interest.** An official has a financial interest "if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family, [*see* Cal. Gov't Code § 87103] or on any of the following . . . :"

(a) Any business entity in which the official has a direct or indirect investment worth \$2,000 or more. *See* Cal. Gov't Code §§ 82005 (definition of "business entity"), 82034 (definition of "investment"), 82035 (definition of "jurisdiction"). *See also* 2 Cal. Code Regs. § 18703.1. For purposes of Cal. Gov't Code § 87103, indirect investment "means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of a public official, or by a business entity or trust in which the official, the official's agents, spouse and dependent children own directly, indirectly or beneficially a ten percent interest or greater." *See also Metropolitan Water District v. Fair Political Practices Commission*, 73 Cal. App. 3d 650, 141 Cal. Rptr. 8 (1977); *Commission on California State Government Organization and Economy v. Fair Political Practices Commission*, 75 Cal. App. 3d 716, 142 Cal. Rptr. 468 (1977); *Witt v. Morrow*, 70 Cal. App. 3d 817, 139 Cal. Rptr. 161 (1977). The regulation includes a business entity which is a parent, subsidiary or otherwise-related business entity to that in which the official has an investment. *See* 2 Cal. Code Regs. § 18703.1.

(b) Any real property in which the public official has a direct or indirect interest worth \$2,000 or more. *See* Cal. Gov't Code §§ 82033 (definition of "interest in real property"), 82035 (definition "jurisdiction"). *See also* 2 Cal. Code Regs. § 18703.2.

(c) Any source of income (other than gifts or certain loans from a commercial lending institution) aggregating \$500 or more provided to, received by or promised to the public official within 12 months prior to the time the decision is being made. *See* Cal. Gov't Code § 82030 (definition of "income"). *See also* 2 Cal. Code Regs. § 18703.3. Campaign contributions do not constitute income, as income is defined in the PRA. *See* Cal. Gov't Code § 82030(b)(1). Salary and reimbursement for expenses received from a governmental agency is also exempt from the definition of "income." *See* Cal. Gov't Code § 82030(b)(2).

(d) Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management. *See* 2 Cal. Code Regs. §§ 18703.1, 18703.3.

(e) As of January 1, 2005, any source of a gift or gifts totaling \$360 (to be adjusted upward effective January 1 of every odd-numbered year thereafter) or more provided to, received by or promised to the public official within 12 months prior to the time when the decision is being made. *See* Cal. Gov't Code § 82028 (definition of "gift"), 2 Cal. Code Regs. §§ 18703.4, 18940 - 18961. The amount of the value of gifts specified by this subdivision is adjusted biennially by the FPPC. *See* Cal. Gov't Code § 89503(f).

(f) The personal expenses, income, assets or liabilities of the official or his or her immediate family. 2 Cal. Code Regs. § 18703.5. The term immediate family includes spouses and dependent children. *See* Cal. Gov't Code § 82029. The term spouse includes "registered domestic partners recognized by state law." *See* 2 Cal. Code Regs. § 18229.

**(C) Elements of Analysis - Eight Part Test.**

(1) **Public Official.** The PRA applies to "public official[s] at any level of state or local government." Cal. Gov't Code § 87100. A "public official" is defined as including every member, officer, employee or consultant of a state or local government agency. *See* Cal. Gov't Code § 82048. These terms are further defined in 2 Cal. Code Regs. § 18701. With respect to a local agency, a "designated employee" is defined in Cal. Gov't Code § 82019 as a person designated in the agency's conflict of interest code.

(2) **Governmental Decision.** For the prohibitions to apply, the public official must be making, participating in making, or using or attempting to use his or her official position to influence a governmental decision. *See* 2 Cal. Code Regs. §§ 18700, 18702 - 18702.4. Under certain circumstances, an official may appear before his or her agency in the same manner as any other member of the general public to represent his or her personal interests. 2 Cal. Code Regs. § 18702.4.

(3) **Identification of Official's Economic Interests.** Determine whether the public official has an economic interest potentially affected by the decision. *See* Cal. Gov't Code § 87103; 2 Cal. Code Regs. §§ 18704 - 18704.5.

(4) **Direct or Indirect Effect on Economic Interests.** For each of the public official's economic interests, determine whether that interest is directly or indirectly involved in the governmental decision. *See* 2 Cal. Code Regs. §§ 18704 - 18704.5.

(5) **Materiality.** The “materiality” standards are further defined in 2 Cal. Code Regs. §§ 18705 to 18705.5 for each type of financial interest. The standards depend on whether an economic interest is directly or indirectly involved in the decision.

(6) **Foreseeability.** The financial effect must be “reasonably foreseeable.” The financial effect of a decision is “reasonably foreseeable” if there is a substantial likelihood that it will occur. Although certainty is not required, an effect that is merely a remote possibility is not reasonably foreseeable. *See Downey Cares v. Downey Community Development Commission*, 196 Cal. App. 3d 983, 991-92, 242 Cal. Rptr. 272 (1987); 2 Cal. Code Regs. §§ 18700, 18706.

**Practice Tips:**

- 1) In evaluating the materiality of the effect of a decision on a business entity in which an official has an interest, it may be necessary to have a current list of Fortune 500 companies. That list is available through the FPPC website at [www.fppc.ca.gov](http://www.fppc.ca.gov).
- 2) In determining if an official’s real property interest may require disqualification, determine how far that real property interest is from the property that is the subject of the decision. If any part of the official’s property is within 500 feet of the subject property, the official’s property is deemed to be directly involved in the decision and the decision is presumed to have a material financial effect upon that real property interest. *See* 2 Cal. Code Regs. § 18704.2.
- 3) An official may have several different economic interests that will have to be analyzed to determine if disqualification is necessary on a particular decision. For example, an official who owns a business may have three different economic interests - an investment interest in the business, a source of income from the business, and a real property interest in the property (either leasehold or ownership) on which the business is located.

(7) **Public Generally Exception.** “Effect on the public generally” referred to in Cal. Gov’t Code § 87103 is further defined in 2 Cal. Code Regs. §§ 18707, 18707.1, 18707.2 (rates and assessments), 18707.3 (small jurisdictions), 18707.4 (certain appointed board members), 18707.5 (customers of retail business owners), 18707.6 (states of emergency), 18707.7 (industries, trades or professions), and 18707.9 (residential properties).

(8) **Legally Required Participation.** The PRA does not prevent any public official from making or participating in making a governmental decision to the extent the official’s participation is “legally required” for the action or decision to be made. However, the fact that an official’s vote is needed to break a tie or to create a quorum to act if another member without a conflict is absent does not make the vote “legally required.” *See* Cal. Gov’t Code § 87101; 58 Cal. Op. Att’y Gen. 670 (1975); 2 Cal. Code Regs. § 18708.

**(D) Disqualification and Disclosure.**

(1) A public official has a conflict of interest if the decision will have a reasonably foreseeable material financial effect on one or more of his or her economic interests, unless that effect is not distinguishable from the effect on the public generally. An official who has a disqualifying conflict of interest is not counted towards achieving a quorum on a particular vote. In addition, an official who has a conflict must, immediately prior to consideration of the decision: (1) publicly identify in detail the financial interest that causes the conflict (except that he or she need not disclose the street address of a residence); (2) recuse himself or herself from discussing and voting on the matter; and (3) leave the room until after the decision has been made, unless the matter is on the portion of the agenda reserved for uncontested matters (generally understood to mean the consent calendar). Cal. Gov't Code § 87200. The only exception is that the official may speak on a matter as a member of the general public during the period for public participation regarding that matter. *See* Cal. Gov't Code § 87105. (According to FPPC staff, this provision, which took effect Jan. 1, 2003, is not intended to apply if an official's participation is legally required, as discussed above, at § 2.3.01(C)(8).)

(2) During a closed session of the agency, a disqualified official shall not be present when the governmental decision on which he or she is disqualified is considered and the official shall not obtain or review any non-public information regarding the governmental decision. *See* 2 Cal. Code Regs. §§ 18702.1(c), 18702.5(c).

**(E) Conflict of Interest Code and Disclosure.**

(1) **Requirement.** A city is required to adopt a conflict of interest code. *See* Cal. Gov't Code §§ 87300 - 87313; 2 Cal. Code Regs. § 18750.1. This code must be reviewed every two years and amended when circumstances change, such as when new positions are created or duties of existing positions change. *See* Cal. Gov't Code §§ 87306, 87306.5. The code must be consistent with the minimum requirements of the PRA. *See* Cal. Gov't Code §§ 87300 - 87313; 2 Cal. Code Regs. § 18730.

(2) **Who Must File.** City council members, candidates for council, planning commissioners, the city manager, the city attorney, other officials who manage public investments, and employees designated (including consultants) by the city's own conflict of interest code must file conflict of interest disclosure statements, known officially as "Statement of Economic Interests" (Form 700). *See* Cal. Gov't Code §§ 87200, 87302. A Statement of Economic Interest must be filed upon assuming office, annually while holding office or a designated position, and upon leaving office or a designated position. The statement must disclose the interests of the filer and of his or her immediate family, which includes the filer's spouse and dependent children. *See* Cal. Gov't Code § 82029. Any person who resigns from office within 30 days of appointment need not file a statement of economic interests so long as that person did not make or participate in governmental decisions and did not receive any compensation. 2 Cal. Code Regs. § 18730.

(3) **Timing.**

(a) **Assuming Office Statements.** Appointed and elected officials specified in Cal. Gov't Code § 87200 must file an "assuming office statement" listing the required economic interests within thirty days after assuming office. *See* Cal. Gov't Code § 87202; 2 Cal. Code Regs. § 18722(a).

(b) **Annual Statements.** Thereafter, an annual "statement of economic interests" must be filed no later than April 1. If an office is assumed between October 1 and December 31, and an assuming office statement is completed, an annual statement of economic interests need not be filed until one year later than would otherwise be required. 2 Cal. Code Regs. § 18723(b)(2), (b)(3), (c).

(c) **Contents.** The public official must disclose specified types of investments, interests in real property and businesses, income, gifts and loans. Moreover, these statements must include the acquisition and disposition dates of any investment in real property covered by the period of the statement. *See* Cal. Gov't Code §§ 87203, 87204.

(d) **Leaving Office Statements.** The office holder must file his or her last disclosure statement within 30 days after leaving office. *See* Cal. Gov't Code § 87204; 2 Cal. Code Regs. § 18722(b).

(e) **Non-elected Officials and Employees.** Non-elected officials and employees who are not specified in Cal. Gov't Code § 87200 but who hold positions designated in the city's conflict of interest code, including members of city boards and commissions who qualify as "public officials," must file an initial statement within thirty days after assuming office and an annual statement each year thereafter at the time specified in the city's conflict of interest code. *See* Cal. Gov't Code § 87302; 2 Cal. Code Regs. §§ 18701, 18722.

(f) **Assistance.** The Fair Political Practices Commission has instructions and forms to be used in complying with the disclosure requirements.

(F) **Conflicts of Interests and Campaign Contributions.**

(1) **In General.** Generally, campaign contributions do not constitute income under the Political Reform Act to elected officials and cannot serve as the basis for disqualification under the PRA. *See* Cal. Gov't Code § 82030(b)(1).

(2) **Prohibitions and Disqualification.**

(a) **Application.**

1. **In General.** The provisions of Cal. Gov't Code § 84308 create a special set of rules governing conflicts of interest and campaign contributions.

2. **Covered Officials.** Covered officials include officers appointed to city boards and commissions but does not include city council members, except when those persons are

serving as a voting member of another board, commission or agency. *See* Cal. Gov't Code § 84308(a)(3), (a)(4).

3. **Covered Proceedings.** The law applies to proceedings on licenses, permits, and entitlements for use pending before the board, commission or agency. *See* Cal. Gov't Code § 84308(a)(5), (b).

(b) **Prohibition.** Covered officials are prohibited from receiving or soliciting campaign contributions of more than \$250 from parties or other financially interested persons during the pendency of the proceeding and for three months thereafter. *See* Cal. Gov't Code § 84308(b).

(c) **Disqualification.** Covered officials must disqualify themselves from participating in the proceeding if they received contributions of more than \$250 during the previous 12 months from a party or a person who is financially interested in the outcome of the proceeding. *See* Cal. Gov't Code § 84308(c).

(d) **Persons Having a Financial Interest.** A person having a financial interest is defined as a "participant" under Cal. Gov't Code § 84308(a)(2). The law also applies to the agents of parties or participants.

(e) **Applicant Disclosure Obligations.** At the time parties initiate proceedings, they must list all contributions of more than \$250 to covered officials within the previous 12 months. *See* Cal. Gov't Code § 84308(d).

(f) **Knowledge of Official.** The knowledge required by the covered official to make the section applicable is described in the FPPC's regulations. *See* 2 Cal. Code Regs. § 18438.7.

**(G) Gifts and Honoraria.**

(1) **Honoraria.** No local elected office holder, candidate for local elected office, or designated employee may accept any honorarium. *See* Cal. Gov't Code § 89502. "Honorarium" means a payment in consideration for a speech given, article published, or attendance at any public or private conference, meeting or like gathering, but does not include earned income for personal services which are customarily provided in connection with the practice of a bona fide business or profession, unless the sole or predominate activity of the business or profession is making speeches. *See* Cal. Gov't Code § 89501; 2 Cal. Code Regs. §§ 18930 - 18933.

(2) **Gifts.** No local elected office holder, candidate for local elected office, or designated employee of a local agency may accept any gift or gifts from a single source aggregating in excess of \$390 in any calendar year. *See* Cal. Gov't Code § 89503; 2 Cal. Code Regs. § 18940.2. *See also* 2 Cal. Code Regs. §§ 18940 - 18946.5, 18950 - 18950.4 (regarding FPPC regulations applicable to gifts and travel).

(a) **Adjustment.** The FPPC is required to adjust the original \$250 limit to make the limit equal to the prevailing gift limitation amount applicable to state officers in effect on January 1, 1995. This limitation is also to be adjusted biennially by the FPPC to reflect changes to the

Consumer Price Index. *See* Cal. Gov't Code § 89503(f). The annual gift limit, which is applicable until December 31, 2008, is \$390.

(b) **Definitions of "Gifts".** "Gifts" generally include any payment to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value, unless the rebate or discount is being offered to the general public in the regular course of business. However, within the meaning of the PRA, gifts generally do not include information material, gifts that are returned or donated to a charity within 30 days without being claimed as a tax deduction, gifts from certain family members, campaign contributions, inheritances, personalized plaques or trophies with a value of less than \$250, hospitality (including food, beverages and lodging) provided by an individual in his or her home, and presents exchanged between the official and an individual other than a lobbyist on holidays, birthdays or similar occasions provided that the presents exchanged are not substantially disproportionate in value. *See* Cal. Gov't Code § 82028; 2 Cal. Code Regs. § 18942.

(H) **Loan Prohibitions.** Public officials may not receive any personal loan aggregating more than \$250 from any official, employee, or consultant of, or from anyone who contracts with, their governmental agencies. *See* Cal. Gov't Code § 87460 (loans made, or offered in writing, before January 1, 1998, are exempt from the prohibition). In addition, elected officials may not aggregate more than \$500 from a single lender unless certain terms of the loan are specified in writing. *See* Cal. Gov't Code § 87461. Under certain circumstances, a personal loan that is not being repaid or is being repaid below certain amounts may become a gift to the official who received it. *See* Cal. Gov't Code § 87462.

(I) **Mass Mailings.** For a mass mailing of 200 or more identical or nearly identical pieces of mail sent at private expense and for a political purpose, the sender must place the name and address of the committee or candidate on the outside of the envelope. *See* Cal. Gov't Code §§ 84305, 82041.5. Mass mailings of over two hundred or more identical pieces of mail sent at public expense are subject to strict regulation; *i.e.*, they may not contain the name or pictures of elected officials except as part of a standard letterhead. *See* 2 Cal. Code Regs. § 18901.

(J) **Revolving Door.** Effective July 1, 2006, elected officials, chief administrative officers, and city managers are prohibited from appearing before or communicating with their former agency for compensation in an attempt to influence legislative or administrative action or matters involving a permit, license, grant, or contract, or the sale or purchase of goods or property during the one year following leaving that position. Cal. Gov't Code § 87406.3.

(K) **Charitable Fund-raising.** Elected officials who solicit or behest contributions for principally a legislative, governmental or charitable purpose equal to or exceeding \$5,000 in the aggregate from the same source in the same calendar year are subject to special disclosure requirements under the Political Reform Act. Within 30 days following the date on which the contribution or contributions equal or exceed \$5,000, the official must file a report with his or her agency which contains: the name of and address of the contributor; the amount of the contribution; the date or dates on which the contribution(s) were made; the name and address of the contribution recipient; a brief description of the goods or services provided or purchased, if any; and a description

of the specific purpose or event for which the contribution or contributions were made. Once the \$5,000 aggregate threshold from a single source has been reached for a calendar year, all contributions for the calendar year made by that source must be disclosed within 30 days after the date the threshold was reached or the contribution was made, whichever occurs later. Within 30 days after receipt of such reports, local agencies must forward copies to the officer with whom elected officers of that agency file their campaign statements. Cal. Gov't Code § 82015(b)(2)(B)(iii).

(L) **Enforcement.** The California Attorney General, the FPPC and local district attorneys are empowered to enforce the Political Reform Act through criminal sanctions, civil liability and civil penalties. *See* Cal. Gov't Code §§ 91000, 91001. Generally, criminal violations of the PRA are prosecuted as misdemeanors, *see* Cal. Gov't Code § 91000; however, under certain circumstances, felony charges may be brought. *See* Cal. Gov't Code § 91002. Although the penalties for violations of various provisions of the PRA vary, civil penalties are generally based upon the amount of money or value of a gift or contribution not reported. Penalties can be as high as \$10,000 or three times the amount not reported, whichever is greater. *See* Cal. Gov't Code § 91000. Because good faith is relevant in determining criminal and civil liability, *see* Cal. Gov't Code § 91001(c), it is particularly important affected individuals seek advice from their city attorney and/or the FPPC whenever a potential problem appears. However, only a formal written advice letter from the FPPC will confer immunity from liability under the PRA. *See* Cal. Gov't Code § 83114. City attorneys' liability for providing incorrect advice to local officials has been limited and clarified by regulatory provisions. *See* Cal. Gov't Code § 83116.5; 2 Cal. Code Regs. § 18316.5.

(M) **Training.** State law imposes mandatory ethics training requirements on all local elected officials, legislative bodies eligible to receive reimbursements, and employees designated by the legislative body. Officials in office as of January 1, 2006 must be trained by January 1, 2007. Thereafter, those officials must receive two hours of training every two years. The statute lists topics to be covered. Cal. Gov't Code §§ 53234, 53235.

### § 2.3.05 PROHIBITED CONTRACTS.

#### (A) Basic Prohibition.

(1) City officers and employees may not have financial interests in contracts made by them or by any board or body of which they are members. Cal. Gov't Code § 1090. These provisions were enacted before the Political Reform Act and reflects the common law prohibition against self-dealing. *See Berka v. Woodland*, 125 Cal. 119, 57 P. 777 (1899); *Stockton P. & S. Co. v. Wheeler*, 68 Cal. App. 592, 597, 229 P. 1020 (1924); *City of Oakland v. California Construction Co.*, 15 Cal. 2d 573, 576, 104 P.2d 30 (1940).

(2) The provisions of Cal. Gov't Code § 1090 were not repealed by the enactment of the PRA. *See City of Vernon v. Central Basin Water District.*, 69 Cal. App. 4th 508, 81 Cal. Rptr. 2d 650 (1999); 59 Cal. Op. Att'y Gen. 604, 617 (1976). In any situation, a person must act in a manner that satisfies the requirements of both the PRA and Cal. Gov't Code § 1090. *See* Cal. Gov't Code § 81013; 59 Cal. Op. Att'y Gen. 604, 617 (1976). Consequently, if a member of a body or board that



authorizes a contract has a financial interest in the contract, the member may avoid a violation of the PRA by abstaining from participation in the decision, but such abstention will not avoid a violation of Cal. Gov't Code § 1090, unless the member's financial interest is a "remote" or "non-interest" under the exception as discussed below.

(B) **When Government Code Section 1090 Applies.** The provisions of Cal. Gov't Code § 1090 apply in two basic situations. First, if the financially interested city officer or city employee is a member of a board or other body that actually approves or executes the contract (*i.e.* a city council), the potential conflict prohibits the city from entering into the proposed contract, regardless of whether or not the officer participates in or abstains from the actual decision. *See Thomson v. Call*, 38 Cal. 3d 633, 649, 214 Cal. Rptr. 139 (1985), *cert. denied*, 474 U.S. 1057, 106 S. Ct. 796, 88 L. Ed. 2d 773 (1986). Second, if a staff or advisory board member has a financial interest in a contract with the city, there is a conflict only if that staff or advisory board member actually participates in making the contract. *See Fraser Yamor Agency, Inc. v. County of Del Norte*, 68 Cal. App. 3d 201, 137 Cal. Rptr. 118 (1977); 82 Cal. Op. Att'y Gen. 126, 129 (1999). In either case, if such a contract is made, the city may void it. *See* Cal. Gov't Code § 1092.

(C) **To Whom Government Code Section 1090 Applies.** Virtually all board members, officers, employees and consultants of a public entity are considered public officials under Cal. Gov't Code § 1090. *See Thomson v. Call*, 38 Cal. 3d 633, 214 Cal. Rptr. 139 (1985), *cert. denied*, 474 U.S. 1057, 106 S. Ct. 796, 88 L. Ed. 2d 773 (1986) (council member); *City Council v. McKinley*, 80 Cal. App. 3d 204, 145 Cal. Rptr. 461 (1978) (parks and recreation board member); *People v. Vallerga*, 67 Cal. App. 3d 847, 136 Cal. Rptr. 429 (1977) (county employee); 70 Cal. Op. Att'y Gen. 271 (1987) and *Campagna v. City of Sanger*, 42 Cal. App. 4th 53, 49 Cal. Rptr. 2d 676 (1996) (contract city attorney); 46 Cal. Op. Att'y Gen. 74 (1965) (consultant); *Millbrae Association for Residential Survival v. City of Millbrae*, 262 Cal. App. 2d 222, 69 Cal. Rptr. 251 (1968) (advisory board member); *Schaefer v. Berinstein*, 140 Cal. App. 2d 278, 295 Cal. Rptr. 113 (1956) (person in advisory position to contracting agency).

(D) **Contract Making.** The prohibition in Cal. Gov't Code § 1090 applies to all conduct of a public official who participates in making of the contract, including preliminary discussions, negotiations, compromises, reasoning, planning, drawing of plans and specifications, and solicitations for bids and subsequent modifications to a contract and "follow-on" contracts. *See Millbrae Association for Residential Survival v. City of Millbrae*, 262 Cal. App. 2d 222, 69 Cal. Rptr. 251 (1968); *Stigall v. City of Taft*, 58 Cal. 2d 565, 25 Cal. Rptr. 441 (1962); *People v. Sobel*, 40 Cal. App. 3d 1052, 115 Cal. Rptr. 532 (1974); *City Council v. McKinley*, 80 Cal. App. 3d 204, 212, 145 Cal. Rptr. 461 (1978); *City of Imperial Beach v. Bailey*, 103 Cal. App. 3d 191, 162 Cal. Rptr. 663 (1980); 81 Cal. Op. Att'y Gen. 134 (1998). However, participation in a statutorily mandated process in connection with the sale of property through eminent domain is not subject to Cal. Gov't Code § 1090. *See Santa Clara Valley Water District v. Gross*, 200 Cal. App. 3d 1363, 1369, 246 Cal. Rptr. 570 (1988). The provisions of Cal. Gov't Code § 1090 may serve to prohibit a former public official from benefiting from a contract after the official leaves office. 81 Cal. Op. Att'y Gen. 134 (1998); *Stigall v. City of Taft*, 58 Cal. 2d 565, 25 Cal. Rptr. 441 (1962); *City Council v. McKinley*, 80 Cal. App. 3d 204, 212, 145 Cal. Rptr. 461 (1978). *But see* 66 Cal. Op. Att'y Gen. 156 (1988); 63 Cal. Op. Att'y Gen. 868 (1980); 63 Cal. Op. Att'y Gen. 19 (1980). The Attorney

General has opined that although a city council's approval of the renewal, sale, assignment, or transfer of cable television franchise held by a city council member constitutes the making of a contract, the contract might not be prohibited if the rule of necessity could be applied under a particular set of circumstances. *See* 76 Cal. Op. Att'y Gen. 118 (1993); 88 Cal. Op. Att'y Gen. 106 (2005).

(E) **Financial Interest.** The financial interest of the public official may be both a direct and indirect interest. *See* *People v. Deysher*, 2 Cal. 2d 141, 146, 40 P.2d 259 (1934) (a "devious and winding chain" of indirect interests); *Thomson v. Call*, 38 Cal. 3d 633, 214 Cal. Rptr. 139 (1985) (a complex multiparty transaction); *People v. Honig*, 48 Cal. App. 4th 289, 55 Cal. Rptr. 2d 555 (1996) (interest need not be direct or material); *Fraser Yamor Agency, Inc. v. County of Del Norte*, 68 Cal. App. 3d 201, 137 Cal. Rptr. 118 (1977) (shareholder insulated from contract payments); *People v. Vallerga*, 67 Cal. App. 3d 847, 136 Cal. Rptr. 429 (1977) (contingent payment); *People v. Sobel*, 40 Cal. App. 3d 1046, 115 Cal. Rptr. 532 (1974) (primary shareholder in contracting party); *People v. Watson*, 15 Cal. App. 3d 28, 92 Cal. Rptr. 860 (1971) (debtor creditor relationship); *Neilsen v. Richards*, 75 Cal. App. 680, 243 Cal. Rptr. 697 (1928) (spousal property); 69 Cal. Op. Att'y Gen. 255 (1986) (spousal property); 66 Cal. Op. Att'y Gen. 376 (1983) (public officers to receive commissions); 58 Cal. Op. Att'y Gen. 670 (1975) (public official is employee of contract provider); 86 Cal. Op. Att'y Gen. 133 (2003) (council member's law firm providing pro bono services to the city). Also, the Attorney General has indicated that there is no "reach back" provision as provided in the Political Reform Act. 86 Cal. Op. Att'y Gen. 187 (2003).

(F) **"Remote Interest" and "Non-interests" Exception.** "Remote" interests in a contract do not create a conflict if the officer or employee publicly discloses his or her financial interest, abstains from influencing or attempting to influence any member of the body in the making of the contract, the interest is noted in the body's official records, and the legislative body authorizes the contract in good faith by a sufficient vote without counting the vote of the party with the remote interest. *See* Cal. Gov't Code § 1091. That section contains a long list of remote financial interests. The provisions of Cal. Gov't Code §§ 1091.1, 1091.2 and 1091.5 list circumstances which are considered "non-interests" and therefore not subject to the prohibition of Cal. Gov't Code § 1090.

(G) **Existing Contracts.** The provisions of Cal. Gov't Code § 1090 are not violated if a public official has an interest in a contract which has been entered into before the official assumes office. The contract may continue in force until its expiration. It may not, however, be amended, extended or renegotiated. It is not clear whether it may be assigned, if such assignment requires the consent of the legislative body. *See* *City of Imperial Beach v. Bailey*, 103 Cal. App. 3d 191, 162 Cal. Rptr. 663 (1980); 76 Cal. Op. Att'y Gen. 118 (1993).

(H) **Enforcement.** When a public official has violated Cal. Gov't Code § 1090, several serious penalties may be imposed. *See* Cal. Gov't Code § 1097. The maximum penalty for a willful violation is a felony conviction with a maximum fine of \$1,000 or imprisonment in the state prison and the official is "forever disqualified from holding any office in this state." Also, a contract made in violation of Cal. Gov't Code § 1090 is void and payment prohibited. Cal. Gov't Code §§ 1092, 1095; *Thompson v. Call*, 38 Cal. 3d 633, 214 Cal. Rptr. 139 (1985), *cert. denied*, 474 U.S. 1057, 106 S. Ct. 796, 88 L. Ed. 2d 773 (1986). A violation of Cal. Gov't Code § 1090 is subject to a three year

statute of limitations which is tolled until the crime is discovered. *See* Cal. Penal Code §§ 801, 803(c). However, a longer statute of limitations may apply with regard to enforcement of the contract. *See Marin Healthcare District v. Sutter Health*, 103 Cal. App. 4th 861, 127 Cal. Rptr. 2d 113 (2002). The courts interpret “discovery” to require reasonable diligence by persons or agencies with legal duty to report and investigate crimes. *See People v. Zamora*, 18 Cal. 3d 538, 572, 134 Cal. Rptr. 784 (1976); *People v. Honig*, 48 Cal. App. 4th 289, 55 Cal. Rptr. 2d 555 (1996); *People v. Swinney*, 46 Cal. App. 3d 332, 340-44, 120 Cal. Rptr. 148 (1976); *People v. Kroneyer*, 189 Cal. App. 3d 314, 340, 234 Cal. Rptr. 442 (1987). *See also Chapman v. Superior Court*, 130 Cal. App. 4th 261, 29 Cal. Rptr. 3d 852 (2005) (official convicted of violation of Cal. Gov’t Code § 1090 may not maintain a legal malpractice action against government attorney).

**Practice Tips:** No city employee, including the city attorney, should participate on behalf of the city, in making that employee’s own contract with the city. If the city requires legal advice on the city attorney’s contract, the city attorney cannot provide it. As to contract city attorneys, *see* 2 Cal. Code Regs. § 18700(d)(3), the FPPC’s McEwen Advice Letter No. I 92 481, the Eckis Advice Letter No. A 93 270, *Campagna v. City of Sanger*, 42 Cal. App. 4th 533, 49 Cal. Rptr. 2d 676 (1996) and *People v. Gnass*, 101 Cal. App. 4th 1271, 125 Cal. Rptr. 2d 225 (2002). These authorities consider the application of the PRA to a contract city attorney participating in the making of his or her contract with the city and participation in city decisions which could affect the amount of fees paid to that contract attorney.

#### § 2.3.10 COMMON LAW DOCTRINE AGAINST CONFLICTS OF INTEREST.

(A) **General Principles.** The common law doctrine against conflicts of interest is the judicial expression of the public policy against public officials using their official positions for private benefit. *See Terry v. Bender*, 143 Cal. App. 2d 198, 206, 300 P.2d 119 (1956). This doctrine has been primarily applied to require a public official to abstain from participation in cases where the public official’s private financial interest may conflict with his or her official duties. *See* 64 Cal. Op. Att’y Gen. 795, 797 (1981). By virtue of holding public office, an elected official is impliedly bound to exercise the powers conferred on him or her with disinterested skill, zeal, and diligence and primarily for the benefit of the public. *See Noble v. City of Palo Alto*, 89 Cal. App. 47, 51, 264 P. 529 (1928). An elected official bears a fiduciary duty to exercise the powers of office for the benefit of the public and is not permitted to use those powers for the benefit of private interest. *See Nussbaum v. Weeks*, 214 Cal. App. 3d 1598, 1597-98, 263 Cal. Rptr. 360 (1989). Violation of the common law duty to avoid conflicts of interest can constitute official misconduct and result in a loss of office. *See id.*; Cal. Gov’t Code §§ 3060 *et seq.*

(B) **Continuing Existence.** The Common Law Doctrine survived the enactment of the Political Reform Act in 1974. *See Clark v. City of Hermosa Beach*, 48 Cal. App. 4th 1152, 1171, 56 Cal. Rptr. 2d 223 (1996). However, a more recent court decision indicates a reluctance to find a violation of the common law doctrine against conflicts of interest when statutory conflict of interest laws are not violated. *See BreakZone Billiards v. City of Torrance*, 81 Cal. App. 4th 1205, 1233, 97 Cal. Rptr. 2d 467 (2000).



**California Special  
Districts Association**  
*Districts Stronger Together*

March 6, 2017

The Honorable Pedro Nava  
Little Hoover Commission  
925 L Street, Suite 805  
Sacramento, CA 95814

**RE: February 23 Business Meeting of the Little Hoover Commission**

Chair Nava:

This letter is intended to follow-up on a number of questions raised by Commissioners during the February 23, 2017 Business Meeting of the Little Hoover Commission (Commission), specifically during the discussion regarding the Commission's draft report on special districts.

The California Special Districts Association (CSDA) would be remiss if we did not recognize that over the course of the three hearings and multiple business meetings since August of 2016, we have been impressed by the communication, outreach, and perspective your staff has brought to the review process. Similarly, we appreciate the leadership you have demonstrated as Chair of the Commission. Your good humor, balanced treatment of witnesses, and search for evidenced-based information is refreshing and most welcomed.

However, CSDA must confess concern over some of the arguments put forth during the February 23 meeting. Our concern is not because special districts were challenged, or the "status quo" upset. We have welcomed the opportunity to discuss such challenges over these past seven months. Rather, our concern is that some of the rhetoric exercised at the meeting was ill-informed.

Our goal throughout the Commission's review has been to serve as a resource and to promote an accurate and thoughtful understanding of special districts and the services they provide. It is with this purpose that we share the following information in response to comments expressed during the Commission's February 23 business meeting.

**The "Right" Number of Special Districts**

*One Commissioner commented that 4,700 special districts in California is too many. Other Commissioners seemed to sympathize with this sentiment in previous business meetings.*

We must ask, what is the "right" number for any local government? Are 58 counties the right number? Or, 482 cities? Or, 1,022 school districts? What if we were to offer to the Commission that we could *cut* the number of special districts by more than half? Would that address the concern?

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The fact is we *can* reduce the 4,700 number by more than 50 percent immediately. Pages 3-4 of our August 8, 2016 written testimony submitted to the Commission detail that there are actually less than 2,200 independent special districts in California. The 4,700 number that Commissioner Scott Barnett cited is taken from the State Controller's report, which includes non-profit corporations, dependent special districts, and joint powers authorities.

Regardless of the numbers, as our written testimony details, the discussion should focus on the *quality* rather than the quantity. *Fewer* local governments does not necessarily equal *better* local government. Similarly, consolidating into *bigger* governments does not always result in *better* government.

#### **Special Districts Are Methodically Consolidating Where Appropriate**

*One Commissioner inquired why it seemed as though special districts in California were "exploding" in number.*

The fact is we can address this concern immediately. Page 4 of our written testimony notes that Census data from the 2012 Census of Governments indicates that the number of special districts in California has declined by five percent since its peak in 1997, while the number nationwide continued to grow by 10 percent during that same period. Far from "exploding", the number of special districts in California has actually bucked the nationwide trend and is gradually declining. This is particularly impressive given the population in California, and presumably the demand for services, has *increased* by 20.8 percent since 1997. There are now fewer special districts serving substantially more residents.

Why might the number of special districts in California have declined since 1997? We hypothesize that much of it has to do with the updates to LAFCO law (known as "Cortese-Knox-Hertzberg") in 2000. This update empowered LAFCOs with new tools that has led to consolidations and other reorganizations where appropriate.

Some might say that a five percent reduction over 20 years is too slow. However, it is important to consider that we are dealing with local services for thousands of unique communities. These are complex issues that involve public infrastructure, debts, liabilities (including pension obligations), taxes, fees, property (including water) rights, employee rights, and voter rights. And, when it comes to water, sewer, fire protection, and other essential services in California, a methodical approach is the right approach.

#### **RDA Dissolutions and Oversight Boards as Examples**

*One Commissioner referred to redevelopment (RDA) dissolutions and RDA oversight boards as a potential example for dealing with special districts.*

While the RDA experience is a great example for several things, it is not an example of a good approach for special districts. Just a few lessons from the RDAs:

- **Bonds, Junk Bonds**

As outlined in the report, "The 2012-13 Budget: Unwinding Redevelopment" by the Legislative Analyst's Office (LAO), the mere *proposal* to dissolve RDAs in January 2011 created enough uncertainty in the RDA bond market to *double* interest rates. According to the LAO,

“Specifically, about two-thirds of the bond issuances in 2011 had interest rates greater than seven percent—compared with less than one-quarter of bond issuances in 2010. In fact, RDAs issued more tax allocation bonds with interest rates exceeding eight percent during the first six months of 2011 than they had in the previous ten years.”

- **Law Lawsuit Land**

Forced dissolution is a recipe for litigation. According to a 2015 League of California Cities analysis, there have been 204 lawsuits filed in the wake of RDA dissolution. At a 2014 Assembly Budget Committee oversight hearing, the Department of Finance noted that tentative rulings in just a handful of these lawsuits could potentially affect up to \$3.4 billion. Given the greater amount of complexity and vast infrastructure holdings involved with special districts, these numbers would likely just scratch the surface.

- **Now You See Me, Now You Don't**

As significant as some RDA's may have been with regard to financing economic development and affordable housing activities, they were essentially financing mechanisms. They did not directly employ a skilled workforce beyond some managerial duties and they were not responsible for delivering the daily essential services of residents. Average Californians probably didn't even notice that 400 RDAs went away overnight. That would not be the case if people woke up and their neighborhood recreation and park district went away, let alone their water, wastewater, or fire protection district.

- **I Say Soda, You Say Pop**

RDA dissolution law established over 400 RDA oversight boards, one for each former RDA. These boards look a lot like Local Agency Formation Commissions (LAFCOs). They each have a special district member, city member, county member, and public member. In July 2018 they will look even more like LAFCOs when they consolidate into one RDA oversight board per county. The suggestion that something like an RDA oversight board would provide the right solution, essentially supports the existing LAFCO model.

**“Death Sentence” Is a Fitting Name for a Dangerous Proposal**

*One Commissioner dubbed the idea of a ten-year sunset for all special districts a “death sentence” and suggested the Commission, “start on the extreme end” and “do something more radical.”*

A ten-year sunset for special districts would be an extremely radical and costly approach that could very well result in a literal death sentence for residents in some communities. Special districts are responsible for essential services and public infrastructure for millions of people throughout California. Premature, poorly executed, or poorly conceived dissolutions would have very real and very serious implications for both life and property.

An extremely radical approach that could disrupt special district services would be dangerous, and is the last thing our communities need right now. Residents create, fund, and oversee special districts to address a need that isn't otherwise being met. Districts are formed when it's something the community wants; wants it done well; and wants it done with local control and flexibility.

### **Special Districts Are Diverse in their Nature**

*One Commissioner noted that we cannot look at all special districts the same.*

CSDA could not agree more. Special districts are uniquely formed by diverse communities to address specialized needs. They come in all shapes and sizes and confront myriad challenges with vastly different levels of resources. It is impossible to productively take a one-size-fits-all approach to local government, and it is both counterintuitive and hazardous to consider a top-down approach to local government.

### **Flip-Side is Community Engagement**

*One Commissioner acknowledged that special districts offer the opportunity for increased levels of community engagement.*

Special districts offer an avenue for residents to take a proactive approach to civic engagement. The politics and fundraising required to successfully win election to a federal, state, and sometimes even county or city office is an insurmountable barrier to most citizens. Many residents even feel as though their votes do not "count" for these elections, and that access is limited to the politically connected.

Agendas and hearings for some large, centralized governments, including many general purpose governments can be long (those who have attended can attest), and the amount of time spent on certain specific local issues can sometimes be insignificant or non-existent due to time constraints. Such issues may be relegated to unaccountable "advisory bodies" or civil servants. Constituents may need to travel hours to participate, may never attain an audience with their elected representative, and may struggle to navigate a large and daunting bureaucracy. Special districts may come with their own set of challenges, but it is important to note the trade-offs involved.

### **We All Want a Local Approach**

*One Commissioner stated that, ultimately, we want a local approach.*

Again, CSDA could not agree more. Many disenfranchised voters find nothing worse than somebody from up in Sacramento or D.C. coming to their community and saying, "we are from the government, and we are here to help."

CSDA is not "anti-consolidation" nor are we "pro-consolidation". We are pro-community and pro-quality, local, service. When it comes to consolidation, CSDA supports a local LAFCO process that meets the following criteria:

1. Facilitates an open and public local process.
2. Includes the input and participation of all affected parties.
3. Conducts an objective analysis.
4. Gives the residents who receive and pay for the services the final say.

### **Let's Make Sure We Are Fixing a Problem That Actually Exists**

*One Commissioner cautioned to make sure we are fixing a problem that actually exists.*

This is an important question. What is the problem the Commission is trying to address? CSDA has been engaged on these issues from the moment we were contacted about the Commission's

review, and we have participated in each of the three public hearings occurring since August 2016. Dozens of special district officials have sacrificed days' worth of their time and committed personal and public resources to travel to Sacramento and participate in these hearings. We have been forthcoming and responsive, and we have provided hundreds of pages of documentation and background.

Nonetheless, at the February 23 meeting, a Commissioner, who did not attend a single one of these three hearings, raised questions that were previously addressed in detail during both written and oral testimony.

In light of this diversion from an otherwise productive and healthy review by the Commission, we simply ask that the Commission respect the time and resources of our membership. We have repeatedly stated and demonstrated throughout this process that we want to be constructive toward meeting challenges related to special districts and the communities they serve. But, doing so requires we all take the time, as you and your staff have done, to come together in the same room to focus on the facts.

As we stated in our first written correspondence on August 8, 2016:

*"Across our state, nation, and world, all levels of government face what seems to be growing levels of scrutiny. CSDA is striving to take a proactive approach to this issue, which this written testimony will speak to."*

These words are all the more poignant given the discourse that has occurred in our nation in the months since it was first submitted. We don't think that anybody on the Commission or within the special districts community is looking to further erode the public's trust in its government. We seek your help to work constructively with the Commission so that together we can help special districts be as successful as possible in serving their communities.

We have attached our previously provided written testimony for the Commission's reference, and look forward to participating in the upcoming fourth hearing planned for this fall. Your willingness to speak to our members at CSDA's legislative conference in Sacramento on May 17 is greatly appreciated. It is a demonstration of our mutual commitment to constructive dialogue. Our membership thanks you in advance for your willingness to share your time and experience.

Sincerely,

  
Neil McCormick  
Chief Executive Officer

  
Kyle Packham  
Advocacy and Public Affairs Director





## **LITTLE HOOVER COMMISSION REVIEW OF SPECIAL DISTRICTS**

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On February 23, the Little Hoover Commission discussed a draft staff report regarding its ongoing review of special districts. Prior to this discussion, the Commission conducted three public hearings as a follow-up to its May 2000 report entitled "Special Districts: Relics of the Past or Resources for the Future." The Commission tabled the draft report and is expected to hold a fourth hearing before finalizing the report sometime in late 2017 or early 2018.

### **Who is the Little Hoover Commission?**

Created in 1962, the Commission is an independent state oversight agency. The Commission's mission is to investigate state government operations and – through reports, recommendations and legislative proposals – promote efficiency, economy, and improved service. Its bipartisan board is composed of five citizen members appointed by the Governor, four citizen members appointed by the Legislature, two State Senators and two State Assembly Members.

### **What Did the 2000 Commission Report Say?**

While the title of the 2000 Commission report spoke for itself, it included five findings, each with several recommendations. By and large the findings were critical of special districts:

1. *Oversight and Accountability*—Special districts are often invisible to the public and policy-makers, compromising oversight and accountability.
2. *LAFCO*—Local Agency Formation Commissions, by not aggressively scrutinizing the organization of special districts, have failed to promote the efficient and effective evolution of independent special districts.
3. *Consolidation*—Policy-makers and community leaders lack the analytical tools necessary to assess the benefits of consolidation, impeding their ability to advocate effectively for change and overcome the tenacity of the status quo.
4. *Reserves*—Hundreds of independent special districts have banked multi-million dollar reserves that are not well publicized and often not considered in regional or statewide infrastructure planning.
5. *Property Tax*—Property tax allocations to some enterprise districts create inequities among districts and distort the true costs of service. A significant portion of the property tax allocated to all enterprise districts subsidizes districts with the highest reserves.

### **How Have Special Districts Responded?**

CSDA strongly disagreed with the majority of findings in the 2000 Commission report. Nonetheless, we took the issues seriously and worked with our members and other stakeholders to address the perceptions surrounding special districts.

Among the many initiatives undertaken, CSDA brought together financial experts to develop the Special District Reserve Guidelines, which were updated in 2012 with a second edition. CSDA also partnered in the establishment of the Special District Leadership Foundation. The non-profit, 501c3 foundation has trained hundreds of special district board members and staff and raised the bar for special district governance through its District of Distinction and District Transparency Certificate of Excellence programs.

In addition to these internal efforts, the California State Legislature has passed numerous new laws related to the governance of special districts and other local agencies. New state laws include a complete overhaul of the Cortese-Knox-Hertzberg Act, which governs Local Agency Formation Commissions, as well as the dozens of transparency and accountability measures that followed the City of Bell scandal.



Today, special districts must undergo regular independent audits and municipal service reviews, as well as complete annual compensation and financial transaction reports. They must link the compensation reports to their websites along with meeting agendas and other information. This is in addition to abiding by the Brown Act, Public Records Act, and other mandates related to district operations and procedures.

With the support of its members and partners, CSDA prepared an extensive written response and delivered the lead testimony during the Commission's August 25, 2016 hearing in Sacramento. This testimony, which is available via the Commission's YouTube page, overviewed the value of special districts and the proactive efforts taken toward providing communities efficient and effective local services and infrastructure.

Following its August hearing, the Commission chose to focus its October hearing on special district climate change adaptation efforts. The Commission previously studied state government strategies for climate change adaptation in its July 2014 report, Governing California Through Climate Change. The written and video testimonies from both hearings are available at [www.lhc.ca.gov](http://www.lhc.ca.gov).

### **What are the Next Steps?**

While the Commission's draft staff report was not publicly released, it was clear from discussion at the February 23 business meeting that the report focused on the areas of state oversight, climate adaptation, and healthcare districts. One Commissioner expressed that the report may need to take a more "radical" approach, and proposed adding to the report a ten-year sunset date for special districts. He referred to his proposal as a special district "death sentence."

Ultimately, the Commission tabled the draft report and requested a fourth public hearing to address remaining concerns and questions by some of the Commissioners. CSDA responded to the February 23 meeting discussion with a March 6 letter to the Commission and a March 7 meeting with the Commission Chair, Vice-Chair, and Executive Director.

On March 30, Commission staff provided Commissioners with supplemental information, including CSDA's March 6 letter, and requested feedback as to the remaining concerns and questions the proposed fourth hearing on special districts should address. Based on this feedback, the Commission hopes to determine by the end of April the focus and the date of the fourth hearing.

### **What Should Special District Leaders Be Doing Right Now?**

Though much has been done since the 2000 Commission report, the job of special district leaders to continually improve the performance and perception of districts is not complete. Special districts are stronger together. Join with CSDA, and together we will make a difference:

1. *Commissioner Outreach*—If you, or someone you know, has a relationship with one of the Commissioners, please e-mail [kylep@csda.net](mailto:kylep@csda.net).
2. *Witness Identification*—If you know a member of your community, such as a leader with a non-profit, business, labor, county, or city, who would be willing to serve as a supportive witness as to the value and benefit of special districts, please e-mail [kylep@csda.net](mailto:kylep@csda.net).
3. *Promotion of Public Awareness and Understanding*—People fear what they do not know, and if we do not tell our story, others will do so for us. Visit [www.DistrictsMakeTheDifference.org](http://www.DistrictsMakeTheDifference.org) today to learn how you can join our public outreach campaign.
4. *Special Districts Legislative Days*—Come together in Sacramento with over 200 special district leaders to hear from Little Hoover Commission Chair Pedro Nava and educate Capitol offices about special districts. Register for the May 16-17 event at [legislatedays.csda.net](http://legislatedays.csda.net).

# Engineering

**CHANGE ORDER**PROJECT: Humboldt Bay Municipal Water District  
Collector 1&1A Rehabilitation ProjectChange Order No.: 11  
Date: 03/27/17  
Page No.: 1 of 1

CONTRACTOR: Layne Christensen Company

## DESCRIPTION OF CHANGE:

Under this Change Order, the contract completion date will be extended to June 1, 2017. The project is substantially complete; however, the percolation pond area still needs to be regraded. Due to the wet weather, this work has not been able to occur. This contract extension will allow time for the wet season to end, for the pond area to dry out, and for the regrading work to be completed.

| Adjustment of contract sum        |                | Adjustment of contract completion dates           |               |
|-----------------------------------|----------------|---------------------------------------------------|---------------|
| Original Contract Sum             | \$2,024,500.00 | Original Contract Completion Date                 | Oct. 07, 2016 |
| Prior Adjustments                 | (\$51,371.00)  | Prior Adjustments in Calendar Days                | 175           |
| Contract Sum Prior to this Change | \$1,973,129.00 | Adjustment in Calendar Days for this Change Order | 62            |
| Adjustment for this Change        | \$0            | Revised Contract Completion Date                  | June 1, 2017  |
| Revised Contract Sum              | \$1,973,129.00 |                                                   |               |

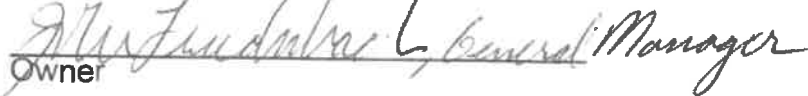
**NOTE:** CONTRACTOR WAIVES ANY CLAIM FOR FURTHER ADJUSTMENTS FOR THE CONTRACT SUM RELATED TO THE ABOVE-DESCRIBED CHANGE IN THE WORK.

RECOMMENDED BY:

  
\_\_\_\_\_  
Engineer

DATE: 03/27/2017

APPROVED BY:

  
\_\_\_\_\_  
Owner

DATE: 3/30/17

ACCEPTED BY:

  
\_\_\_\_\_  
Contractor

DATE: 3/28/17



April 3, 2017

Nancy Ward  
Governor's Authorized Representative  
California Governor's Office of Emergency Services  
3650 Schriever Avenue  
Mather, CA 95655

Reference: Phase Two Approval, HMGP #1911-09-09R  
Humboldt Bay Municipal Water District, FIPS Code #023-91000  
Blue Lake / Fieldbrook Supply Water Pipeline  
Supplement #24

Dear Ms. Ward:

We have approved and issued Phase Two funding for the above-referenced Hazard Mitigation Grant Program (HMGP) project for the Humboldt Bay Municipal Water District (Subgrantee).

In our April 2, 2014, Phase One letter, we approved a total cost of \$220,000, and obligated a Federal share of \$165,000 for information necessary to complete our programmatic review, and environmental planning and historic preservation (EHP) compliance with the National Environmental Policy Act (NEPA). Subsequently, on January 12, 2015, we approved additional Phase One funding as requested.

Upon completion of our review of the subapplication and Phase One documentation submittals, we have determined the project is eligible for Phase Two funding. As shown in the enclosed Supplement #24 Obligation Report, we deducted the previous Phase One costs, and approve a total cost of \$3,337,876 for the Phase Two; the 75 percent Federal share obligated is \$2,503,408. These funds are now available in Smartlink. The following table provides a summary of the approved funding:

|                                  | Project Cost       | 75% Federal Share  | 25% Local Match  |
|----------------------------------|--------------------|--------------------|------------------|
| Phase One, Supplement #9         | \$220,000          | \$165,000          | \$55,000         |
| Phase One, Supplement #16        | \$ 15,124          | \$ 11,342          | \$ 3,781         |
| <b>Phase Two, Supplement #24</b> | <b>\$3,337,876</b> | <b>\$2,503,408</b> | <b>\$834,469</b> |
| Total Project Cost               | \$3,573,000        | \$2,679,750        | \$893,250*       |

\*  
\$ 700,000 Prop 84 Grant

Our decision is subject to the following:

1. **Existing Risk** - A wood trestle railroad bridge spanning the Mad River, in Humboldt County supports a 14-inch iron water supply pipeline which provides domestic water for the communities of Blue Lake and Fieldbrook-Glendale. The bridge is near the end of its functional life and found to be structurally substandard in 2007. A bridge failure would damage the pipeline, and result in the loss of water service to the communities.

2. **Scope of Work (SOW)** – Initially, the subgrantee proposed a new suspension bridge and pipeline next to the existing bridge/pipeline; however, FEMA eventually approved a Phase One to consider an alternative SOW – utilize horizontal directional drilling (HDD), and install the new pipeline under the river. The subgrantee requested a SOW modification for the preferred alternative because of reduced maintenance costs, fewer environmental impacts, and no visual impact.

The SOW starts with a drill pit for the bore operation, on each side of the Mad River. The trenchless bore length is 1,125 feet at an angle to the river and at an arc 20-feet, minimum clearance, below the river channel. The new 14-inch (18-inch outside diameter) pipe material is High Density Polyethylene (HDPE). The pipe sections will be assembled at the east bank, pulled through the bore toward the west, and connected to the existing water mains, including isolation valves.

3. **Project Activity Completion Date** – HMGP #1911-9-9R is the last subgrant in the disaster.

HMGP subgrants are to be completed within the grant Period of Performance (POP). The POP for 1911-DR-CA, according to the *April 2011, State Administrative Plan*, is **May 7, 2018** (eight years after the disaster declaration date or 180 days after the last subgrant is closed, whichever is sooner). Please advise the Subgrantee that Federal funds may be de-obligated for work that is not completed by **May 7, 2018**, and for which no time extension is approved.

FEMA shall extend the grant POP 180 days if Cal OES submits a request at least 60 days before the end of the POP, justification is included, and work in progress is demonstrated.

4. **Programmatic Environmental Assessment** – In accordance with *44 CFR, Part 10*, and in compliance with NEPA, FEMA authorized a Programmatic Environmental Assessment, and our Environmental Officer issued a Finding of No Significant Impact (FONSI) for this SOW. Please advise the Subgrantee that special conditions exist during construction; a copy of the Record of Environmental Consideration (REC) is enclosed as a reference. Noncompliance with the conditions will place the project in jeopardy of a termination.
5. **Benefit-Cost Analysis (BCA)** - The SOW is cost effective, with a 1.03 benefit-cost ratio.
6. **Budget Changes** - A budget change that leads to a need for additional funds requires FEMA's prior written approval. FEMA shall be notified before implementation, and the SOW must continue to meet programmatic eligibility requirements, including cost share. A new BCA may be required.
7. **Local Hazard Mitigation Plan** – Local governments must have an adopted and approved hazard mitigation plan to receive HMGP funds. The *Humboldt County Operational Area Hazard Mitigation Plan* was approved On March 20, 2014; the Subgrantee is a participating jurisdiction which adopted the plan is in compliance.

April 3, 2017  
Page 3

8. This subaward is subject to the enclosed *Standard Hazard Mitigation Grant Program Conditions*. Federal funds may be de-obligated for work that does not comply with these conditions.
9. The *April 2011, State Administrative Plan* takes precedence for management and administrative responsibilities and procedures; however, Cal OES and the Subgrantee may also reference the *June 1, 2010, Hazard Mitigation Assistance Unified Guidance* for additional issues and concerns.

If you have any questions or need further assistance please contact me, or your staff may contact Clayton Pang, HMA Specialist, at [clayton.pang@fema.dhs.gov](mailto:clayton.pang@fema.dhs.gov).

Sincerely,



Jeffrey D. Lusk  
Director  
Mitigation Division  
FEMA Region IX

cc: Jennifer L. Hogan, Cal OES  
Robin Shepard, Cal OES  
Monica Saputra, Cal OES

Enclosures (4):

Supplement #24 Obligation Report  
Project Management Report  
Record of Environmental Consideration (REC)  
Standard HMGP Conditions

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

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

1. **Applicable Federal, State and Local Laws and Regulations.** The grantee and subgrantee must comply with all applicable Federal, State and Local laws and regulations, regardless of whether they are specifically identified in this list or other project documents.
2. **Standards for Financial Management Systems.** Grantees and subgrantees must maintain financial management systems to account for and track grant funds, in compliance with the Code of Federal Regulations, Title 44 (44 CFR) Section 13.20.
3. **Allowable Costs.** Grant funds may only be used for allowable costs, in compliance with 44 CFR Section 13.22, and in compliance with the approved grant project scope of work and any agreements among the subgrantee, the grantee, and FEMA.
4. **Subgrantee Indirect Costs.** No indirect costs of a subgrantee are separately eligible for HMGP reimbursement, in compliance with 44 CFR Section 206.439(c)(2). Such costs are covered by the Subgrantee Administrative Cost allowance formula provided by 44 CFR Section 206.439(b)(1)(ii).
5. **Matching or Cost Sharing.** Non-federal matching or cost sharing must be in accordance with 44 CFR Section 13.24, the approved grant project scope of work, and any agreements among the subgrantee, the grantee, and FEMA.
6. **Non-Federal Audit.** The grantee and subgrantee are responsible for obtaining audits in accordance with the Single Audit Act of 1984, in compliance with 44 CFR Section 13.26.
7. **NEPA Reviews for Scope of Work Amendments.** To comply with the National Environmental Policy Act (NEPA), additions or amendments to a HMGP subgrantee statement of work (SOW) shall be reviewed by all state and federal agencies participating in the NEPA process. NEPA compliance for all SOW additions or amendments is essential before the revised SOW can be approved by FEMA or implemented by the HMGP subgrantee. Any construction activities associated with a SOW change, prior to FEMA approval, may be ineligible for reimbursement or match.
8. **Cost Overruns.** Subgrantees should be referred to the state HMGP administrative plan for project cost overrun regulations. If project costs exceed the approved federal share, the subgrantee must contact the Governor's Authorized Representative. The GAR will evaluate requests for cost overruns. Written determination of cost overrun eligibility in accordance with 44 CFR 206.438(b) shall be submitted by the GAR to the FEMA Regional Director.
9. **Real Property (Land).** If real property (land) is acquired under an HMGP grant, the use and disposition of the property shall be in compliance with 44 CFR Section 13.31 and Section 206.434(d).
10. **Equipment.** If equipment is acquired under an HMGP grant, the use and disposition of the equipment shall be in compliance with 44 CFR Section 13.32.
11. **Supplies.** If there is a residual inventory of unused supplies exceeding \$5,000 in total fair market value upon completion of the HMGP grant, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share (44 CFR Section 13.33).



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

| ID | Task Name                                                | Start        | Finish       | Duration | Predecessors     | Timeline |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
|----|----------------------------------------------------------|--------------|--------------|----------|------------------|----------|-------|-------|------|-------|-------|-------|------|-------|-------|-------|-------|-----|--|--|
|    |                                                          |              |              |          |                  | 10/15    | 10/22 | 10/29 | 11/5 | 11/12 | 11/19 | 11/26 | 12/3 | 12/10 | 12/17 | 12/24 | 12/31 | 1/7 |  |  |
| 1  | Grant Administration & Financing                         | Mon 6/3/13   | Wed 5/13/15  | 608 days |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 2  | Receipt of NCI/WMP Grant Agreement                       | Mon 6/3/13   | Mon 6/3/13   | 0 days   |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 3  | Board Approval of NCI/WMP Grant Award                    | Thu 8/13/13  | Thu 8/13/13  | 0 days   | 2                |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 4  | Receipt of FEMA Phase 1 Approval                         | Wed 4/2/14   | Wed 4/2/14   | 0 days   |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 5  | Receipt of FEMA Phase 1 for Geotech Work                 | Thu 10/1/15  | Thu 10/1/15  | 0 days   |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 6  | Phase 1 Geotech Study                                    | Thu 10/1/15  | Wed 12/9/15  | 50 days  | 5                |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 7  | Finalize Feasibility Study for Final Project Description | Thu 12/10/15 | Wed 3/2/16   | 60 days  | 6                |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 8  | FEMA Completion of NEPA                                  | Thu 3/3/16   | Wed 11/30/16 | 185 days | 7                |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 9  | Receipt of Hazard Mitigation Grant                       | Mon 4/3/17   | Mon 4/3/17   | 0 days   | 8                |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 10 | Board Approval of HMG                                    | Mon 4/3/17   | Mon 4/3/17   | 0 days   | 9                |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 11 | Grant Administration                                     | Mon 4/3/17   | Fri 8/31/18  | 370 days | 10               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 12 | Labor Compliance Monitoring                              | Mon 4/3/17   | Fri 8/31/18  | 370 days | 10               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 13 | Progress Reporting                                       | Mon 4/3/17   | Fri 8/31/18  | 370 days | 10               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 14 | Project Performance & Monitoring Plan                    | Mon 4/3/17   | Fri 4/28/17  | 20 days  | 10               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 15 | Final Report                                             | Mon 10/1/18  | Fri 10/26/18 | 20 days  | 56, 60FS-20 days |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 16 | Engineering                                              | Mon 4/3/17   | Fri 10/6/17  | 135 days |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 17 | Survey                                                   | Mon 4/3/17   | Fri 5/26/17  | 40 days  | 9                |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 18 | Geotech                                                  | Mon 6/12/17  | Fri 8/4/17   | 40 days  |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 19 | Prepare 30% Plans                                        | Mon 5/8/17   | Fri 6/16/17  | 30 days  | 17FS-15 days     |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 20 | Review of 30% Plans                                      | Mon 6/19/17  | Fri 6/30/17  | 10 days  | 19               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 21 | Phase 1 Geotech, Survey & 30% Plans due                  | Fri 6/30/17  | Fri 6/30/17  | 0 days   | 20               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 22 | Prepare 90% Plans, Specs, Cost Estimate                  | Mon 7/3/17   | Fri 8/25/17  | 40 days  | 20               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 23 | Review of 90% Plans                                      | Mon 8/28/17  | Fri 9/8/17   | 10 days  | 22               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 24 | Final Plans, Specs, Contract Documents                   | Mon 9/1/17   | Fri 10/6/17  | 20 days  | 23               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 25 | Submit Final Plan, Specs, Contract Documents             | Fri 10/6/17  | Fri 10/6/17  | 0 days   | 24               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 26 | Environmental Permitting                                 | Wed 4/2/14   | Fri 9/22/17  | 908 days |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 27 | Cultural Resource Survey                                 | Wed 4/2/14   | Tue 6/24/14  | 60 days  | 4                |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 28 | Special Studies                                          | Wed 4/2/14   | Tue 8/24/14  | 60 days  | 4                |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 29 | Phase 1-CEQA Special Studies due date                    | Tue 9/2/14   | Tue 9/2/14   | 0 days   |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 30 | Prepare CEQA Document                                    | Mon 4/3/17   | Fri 5/26/17  | 40 days  | 9                |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 31 | Submit Draft CEQA Document for District Review           | Fri 5/26/17  | Fri 5/26/17  | 0 days   | 30               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 32 | District Review                                          | Mon 5/29/17  | Fri 6/16/17  | 15 days  | 31               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 33 | Submit CEQA Document for Public & Agency Review          | Mon 8/19/17  | Fri 7/14/17  | 20 days  | 32               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 34 | Address Public Comments                                  | Mon 7/17/17  | Fri 8/11/17  | 20 days  | 33               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 35 | Certify CEQA Document                                    | Fri 8/11/17  | Fri 8/11/17  | 0 days   | 34               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 36 | Submit CEQA docs                                         | Fri 8/11/17  | Fri 8/11/17  | 0 days   | 35               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 37 | Prepare 1600 Permit if Required                          | Mon 7/3/17   | Fri 7/28/17  | 20 days  | 20               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 38 | Prepare 404 Permit if Required                           | Mon 7/3/17   | Fri 9/22/17  | 60 days  | 20               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 39 | Prepare 401 Permit if Required                           | Mon 7/3/17   | Fri 9/22/17  | 60 days  | 20               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 40 | Bidding Process                                          | Mon 10/9/17  | Fri 12/1/17  | 40 days  |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 41 | Release for Bid                                          | Mon 10/9/17  | Fri 11/3/17  | 20 days  | 25               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 42 | Bid Review                                               | Mon 11/19/17 | Fri 11/10/17 | 5 days   | 41               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 43 | Board Approval of Contract Award                         | Fri 11/10/17 | Fri 11/10/17 | 0 days   | 42               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 44 | Bid Award & Contracting                                  | Mon 11/13/17 | Fri 12/1/17  | 15 days  | 43               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 45 | Construction                                             | Mon 12/4/17  | Fri 7/13/18  | 160 days |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 46 | Contractor Mobilization                                  | Mon 12/4/17  | Fri 12/29/17 | 20 days  | 44               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 47 | Site Clearing                                            | Mon 1/1/18   | Fri 1/19/18  | 15 days  | 46               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 48 | Set foundations                                          | Mon 1/22/18  | Fri 2/16/18  | 20 days  | 47               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 49 | Construct bridge work                                    | Mon 2/19/18  | Fri 4/13/18  | 40 days  | 48               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 50 | Set pipe                                                 | Mon 4/18/18  | Fri 5/11/18  | 20 days  | 49               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 51 | Test & Disinfection                                      | Mon 5/14/18  | Fri 5/25/18  | 10 days  | 50               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 52 | Revegetation                                             | Mon 5/28/18  | Fri 8/22/18  | 20 days  | 51               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 53 | Demobilization                                           | Mon 6/25/18  | Fri 7/13/18  | 15 days  | 52               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 54 | Construction Monitoring                                  | Mon 12/4/17  | Fri 8/10/18  | 160 days |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 55 | Construction Monitoring                                  | Mon 12/4/17  | Fri 7/13/18  | 160 days | 46FS-20 days     |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 56 | Prepare Project Construction Summary Report              | Mon 7/16/18  | Fri 8/10/18  | 20 days  | 55               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 57 | Project Closeout                                         | Mon 8/13/18  | Fri 10/26/18 | 85 days  |                  |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 58 | Prepare Project Report                                   | Mon 8/13/18  | Fri 9/7/18   | 20 days  | 56               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 59 | Submit Draft Project Report                              | Mon 9/10/18  | Fri 9/28/18  | 15 days  | 58               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 60 | Final Project Report Preparation                         | Mon 10/1/18  | Fri 10/26/18 | 20 days  | 59               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |
| 61 | Submit Final Report                                      | Fri 10/26/18 | Fri 10/26/18 | 0 days   | 60               |          |       |       |      |       |       |       |      |       |       |       |       |     |  |  |



SECTION U1c PAGE NO. 1












|                                                                                                                |                                                          |                         |
|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------|
| <b>Lindberg Geologic Consulting</b><br>Post Office Box 306, Cullen, CA 95534<br>Telephone / Fax (707) 442-6000 | Engineering-Geologic Assessment                          | Figure 2                |
|                                                                                                                | Slope Stability Monitoring, R. W. Matthews Dam, Ruth, CA | Date: June 30, 2015     |
|                                                                                                                | Humboldt Bay Municipal Water District, Client            | Project Number: 0111.00 |
|                                                                                                                | Site Plan Aerial Image. Scale: 1 Inch = 400 feet         | Client:                 |



Base Map from Ruth Lake, CA USGS Digital Orthophoto 7.5' Topographic Quadrangle Map, 2015.

-  "Active Landslide" with fresh un-revegetated Scarps form February 1998
-  "Older Landslides" with subtle, degraded and revegetated scarps. Ages estimated to be decades older than 1998
-  Eroded Gully from concentrated Forest Road runoff.





Financial

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

| Account Fund Balance at Month End                                                                   |   | AT 3-31-17             | AT 3-31-16             | Increase/(Decrease)    |
|-----------------------------------------------------------------------------------------------------|---|------------------------|------------------------|------------------------|
| <b>U.S. BANK ACCOUNTS</b>                                                                           |   |                        |                        |                        |
| - Commercial Account - General Fund Account                                                         |   | 491,648.41             | 195,983.67             |                        |
| - Money Market Account (DWR Contract for SRF Loan)                                                  | ① | 297,789.21             | 296,730.66             |                        |
| - Certificate of Deposit (DWR Contract for SRF Reserve)                                             | ② | 547,336.94             | 547,542.96             |                        |
| Subtotal                                                                                            |   | <u>1,336,774.56</u>    | <u>1,040,257.29</u>    | 296,517.27             |
| <b>HUMBOLDT COUNTY:</b>                                                                             |   |                        |                        |                        |
| - Investment Account                                                                                |   | 2,537,689.45           | 3,160,623.19           |                        |
| - DWFP Reserve (in accordance with Ordinance 16)                                                    | ④ | 470,888.14             | 465,257.94             |                        |
| - MSRA Reserve (Municipal Supplemental Reserve Account)                                             | ⑤ | 421,711.47             | 416,442.88             |                        |
| - SRF Loan Payment                                                                                  | ⑥ | 48,684.81              | 47,997.50              |                        |
| - A/B Bond Tax Account                                                                              |   | 0.00                   | 0.00                   |                        |
| - 1% Tax Account                                                                                    | ③ | 352.38                 | 0.00                   |                        |
| Subtotal                                                                                            |   | <u>3,479,326.25</u>    | <u>4,090,321.51</u>    | (610,995.26)           |
| <b>L.A.I.F.</b>                                                                                     |   | 1,607.72               | 1,598.53               | 9.19                   |
| Cash on Hand                                                                                        |   | 650.00                 | 650.00                 | 0.00                   |
| <b>TOTAL CASH</b>                                                                                   |   | <u>\$ 4,818,358.53</u> | <u>\$ 5,132,827.33</u> | <u>\$ (314,468.80)</u> |
| <b>Less: Encumbrances &amp; Reserves (Funds Dedicated for Specific Purposes and Projects)</b>       |   |                        |                        |                        |
| <b>RESTRICTED</b>                                                                                   |   |                        |                        |                        |
| Municipal Customers PF2 Prior Year Reconciliation                                                   |   | (152,911.98)           | (98,895.25)            |                        |
| 1% Tax Account                                                                                      | ③ | (352.38)               | 0.00                   |                        |
| Municipal Customer Advanced Charging - Ranney Collector 1 & 1A Rehabilitation                       |   | (28,178.60)            | (791,912.26)           |                        |
| Municipal Customer Advanced Charging - Ranney Collector 2 Rehabilitation                            |   | 0.00                   | (197,726.62)           |                        |
| Municipal Customer Advanced Charging - 1MG Domestic Reservoir Roof                                  |   | 0.00                   | 0.00                   |                        |
| Municipal Customer Advanced Charging - Replace Ruth Bunkhouse                                       |   | (195,000.00)           | 0.00                   |                        |
| DWR Reserve Fund for SRF Loan                                                                       | ② | (547,336.94)           | (547,542.96)           |                        |
| DWR Contract Payment for SRF Loan for DWFP (Drinking Water Filtration Plant-PF1 Charges from Munis) | ① | (297,789.21)           | (296,730.66)           |                        |
| <b>SUBTOTAL RESTRICTED RESERVES (Net Position)</b>                                                  |   | <u>(1,221,569.11)</u>  | <u>(1,932,807.75)</u>  | <u>(711,238.64)</u>    |
| <b>UNRESTRICTED:</b>                                                                                |   |                        |                        |                        |
| <b>Board Restricted:</b>                                                                            |   |                        |                        |                        |
| Paik-Nicely Development                                                                             |   | (4,158.00)             | (4,158.00)             |                        |
| Sequoia Investments X, LLC (Hog Island Project)                                                     |   | 0.00                   | 0.00                   |                        |
| DWFP Reserve *                                                                                      | ④ | (470,888.14)           | (465,257.94)           |                        |
| MSRA Reserve (Municipal Supplemental Reserve Account)                                               | ⑤ | (421,711.47)           | (416,442.88)           |                        |
| PG&E REMAT Deposit                                                                                  |   | (27,000.00)            | 0.00                   |                        |
| <b>Unrestricted Reserves</b>                                                                        |   |                        |                        |                        |
| SRF Loan Payment                                                                                    | ⑥ | (48,684.81)            | (47,997.50)            |                        |
| Techite CalEMA Subgrantee Administrative Allowance                                                  |   | 0.00                   | (30,004.63)            |                        |
| Municipal Customer Accumulation for Debt Service for US Bank                                        |   |                        |                        |                        |
| Ranney & Techite                                                                                    |   |                        |                        |                        |
| Project Loan Payment                                                                                |   | 44,026.75              | 44,036.97              |                        |
| <b>General Fund Reserve</b>                                                                         |   | <u>(2,668,373.75)</u>  | <u>(2,280,195.60)</u>  |                        |
| <b>SUBTOTAL UNRESTRICTED RESERVES (Net Position)</b>                                                |   | <u>(3,596,789.42)</u>  | <u>(3,200,019.58)</u>  | <u>396,769.84</u>      |
| <b>Total Net Position</b>                                                                           |   | <u>(4,818,358.53)</u>  | <u>(5,132,827.33)</u>  | <u>(314,468.80)</u>    |

|                                                               | MARCH<br>RECEIPTS    | YTD TOTAL<br>AT 3-31-17 | BUDGET             | % OF<br>BUDGET | YTD TOTAL<br>AT 3-31-16 |
|---------------------------------------------------------------|----------------------|-------------------------|--------------------|----------------|-------------------------|
| <b>MISCELLANEOUS RECEIPTS (RETURNED TO CUSTOMERS VIA PF2)</b> |                      |                         |                    |                |                         |
| RETAIL WATER SALES                                            | \$ 20,414.31         | \$ 290,336.75           | \$309,060          | 94%            | \$ 230,334.33           |
| <b>SUBTOTAL RETAIL WATER SALES</b>                            | <b>\$ 20,414.31</b>  | <b>\$ 290,336.75</b>    | <b>\$309,060</b>   | <b>94%</b>     | <b>\$ 230,334.33</b>    |
| <b>GENERAL REVENUES</b>                                       |                      |                         |                    |                |                         |
| INTEREST (1)                                                  | 8,251.94             | 32,181.31               | \$12,000           | 268%           | 6,767.13                |
| FCSD CONTRACT FOR MAINT. & OPERATIONS                         | 0.00                 | 163,027.03              | 175,000            | 93%            | 182,659.99              |
| POWER SALES                                                   | 64,675.85            | 163,524.05              | 175,000            | 93%            | 83,136.91               |
| MISCELLANEOUS (SEE NEXT PAGE)                                 | \$21,160.75          | \$51,268.13             | 50,000             | 103%           | \$ 31,812.85            |
| <b>SUBTOTAL GENERAL REVENUES</b>                              | <b>\$ 94,088.54</b>  | <b>\$ 410,000.52</b>    | <b>\$412,000</b>   | <b>100%</b>    | <b>\$ 304,376.88</b>    |
| <b>TAX RECEIPTS</b>                                           |                      |                         |                    |                |                         |
| 1% TAXES (1)                                                  | 352.38               | 479,834.99              | 775,000            | 62%            | 462,720.91              |
| <b>TOTAL PF 2 CREDIT</b>                                      | <b>\$ 114,855.23</b> | <b>\$ 1,180,172.26</b>  | <b>\$1,496,060</b> | <b>79%</b>     | <b>\$ 997,432.12</b>    |
| <b>WHOLESALE CONTRACT RECEIPTS</b>                            |                      |                         |                    |                |                         |
| INDUSTRIAL / HARBOR DISTRICT                                  | \$0.00               | \$ 1,108.28             | \$50               | 2217%          | \$0.00                  |
| <b>TOTAL INDUSTRIAL</b>                                       | <b>\$0.00</b>        | <b>\$ 1,108.28</b>      | <b>\$50</b>        | <b>2217%</b>   | <b>\$0.00</b>           |
| CITY OF ARCATA                                                | \$ 94,282.35         | \$ 863,610.94           | \$1,257,114        | 69%            | \$ 792,665.69           |
| CITY OF EUREKA                                                | 206,545.98           | 2,069,065.71            | 3,001,244          | 69%            | 2,118,628.25            |
| HUMBOLDT CSD                                                  | 76,706.70            | 695,191.47              | 1,032,162          | 67%            | 642,046.22              |
| MANILA CSD                                                    | 6,159.89             | 55,874.29               | 82,399             | 68%            | 52,645.89               |
| MCKINLEYVILLE CSD                                             | 76,332.62            | 700,484.12              | 1,019,529          | 69%            | 638,793.50              |
| FIELDBROOK CSD                                                | 24,771.92            | 113,991.73              | 166,168            | 69%            | 114,534.92              |
| BLUE LAKE                                                     | 13,433.11            | 122,506.29              | 185,744            | 66%            | 118,778.58              |
| <b>TOTAL MUNIS</b>                                            | <b>\$ 498,232.57</b> | <b>\$ 4,620,724.55</b>  | <b>\$6,744,360</b> | <b>69%</b>     | <b>\$ 4,478,093.05</b>  |
| A/B BOND TAXES                                                | \$0.00               | \$0.00                  | \$0                | 0%             | \$0.00                  |
| <b>TOTAL RECEIPTS</b>                                         | <b>\$ 613,087.80</b> | <b>\$ 5,802,005.09</b>  | <b>\$8,240,470</b> | <b>70%</b>     | <b>\$ 5,475,525.17</b>  |

(1) Humboldt County Accounts - Investment Account \$8,251.94 & 1% Taxes Account \$352.38 for October - December 2016

## MISCELLANEOUS RECEIPTS

|                                                                          | MARCH              | YEAR TO DATE       |
|--------------------------------------------------------------------------|--------------------|--------------------|
| <b>Administrative</b>                                                    |                    |                    |
| Parking Lot Rent                                                         | \$50.00            | \$225.00           |
| Employee Telephone                                                       | 0.30               | 166.23             |
| Employee Gas                                                             | 0.00               | 80.70              |
| Retirees' Reimbursement of Health Insurance Premium                      | 5,190.12           | 20,559.57          |
| COBRA Vision Ins & Admin Fee - Retiree                                   | 18.93              | 170.37             |
| COBRA Dental Ins & Admin Fee - Retiree                                   | 108.24             | 974.16             |
| Employee on Leave Payment of Health Insurance Premium                    | 0.00               | 42.26              |
| Water Processing Fees                                                    | 30.00              | 270.00             |
| Hydrant Rental Deposit                                                   | 0.00               | 0.00               |
| Meter Installations                                                      | 0.00               | 6,518.20           |
| Retail Connection Charge                                                 | 0.00               | 0.00               |
| Mainline Connection Charge                                               | 0.00               | 0.00               |
| Right of Way Fees                                                        | 0.00               | 0.00               |
| Special Event Liability Insurance                                        | 0.00               | 361.50             |
| ACWA/JPIA Retrospective Premium Adjustment                               | 12,845.60          | 12,845.60          |
| ACWA/JPIA Insurance Claim                                                | 0.00               | 0.00               |
| Dividend Check (Principal Life)                                          | 0.00               | 448.56             |
| Bad Debt Recovery                                                        | 0.00               | 72.64              |
| Miscellaneous Payments for Copies &/or Postage Costs                     | 1.20               | 102.36             |
| Diesel Fuel Tax Refund                                                   | 29.76              | 102.58             |
| Park Use Fees                                                            | 0.00               | 75.00              |
| Sequoia Investments X, LLC - Hog Island Project                          | 0.00               | 1,104.75           |
| PG&E - CPUC Mandated Gas Credit                                          | 0.00               | 96.47              |
| IRS -Refund of Payroll Tax Overpayment                                   | 0.00               | 564.33             |
| EDD -Refund of Payroll Tax Overpayment                                   | 0.00               | 33.15              |
| Sale of Surplus Equipment                                                | 0.00               | 60.00              |
| Reimbursement for personal charges to District credit card -P. Helliker  | 0.00               | 186.90             |
| PG&E - Energy Efficiency Rebate Program-Pump & Motor Upgrade Collector 3 | 2,886.60           | 2,886.60           |
| <b>Ruth Area</b>                                                         |                    |                    |
| Use of Ruth Cabin                                                        | 0.00               | 345.00             |
| RLCSD-Water System Permit Fees                                           | 0.00               | 2,050.00           |
| Ruth Area Water Use Permit                                               | 0.00               | 100.00             |
| Buffer Strip Right of Way License Fee                                    | 0.00               | 0.00               |
| Ruth Buffer Strip PG&E Right of Way Fees                                 | 0.00               | 0.00               |
| Ruth Sale of Merchantable Timber                                         | 0.00               | 0.00               |
| Ruth Sale of Surplus Gravel                                              | 0.00               | 135.00             |
| Don Bridge Lease                                                         | 0.00               | 691.20             |
| <b>Miscellaneous</b>                                                     |                    |                    |
| Other                                                                    | 0.00               | 0.00               |
| <b>Total Miscellaneous Receipts</b>                                      | <b>\$21,160.75</b> | <b>\$51,268.13</b> |
| <b>OTHER RECEIPTS or GRANTS</b>                                          |                    |                    |
| Prop 84 - Ranney Collector 1                                             | 244,838.26         | 283,697.52         |
| CalEMA Blue Lake/Fieldbrook Pipeline Crossing                            | 0.00               | 0.00               |
| Quagga Grant 2015/16 on behalf of RLCSD*                                 | 0.00               | 5,083.85           |

\* Not included in PF2 Credits. No charges were expended by HBMWD.  
Claim for expenditures was submitted by HBMWD on behalf of RLCSD.

-4-  
**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**  
**TOTAL EXPENDITURES**  
**AT MARCH 31, 2017 (9 MONTHS - 75%)**

|                                                             | MARCH<br>EXPENSES    | TOTAL<br>3/31/2017     | BUDGET               | % OF<br>BUDGET | TOTAL<br>3/31/2016     |
|-------------------------------------------------------------|----------------------|------------------------|----------------------|----------------|------------------------|
| <b>PAYROLL:</b>                                             |                      |                        |                      |                |                        |
| Regular                                                     | \$164,023.00         | \$1,439,314.69         | \$ 1,917,832         | 75%            | \$ 1,366,415.76        |
| Part-Time                                                   | 562.00               | 22,130.01              | 53,600               | 41%            | 20,868.39              |
| Overtime                                                    | 921.75               | 18,033.53              | 35,000               | 52%            | 17,441.12              |
| Standby                                                     | 6,265.88             | 58,705.04              | 80,000               | 73%            | 57,063.54              |
| Pay Differential                                            | 755.12               | 7,977.29               | 11,500               | 69%            | 6,689.36               |
| Deferred Compensation                                       | 2,475.00             | 21,825.00              | 30,600               | 71%            | 11,075.00              |
| Employee Assistance Plan                                    | 68.15                | 667.41                 | 1,078                | 62%            | 656.63                 |
| Director Compensation                                       | 1,680.00             | 14,800.00              | 26,000               | 57%            | 15,408.00              |
| Director - Secretary Fees                                   | 262.50               | 2,362.50               | 3,200                | 74%            | 2,362.50               |
| Taxes/Benefits                                              | 103,601.55           | 1,075,767.25           | 1,437,324            | 75%            | 993,317.29             |
| <b>TOTAL PAYROLL</b>                                        | <b>\$ 280,614.95</b> | <b>\$ 2,661,582.72</b> | <b>\$ 3,596,134</b>  | <b>74%</b>     | <b>\$ 2,491,297.59</b> |
| <b>SERVICE &amp; SUPPLY</b>                                 |                      |                        |                      |                |                        |
| <b>O &amp; M</b>                                            |                      |                        |                      |                |                        |
| Engineering                                                 | \$13,789.38          | \$42,480.38            | \$ 75,000            | 57%            | \$60,269.34            |
| Maint., Repairs, Supplies                                   | 14,817.61            | 90,796.18              | 115,000              | 79%            | 87,334.11              |
| TRF Maint, Repairs, Supplies                                | 10,177.30            | 46,594.94              | 55,000               | 85%            | 33,670.84              |
| Lab                                                         | 1,925.00             | 8,834.70               | 13,000               | 68%            | 7,700.16               |
| Auto Maintenance                                            | 1,973.81             | 22,247.07              | 46,000               | 48%            | 26,583.23              |
| Radio Maintenance                                           | 2,330.92             | 8,413.54               | 10,500               | 80%            | 4,270.82               |
| 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               |
| <b>A&amp;G</b>                                              |                      |                        |                      |                |                        |
| Accounting Services                                         | 1,185.00             | 14,011.03              | \$ 30,000            | 47%            | 1,000.00               |
| Legal                                                       | 480.50               | 4,017.93               | 28,000               | 14%            | 9,312.50               |
| Professional Services                                       | 75.00                | 1,956.32               | 20,000               | 10%            | 2,933.32               |
| Insurance                                                   | 30,199.00            | 86,179.50              | 105,000              | 82%            | 101,216.00             |
| Telephone/Internet                                          | 10,329.10            | 45,699.58              | 46,000               | 99%            | 35,627.22              |
| Office Building Maintenance                                 | 2,222.97             | 14,520.31              | 18,000               | 81%            | 15,990.94              |
| Office Expense                                              | 3,792.55             | 41,998.59              | 52,000               | 81%            | 39,797.75              |
| Travel & Conference                                         | 0.00                 | 4,940.85               | 25,000               | 20%            | 6,045.60               |
| Dues & Subscriptions                                        | 181.92               | 15,238.78              | 15,500               | 98%            | 14,094.03              |
| Technical Training                                          | 627.67               | 5,815.54               | 11,000               | 53%            | 6,945.57               |
| County Tax Fee                                              | 0.00                 | 9,522.00               | 21,000               | 45%            | 8,951.00               |
| County Property Taxes                                       | 0.00                 | 998.60                 | 1,100                | 91%            | 998.60                 |
| LAFCO                                                       | 0.00                 | 7,447.28               | 4,500                | 165%           | 5,847.74               |
| Regulatory Agency Fees                                      | 0.00                 | 48,143.34              | 75,000               | 64%            | 69,398.82              |
| Ruth Lake Programs                                          | 0.00                 | 0.00                   | 5,000                | 0%             | 0.00                   |
| Miscellaneous                                               | 3,670.15             | 16,627.00              | 11,500               | 145%           | 15,795.20              |
| <b>TOTAL SERVICE/SUPPLIES W/OUT POWER</b>                   | <b>\$97,777.88</b>   | <b>\$537,963.46</b>    | <b>\$ 792,400</b>    | <b>68%</b>     | <b>\$555,282.79</b>    |
| <b>POWER</b>                                                |                      |                        |                      |                |                        |
| Essex Pacific Gas & Electric                                | \$40,031.54          | \$459,593.80           |                      |                | \$ 420,038.07          |
| Fuel For 2 MW Generator                                     | 0.00                 | 2,513.59               |                      |                | 4,394.36               |
| <i>Subtotal Essex Pumping</i>                               | <i>\$40,031.54</i>   | <i>\$462,107.39</i>    | <i>561,863.00</i>    | <i>82%</i>     | <i>\$ 424,432.43</i>   |
| All Other Pacific Gas & Electric                            | 10,559.37            | 63,947.76              | 78,137               | 82%            | 57,990.90              |
| <b>POWER EXPENSE SUBTOTAL</b>                               | <b>\$50,590.91</b>   | <b>\$526,055.15</b>    | <b>\$ 640,000</b>    | <b>82%</b>     | <b>\$ 482,423.33</b>   |
| <b>TOTAL SERVICE/SUPPLIES WITH POWER</b>                    | <b>\$148,368.79</b>  | <b>\$1,064,018.61</b>  | <b>\$ 1,432,400</b>  | <b>74%</b>     | <b>\$1,037,706.12</b>  |
| <b>PROJECTS, FIXED ASSETS<br/>&amp; CONSULTING SERVICES</b> |                      |                        |                      |                |                        |
|                                                             | \$265,734.06         | \$2,355,405.81         | \$ 5,349,550         | 44%            | \$ 775,886.08          |
| <b>TOTAL OPERATING</b>                                      | <b>\$ 694,717.80</b> | <b>\$6,081,007.14</b>  | <b>\$ 10,378,084</b> | <b>59%</b>     | <b>\$ 4,304,889.79</b> |
| <b>DEBT SERVICE - SRF LOAN (1)</b>                          |                      |                        |                      |                |                        |
|                                                             | \$0.00               | \$273,668.48           | \$ 547,337           | 50%            | \$547,336.96           |
| <b>TOTAL EXPENDITURES</b>                                   | <b>\$ 694,717.80</b> | <b>\$6,354,675.62</b>  | <b>\$ 10,925,421</b> | <b>58%</b>     | <b>\$ 4,852,226.75</b> |
| <b>DEBT SERVICE - US Bank</b>                               |                      |                        |                      |                |                        |
|                                                             | \$0.00               | \$162,188.10           | \$ 162,200           | 100%           | \$162,188.10           |

| I. CAPITAL PROJECTS                                                                      | MARCH EXPENSES      | YTD TOTAL 3/31/2017   | BUDGET           | % OF BUDGET |
|------------------------------------------------------------------------------------------|---------------------|-----------------------|------------------|-------------|
|                                                                                          |                     |                       |                  |             |
| <b>A. Projects Charged to All Customers via Price Factor 2 (BWF)</b>                     |                     |                       |                  |             |
| SCADA System Upgrade - Phase 2                                                           | \$9,617.80          | \$12,281.05           | 381,100          | 3%          |
| Replacement of Check Valves for 1-1, 1-2 & 1-4                                           | 0.00                | 33,193.60             | 30,750           | 108%        |
| Replace Collector 2, Pump 2-2 Motor                                                      | 0.00                | 55,735.85             | 55,000           | 101%        |
| Replace 12Kv Switchgear Roof                                                             | 0.00                | 0.00                  | 2,250            | 0%          |
| Mainline Valve Replacement                                                               | 0.00                | 0.00                  | 100,000          | 0%          |
| Electrical Shop Upgrade - Phase 2                                                        | 1,276.38            | 1,943.85              | 7,250            | 27%         |
| 1 Mg Domestic Water Reservoir Roof & Painting                                            | 857.75              | 72,113.25             | 602,000          | 12%         |
| Replace Chlorine Booster Pumps                                                           | 3,323.01            | 11,805.32             | 12,250           | 96%         |
| New Valve below 1 Mg Domestic Reservoir                                                  | 0.00                | 0.00                  | 30,000           | 0%          |
| Replace Ruth Bunkhouse                                                                   | 0.00                | 0.00                  | 403,500          | 0%          |
| Replace Ruth HQ Septic System                                                            | 0.00                | 0.00                  | 15,000           | 0%          |
| Plan to Replace Ruth Hydro Protective Relays                                             | 0.00                | 0.00                  | 15,000           | 0%          |
| <b>SUBTOTAL A:</b>                                                                       | <b>\$15,074.94</b>  | <b>\$187,072.92</b>   | <b>1,654,100</b> | <b>11%</b>  |
| <b>B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)</b>              |                     |                       |                  |             |
| TRF SCADA System Upgrade - Phase 2                                                       | 0.00                | 0.00                  | 100,000          | 0%          |
| Raise Containment Wall Around Sodium Hypochlorite Tank                                   | 0.00                | 0.00                  | 6,500            | 0%          |
| <b>SUBTOTAL B:</b>                                                                       | <b>\$0.00</b>       | <b>\$0.00</b>         | <b>106,500</b>   | <b>0%</b>   |
| <b>C. Projects Funded by Other Sources (BWF)</b>                                         |                     |                       |                  |             |
| Blue Lake/FGCSD River Crossing   Funded by Prop 84 & FEMA Grants                         | \$0.00              | \$26,764.57           | 630,000          | 4%          |
| Ranney Collector 1 & 1A Laterals   Partially funded through Prop 84 Grant & Adv. Charges | 239,585.71          | 1,869,585.48          | 2,140,500        | 87%         |
| <b>SUBTOTAL C:</b>                                                                       | <b>\$239,585.71</b> | <b>\$1,896,350.05</b> | <b>2,770,500</b> | <b>68%</b>  |
| <b>TOTAL CAPITAL PROJECTS:</b>                                                           | <b>\$254,660.65</b> | <b>\$2,083,422.97</b> | <b>4,531,100</b> | <b>46%</b>  |

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

FY2014/15 Annual Limit \$ 1,191,703  
Total charged to date \$ 187,073  
Balance Remaining \$ 1,004,630

While the total projects expenditures are budgeted at \$5,349,550, the actual wholesale customer charges are \$2,464,600. Capital Projects C and Professional & Consulting Services 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.

| <b>I. FIXED ASSETS</b>                                                      |                   |                    |                |            |        |        |
|-----------------------------------------------------------------------------|-------------------|--------------------|----------------|------------|--------|--------|
| <b>A. Projects Charged to All Customers via Price Factor 2 (BWF)</b>        |                   |                    |                |            |        |        |
|                                                                             | MARCH             | YTD TOTAL          | BUDGET         | % OF       | BUDGET | % OF   |
|                                                                             | EXPENSES          | 3/31/2017          |                | BUDGET     |        | BUDGET |
| Essex - Replace Two Administrative Computers                                | \$0.00            | \$3,860.14         | 4,500          | 86%        |        |        |
| Essex - Replace Two Laptop Computers -Ruggedized                            | 0.00              | 3,487.64           | 6,500          | 54%        |        |        |
| Collector 3 Emergency Generator Connection                                  | 0.00              | 0.00               | 3,750          | 0%         |        |        |
| Replace Ingersoll Rand Mobile Air Compressor                                | 0.00              | 24,901.51          | 22,500         | 111%       |        |        |
| Purchase Shop Manual & Diagnostic Equipment to service Heavy Fleet Vehicles | 0.00              | 847.24             | 9,750          | 9%         |        |        |
| Replace Unit 15                                                             | 817.66            | 29,492.40          | 46,250         | 64%        |        |        |
| Purchase Precision Measuring Equipment                                      | 0.00              | 1,717.10           | 3,500          | 49%        |        |        |
| Purchase Engine Driven Air Compressor for Unit 8                            | 0.00              | 1,670.55           | 2,500          | 67%        |        |        |
| Replace Towable Portable Restroom                                           | 0.00              | 0.00               | 3,500          | 0%         |        |        |
| Replace Warren Creek Pipeline Meter Manifold                                | 0.00              | 7,226.52           | 8,000          | 90%        |        |        |
| Conduit Bending Machine                                                     | 0.00              | 6,992.85           | 8,000          | 87%        |        |        |
| Eureka - Replace Computer - Part 1                                          | 0.00              | 2,154.55           | 2,500          | 86%        |        |        |
| Eureka - Replace Computer - Part 2                                          | 0.00              | 2,154.54           | 2,500          | 86%        |        |        |
| <b>SUBTOTAL A:</b>                                                          | <b>\$817.66</b>   | <b>\$84,505.04</b> | <b>123,750</b> | <b>68%</b> |        |        |
| <b>B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)</b> |                   |                    |                |            |        |        |
| TRF Spare Parts Inventory                                                   | \$0.00            | \$3,269.37         | 4,000          | 82%        |        |        |
| <b>SUBTOTAL B:</b>                                                          | <b>\$0.00</b>     | <b>\$3,269.37</b>  | <b>4,000</b>   | <b>82%</b> |        |        |
| <b>TOTAL FIXED ASSETS PROJECTS:</b>                                         | <b>\$817.66</b>   | <b>\$87,774.41</b> | <b>127,750</b> | <b>69%</b> |        |        |
| <b>II. MAINTENANCE PROJECTS</b>                                             |                   |                    |                |            |        |        |
| <b>A. Charged to All Customers via Price Factor 2 (BWF)</b>                 |                   |                    |                |            |        |        |
|                                                                             | MARCH             | YTD TOTAL          | BUDGET         | % OF       | BUDGET | % OF   |
|                                                                             | EXPENSES          | 3/31/2017          |                | BUDGET     |        | BUDGET |
| Paint Collector 3                                                           | \$0.00            | \$4,424.54         | 19,250         | 23%        |        |        |
| Pipeline Maintenance                                                        | 0.00              | 797.20             | 13,500         | 6%         |        |        |
| 12KV Electric System Maintenance                                            | 0.00              | 0.00               | 4,000          | 0%         |        |        |
| Mainline Meter Flow Calibration                                             | 0.00              | 2,395.53           | 6,000          | 40%        |        |        |
| Technical Support & Software Updates to Include Control System              | 0.00              | 6,737.77           | 19,250         | 35%        |        |        |
| Generator Service                                                           | 0.00              | 34.28              | 3,500          | 1%         |        |        |
| Hazard & Diseased Tree Removal                                              | 0.00              | 0.00               | 6,250          | 0%         |        |        |
| Catholic Protection                                                         | 0.00              | 0.00               | 6,500          | 0%         |        |        |
| Maintenance Emergency Repair                                                | 0.00              | 1,550.46           | 50,000         | 3%         |        |        |
| Fleet Paint Repairs                                                         | 1,076.00          | 1,076.00           | 5,000          | 22%        |        |        |
| AC Pipe Disposal                                                            | 0.00              | 0.00               | 8,500          | 0%         |        |        |
| Replace Two Doors at Essex                                                  | 1,909.09          | 1,909.09           | 5,000          | 38%        |        |        |
| Repair/Upgrade Line Shed 6                                                  | 0.00              | 0.00               | 28,250         | 0%         |        |        |
| Brush Abatement at Ruth Dam                                                 | 0.00              | 0.00               | 5,540          | 0%         |        |        |
| Ruth HQ Tree Removal                                                        | 0.00              | 0.00               | 4,250          | 0%         |        |        |
| Ruth HQ Remodel Project                                                     | 0.00              | 0.00               | 4,000          | 0%         |        |        |
| Ruth Hydro - Howell Bunger Valve Inspection                                 | 0.00              | 0.00               | 1,110          | 0%         |        |        |
| <b>SUBTOTAL A:</b>                                                          | <b>\$2,985.09</b> | <b>\$18,924.87</b> | <b>189,900</b> | <b>10%</b> |        |        |
| <b>B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)</b> |                   |                    |                |            |        |        |
| TRF - Generator Service                                                     | \$0.00            | \$0.00             | 500            | 0%         |        |        |
| TRF Limitorque Valve Retrofit Supplies - Phase 1                            | 0.00              | 14,349.36          | 15,750         | 91%        |        |        |
| <b>SUBTOTAL B:</b>                                                          | <b>\$0.00</b>     | <b>\$14,349.36</b> | <b>16,250</b>  | <b>88%</b> |        |        |
| <b>TOTAL MAINTENANCE PROJECTS:</b>                                          | <b>\$2,985.09</b> | <b>\$33,274.23</b> | <b>206,150</b> | <b>16%</b> |        |        |

| III. PROFESSIONAL & CONSULTING SERVICES                                                  |                   |                     |                |             |  |
|------------------------------------------------------------------------------------------|-------------------|---------------------|----------------|-------------|--|
| A. Charged to All Customers via Price Factor 2 (BWF)                                     |                   |                     |                |             |  |
|                                                                                          | MARCH EXPENSES    | YTD TOTAL 3/31/2017 | BUDGET         | % OF BUDGET |  |
| Collector 1 Transformer & Electrical Evaluation                                          | 0.00              | \$0.00              | 5,000          | 0%          |  |
| Collector 1 Pump & Motor Upgrades                                                        | 0.00              | 0.00                | 13,000         | 0%          |  |
| Collector 1 Lateral Evaluation Report                                                    | 0.00              | 0.00                | 5,000          | 0%          |  |
| Crane Testing/Certification                                                              | 0.00              | 6,802.04            | 6,500          | 105%        |  |
| Essex Trolley/Cable Car Inspection                                                       | 0.00              | 7,534.75            | 10,000         | 75%         |  |
| Essex Septic System Construction Assistance                                              | 0.00              | 450.00              | 4,000          | 11%         |  |
| Essex Mad River Cross-Sectional Survey                                                   | 0.00              | 9,761.75            | 10,000         | 98%         |  |
| Mad River Watershed Regulatory Compliance                                                | 0.00              | 0.00                | 50,000         | 0%          |  |
| Spill Prevention Control & Countermeasure Plan Updates (Ruth Marina & Essex)             | 0.00              | 5,041.25            | 6,500          | 78%         |  |
| CIP Financial Plan Update                                                                | 0.00              | 2,580.00            | 25,000         | 10%         |  |
| Catholic Protection Review/Inspection                                                    | 0.00              | 8,579.44            | 9,500          | 90%         |  |
| Techrite Pipeline Replacement - Final Inspection & Report                                | 0.00              | 6,600.75            | 9,000          | 73%         |  |
| Dune Monitoring Program - Component of Coastal Conservancy Climate Ready Grant           | 0.00              | 2,000.00            | 2,000          | 100%        |  |
| GIS/Facilities Information System                                                        | 0.00              | 0.00                | 10,000         | 0%          |  |
| GIS/Facilities Information System - Ruth                                                 | 0.00              | 0.00                | 4,000          | 0%          |  |
| Backflow Tester Training                                                                 | 0.00              | 0.00                | 3,000          | 0%          |  |
| Control Software Training                                                                | 0.00              | 0.00                | 15,000         | 0%          |  |
| Technical Training                                                                       | 2,483.26          | 3,861.19            | 5,750          | 67%         |  |
| Industrial Water Reservoir Condition Assessment                                          | 1,616.00          | 1,745.00            | 8,000          | 22%         |  |
| Licensed Timber Operator                                                                 | 0.00              | 2,745.00            | 5,000          | 55%         |  |
| FERC Dam Safety Surveillance & Monitoring Report(DSSMR)/FERC Dam Safety Review (Part 12) | 2,104.25          | 2,211.75            | 3,000          | 74%         |  |
| FERC Chief Dam Safety Engineer                                                           | 0.00              | 0.00                | 10,000         | 0%          |  |
| FERC Part 12 - GEI                                                                       | 0.00              | 6,464.50            | 10,000         | 65%         |  |
| FERC Part 12 - Cardno                                                                    | 0.00              | 6,637.80            | 20,000         | 33%         |  |
| FERC Part 12 Independent Consultant Inspection and Engineering Support - GHD             | 0.00              | 6,064.55            | 11,000         | 55%         |  |
| Grant Applications                                                                       | 51.90             | 6,038.15            | 20,000         | 30%         |  |
| Public Education                                                                         | 0.00              | 1,000.00            | 5,000          | 20%         |  |
| Water Resources Planning                                                                 | 0.00              | 1,942.59            | 50,000         | 4%          |  |
| <b>SUBTOTAL A:</b>                                                                       | <b>\$6,255.41</b> | <b>\$88,060.51</b>  | <b>335,250</b> | <b>26%</b>  |  |
| <b>B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)</b>              |                   |                     |                |             |  |
| Chlorine System Maintenance                                                              | \$0.00            | \$8,249.83          | 16,100         | 51%         |  |
| <b>SUBTOTAL B:</b>                                                                       | <b>\$0.00</b>     | <b>\$8,249.83</b>   | <b>16,100</b>  | <b>51%</b>  |  |
| <b>C. Projects Funded by Other Sources (BWF)</b>                                         |                   |                     |                |             |  |
| Surge Tower Replacement - CEQA, Bidding & Construction Assistance ] Funded by FEMA Grant | \$0.00            | \$0.00              | 50,000         | 0%          |  |
| Quagga Grant/RLCSDJ CA Dept of Boating & Waterways                                       | 0.00              | 0.00                | 9,150          | 0%          |  |
| <b>SUBTOTAL C:</b>                                                                       | <b>\$0.00</b>     | <b>\$0.00</b>       | <b>59,150</b>  | <b>0%</b>   |  |
| <b>TOTAL PROFESSIONAL &amp; CONSULTING SERVICES:</b>                                     | <b>\$6,255.41</b> | <b>\$96,310.34</b>  | <b>410,500</b> | <b>23%</b>  |  |



| IV. INDUSTRIAL SYSTEM PROJECTS                                                             |                |                     |             |
|--------------------------------------------------------------------------------------------|----------------|---------------------|-------------|
|                                                                                            | MARCH EXPENSES | YTD TOTAL 3/31/2017 | % OF BUDGET |
| <b>A. Charged to All Customers via Price Factor 2 (BWF)</b>                                |                |                     |             |
| - Maintain Water Supply to Industrial Pump Station (Pump Station 6) During Low-Flow Months | \$0.00         | \$0.00              | 0%          |
| <b>SUBTOTAL A.</b>                                                                         | \$0.00         | \$0.00              | 0%          |
| <b>B. Charged to Municipal Customers via PFZ (DWTF)</b>                                    |                |                     |             |
|                                                                                            | \$0.00         | \$0.00              | 0%          |
| <b>SUBTOTAL B.</b>                                                                         | \$0.00         | \$0.00              | 0%          |
| <b>TOTAL INDUSTRIAL SYSTEM PROJECTS:</b>                                                   | <b>\$0.00</b>  | <b>\$0.00</b>       | <b>0%</b>   |

| CARRY-OVER PROJECTS FROM 2015/16                                        |                 |                     |             |
|-------------------------------------------------------------------------|-----------------|---------------------|-------------|
|                                                                         | MARCH EXPENSES  | YTD TOTAL 3/31/2017 | % OF BUDGET |
| <b>I. CAPITAL PROJECTS</b>                                              |                 |                     |             |
| <b>A. Charged to All Customers via Price Factor 2 (BWF)</b>             |                 |                     |             |
| Replace Essex Septic System                                             | \$0.00          | \$5,060.73          | 101%        |
| Repair/Upgrade Park Restrooms                                           | 0.00            | 15.51               | 1%          |
| Upgrade Ethernet Radio Modems/PLC Systems at Samoa Booster Pump Station | 0.00            | 4,818.71            | 321%        |
| Repair Ruth HQ Master Bath/Laundry Room                                 | 365.25          | 1,061.88            | 71%         |
| Ruth Hydro - Install Auto Synchronizer System                           | 0.00            | 0.00                | 0%          |
| <b>SUBTOTAL A.</b>                                                      | <b>\$365.25</b> | <b>\$10,956.83</b>  | <b>77%</b>  |

|                                                                             |                 |                    |            |
|-----------------------------------------------------------------------------|-----------------|--------------------|------------|
| <b>B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)</b> |                 |                    |            |
| Remodel TRF Line Shed 5                                                     | \$0.00          | \$1,443.49         | 80%        |
| <b>SUBTOTAL B.</b>                                                          | <b>\$0.00</b>   | <b>\$1,443.49</b>  | <b>80%</b> |
| <b>Subtotal Capital Projects</b>                                            | <b>\$365.25</b> | <b>\$12,400.32</b> | <b>78%</b> |

| I. FIXED ASSETS                                             |                |                     |             |
|-------------------------------------------------------------|----------------|---------------------|-------------|
|                                                             | MARCH EXPENSES | YTD TOTAL 3/31/2017 | % OF BUDGET |
| <b>A. Charged to All Customers via Price Factor 2 (BWF)</b> |                |                     |             |
| Install Signal Amplifier at Mt. Pierce                      | \$0.00         | \$0.00              | 0%          |
| <b>SUBTOTAL A.</b>                                          | <b>\$0.00</b>  | <b>\$0.00</b>       | <b>0%</b>   |

|                                                                             |               |               |           |
|-----------------------------------------------------------------------------|---------------|---------------|-----------|
| <b>B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)</b> |               |               |           |
|                                                                             | \$0.00        | \$0.00        | 0%        |
| <b>SUBTOTAL B.</b>                                                          | <b>\$0.00</b> | <b>\$0.00</b> | <b>0%</b> |
| <b>Subtotal Fixed Assets Projects</b>                                       | <b>\$0.00</b> | <b>\$0.00</b> | <b>0%</b> |

|                                                                             |                     |                       |  |                  |        |             |
|-----------------------------------------------------------------------------|---------------------|-----------------------|--|------------------|--------|-------------|
| <b>II. MAINTENANCE PROJECTS</b>                                             |                     |                       |  |                  |        |             |
| <b>A. Charged to All Customers via Price Factor 2 (BWF)</b>                 |                     |                       |  |                  |        |             |
| Replace Eyewash/Shower Station and Drain System                             |                     |                       |  |                  | 800    | 81%         |
| Large Business & Fire Service Meter Calibration & Maintenance               | \$0.00              | \$645.11              |  | 0.00             | 15,000 | 0%          |
| Ruth Spillway Bridge Painting                                               | 0.00                | 5,000.00              |  | 5,000            | 5,000  | 100%        |
| <b>SUBTOTAL A.</b>                                                          | <b>\$0.00</b>       | <b>\$5,645.11</b>     |  | <b>20,800</b>    |        | <b>27%</b>  |
| <b>B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)</b> |                     |                       |  |                  |        |             |
| <b>SUBTOTAL B.</b>                                                          | <b>\$0.00</b>       | <b>\$0.00</b>         |  | <b>0</b>         |        | <b>0%</b>   |
| <b>Subtotal Maintenance Projects</b>                                        |                     |                       |  |                  |        |             |
|                                                                             | <b>\$0.00</b>       | <b>\$5,645.11</b>     |  | <b>20,800</b>    |        | <b>27%</b>  |
| <b>III. PROFESSIONAL &amp; CONSULTING SERVICES</b>                          |                     |                       |  |                  |        |             |
| <b>A. Charged to All Customers via Price Factor 2 (BWF)</b>                 |                     |                       |  |                  |        |             |
| Crane Operator Training                                                     | \$0.00              | \$0.00                |  | 7,000            | 7,000  | 0%          |
| Focused Engineering Studies                                                 | 0.00                | 6,236.75              |  | 10,000           | 10,000 | 62%         |
| Hydro Assessment & Analysis                                                 | 650.00              | 30,341.68             |  | 5,000            | 5,000  | 607%        |
| <b>SUBTOTAL A.</b>                                                          | <b>\$650.00</b>     | <b>\$36,578.43</b>    |  | <b>22,000</b>    |        | <b>166%</b> |
| <b>B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)</b> |                     |                       |  |                  |        |             |
| <b>SUBTOTAL B.</b>                                                          | <b>\$0.00</b>       | <b>\$0.00</b>         |  | <b>0</b>         |        | <b>0%</b>   |
| <b>Subtotal Professional &amp; Consulting Projects</b>                      |                     |                       |  |                  |        |             |
|                                                                             | <b>\$650.00</b>     | <b>\$36,578.43</b>    |  | <b>22,000</b>    |        | <b>166%</b> |
| <b>2015/16 CARRYOVER PROJECTS TOTAL</b>                                     |                     |                       |  |                  |        |             |
|                                                                             | <b>\$1,015.25</b>   | <b>\$54,623.86</b>    |  | <b>60,800</b>    |        | <b>90%</b>  |
| <b>PROJECTS GRAND TOTAL:</b>                                                |                     |                       |  |                  |        |             |
|                                                                             | <b>\$265,734.06</b> | <b>\$2,355,405.81</b> |  | <b>5,349,550</b> |        | <b>44%</b>  |

Less Projects Funded from Other Sources (Grants/Loans/Advanced Charges/Reserves) \$239,585.71 \$1,896,350.05 3,047,150 62%

PF2 Project Total Charged to Customers excluding Debt Service (US Bank) \$26,148.35 \$459,055.76 2,302,400 20%

Humboldt Bay Municipal Water District  
Overtime Pay  
March 2017

|                                                    | 54TRF |        | 52    |        | 55    |        | 56    |        | 58    |        | TOTAL |        |
|----------------------------------------------------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
|                                                    | Hours | Mar 17 | Hours | Mar 17 | Hours | Mar 17 | Hours | Mar 17 | Hours | Mar 17 | Hours | Mar 17 |
| Employee Wages, Taxes and Adjustments<br>Gross Pay | 2     | 96.70  | 6.5   | 382.88 | 2     | 106.68 | 3.5   | 154.47 | 3.5   | 181.02 | 17.50 | 921.75 |
| Overtime                                           | 2     | 96.70  | 6.5   | 382.88 | 2     | 106.68 | 3.5   | 154.47 | 3.5   | 181.02 | 17.50 | 921.75 |
| Total Gross Pay                                    | 2     | 96.70  | 6.5   | 382.88 | 2     | 106.68 | 3.5   | 154.47 | 3.5   | 181.02 | 17.50 | 921.75 |
| Adjusted Gross Pay                                 | 2     | 96.70  | 6.5   | 382.88 | 2     | 106.68 | 3.5   | 154.47 | 3.5   | 181.02 | 17.50 | 921.75 |
| Net Pay                                            | 2     | 96.70  | 6.5   | 382.88 | 2     | 106.68 | 3.5   | 154.47 | 3.5   | 181.02 | 17.50 | 921.75 |
| Employer Taxes and Contributions                   |       | 0.00   |       | 0.00   |       | 0.00   |       | 0.00   |       | 0.00   |       | 0.00   |

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

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail  
March 2017

SECTION J2a, PAGE NO. 11

04/05/17

| Memo                                                               | Amount     |
|--------------------------------------------------------------------|------------|
| 101Netlink                                                         |            |
| Ruth Data Link/Internet                                            | -170.00    |
| Total 101Netlink                                                   | -170.00    |
| ACWA/JPIA                                                          |            |
| Property Program Renewal 4/1/2017 - 4/1/2018                       | -22,649.25 |
| Property Program Renewal 4/1/2017 - 4/1/2018                       | -4,234.61  |
| Property Program Renewal 4/1/2017 - 4/1/2018                       | -2,533.32  |
| Property Program Renewal 4/1/2017 - 4/1/2018                       | -781.82    |
| Total ACWA/JPIA                                                    | -30,199.00 |
| Advanced Security Systems                                          |            |
| Essex Quarterly Alarm System Monitoring                            | -73.50     |
| Total Advanced Security Systems                                    | -73.50     |
| AirGas NCN                                                         |            |
| repair detector #1                                                 | -68.11     |
| calibration of gas detector                                        | -181.07    |
| Total AirGas NCN                                                   | -249.18    |
| Altec Industries, Inc                                              |            |
| equipment maintenance - chipper                                    | -178.42    |
| Total Altec Industries, Inc                                        | -178.42    |
| Arcata Stationers                                                  |            |
| Essex office supplies                                              | -118.89    |
| Total Arcata Stationers                                            | -118.89    |
| AT & T                                                             |            |
| Ruth HQ                                                            | -26.33     |
| TRF                                                                | -22.48     |
| Essex office                                                       | -279.71    |
| Eureka office                                                      | -6.31      |
| Ruth Hydro                                                         | -530.86    |
| Valve Building Samoa                                               | -91.91     |
| Ruth HQ                                                            |            |
| TRF                                                                |            |
| Essex office                                                       |            |
| Eureka office                                                      | -129.38    |
| Ruth Hydro                                                         |            |
| Valve Building Samoa                                               |            |
| Total AT & T                                                       | -1,086.98  |
| AT&T                                                               |            |
| Eureka/Essex Landline                                              | -34.95     |
| Arcata/Essex Landline                                              | -34.95     |
| Samoa/Essex Landline                                               | -234.36    |
| Blue Lake Meter Signal Line                                        | -60.34     |
| Eureka Office                                                      | -116.27    |
| Eureka Office Alarm Line                                           | -38.78     |
| Samoa Booster Pump Station                                         | -71.75     |
| Valve Building-Samoa                                               | -116.26    |
| Eureka Office                                                      | -300.42    |
| Essex Office                                                       | -758.92    |
| TRF                                                                | -117.51    |
| Ruth Data Line                                                     | -113.30    |
| Total AT&T                                                         | -1,997.81  |
| AT&T Advertising Solutions                                         |            |
| white page listing                                                 | -21.00     |
| Total AT&T Advertising Solutions                                   | -21.00     |
| ATS Communications                                                 |            |
| Essex Ethernet System Upgrade                                      | -313.01    |
| TRF Ethernet System Upgrade                                        | -385.46    |
| Install Firewall for Fieldbrook-Glendale CSD Suddenlink connection | -3,143.55  |
| Total ATS Communications                                           | -3,842.02  |

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail  
March 2017

SECTION 52a PAGE NO. 17

| Memo                                                                         | Amount    |
|------------------------------------------------------------------------------|-----------|
| Bedliners Plus                                                               |           |
| Fleet Paint/Repairs                                                          | -1,076.00 |
| Total Bedliners Plus                                                         | -1,076.00 |
| Biovir Laboratories, Inc                                                     |           |
| lab tests                                                                    | -1,305.00 |
| Total Biovir Laboratories, Inc                                               | -1,305.00 |
| Bruce Brashear                                                               |           |
| expense reimbursement for trip to Redding for Distribution Exam              | -127.67   |
| Total Bruce Brashear                                                         | -127.67   |
| C & K Johnson Industries, Inc                                                |           |
| Ruth HQ culvert replacement - Storm Damage                                   | -2,133.12 |
| Total C & K Johnson Industries, Inc                                          | -2,133.12 |
| Campton Electric Supply                                                      |           |
| shop supplies                                                                | -607.07   |
| Total Campton Electric Supply                                                | -607.07   |
| 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                                           | -879.00   |
| Total Coastal Business Systems Inc.                                          | -879.00   |
| David J. Corral                                                              |           |
| expense reimbursement for travel to Sacramento for Arc Flash Safety training | -626.26   |
| Total David J. Corral                                                        | -626.26   |
| DHS-WTOC Program                                                             |           |
| T3 Application for Operator Certification                                    | -90.00    |
| Total DHS-WTOC Program                                                       | -90.00    |
| DHS-WTOC Renewal                                                             |           |
| T4 Certification Renewal                                                     | -105.00   |
| T4 Certification Renewal                                                     | -105.00   |
| T4 Certification Renewal                                                     | -105.00   |
| Total DHS-WTOC Renewal                                                       | -315.00   |
| Durable Trailers, Inc                                                        |           |
| steel for pressure washer trailer frame repair                               | -238.60   |
| Total Durable Trailers, Inc                                                  | -238.60   |
| Englund Marine Supply                                                        |           |
| equipment repair - Unit 4 man bucket                                         | -12.54    |
| Total Englund Marine Supply                                                  | -12.54    |
| Eureka Overhead Door Company, Inc                                            |           |
| Ruth HQ garage door maintenance                                              | -171.83   |
| Total Eureka Overhead Door Company, Inc                                      | -171.83   |
| Eureka Oxygen                                                                |           |
| cylinder rental                                                              | -97.40    |
| Total Eureka Oxygen                                                          | -97.40    |
| Eureka Readymix                                                              |           |
| Essex fuel tank maintenance                                                  | -338.64   |
| Total Eureka Readymix                                                        | -338.64   |
| Eureka Rubber Stamp                                                          |           |
| Eureka office - name plate/customer parking signs                            | -38.73    |
| Total Eureka Rubber Stamp                                                    | -38.73    |

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

SECTION Jaa, PAGE NO. 13

04/05/17

March 2017

| Memo                                                                        | Amount     |
|-----------------------------------------------------------------------------|------------|
| Fastenal Company                                                            |            |
| maintenance shop supplies                                                   | -23.85     |
| Total Fastenal Company                                                      | -23.85     |
| FEDEX                                                                       |            |
| ship 12KV battery charger boards for repair                                 | -114.25    |
| Total FEDEX                                                                 | -114.25    |
| Frontier Communications                                                     |            |
| Ruth HQ                                                                     | -50.26     |
| Ruth Hydro/Ruth Dataline                                                    | -157.99    |
| Total Frontier Communications                                               | -208.25    |
| GHD                                                                         |            |
| (78696) Collector 1 & 1A Lateral Replacement                                | -12,669.50 |
| (78714) 1 MG Reservoir Roof Replacement Design, Bidding & Construction Mgmt | -857.75    |
| (78698) General Engineering - Ruth                                          | -1,676.00  |
| (78698) General Engineering - Essex                                         | -859.50    |
| (78698) General Engineering - Eureka                                        | -955.00    |
| (78719) FERC - DSSMP & DSSMR Updates                                        | -2,104.25  |
| (78939) 1 MG Industrial Water Reservoir Inspection & Reporting              | -1,616.00  |
| Total GHD                                                                   | -20,738.00 |
| Green Power Sales and Service                                               |            |
| Essex Generator SAFT Battery Charger Repair                                 | -407.50    |
| Total Green Power Sales and Service                                         | -407.50    |
| Hensel Hardware                                                             |            |
| Essex restroom repair                                                       | -9.75      |
| painting supplies                                                           | -26.54     |
| Total Hensel Hardware                                                       | -36.29     |
| Hensell Materials                                                           |            |
| sandbags                                                                    | -11.39     |
| Total Hensell Materials                                                     | -11.39     |
| Humboldt Fasteners                                                          |            |
| white marking paint                                                         | -45.70     |
| Ruth Howell Bungler Valve repair                                            | -10.09     |
| maintenance supplies                                                        | -169.91    |
| Total Humboldt Fasteners                                                    | -225.70    |
| Humboldt Redwood Company, LLC                                               |            |
| Mt Pierce Lease site                                                        | -262.65    |
| Total Humboldt Redwood Company, LLC                                         | -262.65    |
| Humboldt Waste Management Authority                                         |            |
| dispose of Eureka office refrigerator                                       | -20.00     |
| Total Humboldt Waste Management Authority                                   | -20.00     |
| Hunter, Hunter & Hunt                                                       |            |
| update Depreciation Schedule for FY15/16 Audit                              | -1,185.00  |
| Total Hunter, Hunter & Hunt                                                 | -1,185.00  |
| Ian Ivey                                                                    |            |
| expense reimbursement for safety shoes                                      | -271.24    |
| Total Ian Ivey                                                              | -271.24    |
| Industrial Electric                                                         |            |
| Essex bulk fuel tank wiring repair                                          | -17.88     |
| Total Industrial Electric                                                   | -17.88     |
| Interstate Battery System                                                   |            |
| Eureka office emergency light battery                                       | -27.11     |
| Total Interstate Battery System                                             | -27.11     |

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail  
March 2017

SECTION Jda PAGE NO. 14

04/05/17

| Memo                                                     | Amount      |
|----------------------------------------------------------|-------------|
| Keenan Supply                                            |             |
| Replace chlorine booster pumps                           | -3,323.01   |
| Total Keenan Supply                                      | -3,323.01   |
| Layne Christensen Company                                |             |
| Collector 1 & 1A Rehabilitation Project -                | -225,767.50 |
| Total Layne Christensen Company                          | -225,767.50 |
| McMaster-Carr Supply                                     |             |
| Electrical Shop Upgrade - Phase 2                        | -175.46     |
| Ruth Howell Bunger Valve slide gate repair               | -212.51     |
| Total McMaster-Carr Supply                               | -387.97     |
| Miller Farms Nursery                                     |             |
| Essex gate repair                                        | -17.15      |
| weedeater maintenance                                    | 0.00        |
| Essex gate repair                                        | -262.61     |
| Total Miller Farms Nursery                               | -279.76     |
| Mission Linen                                            |             |
| maintenance supplies                                     | -54.25      |
| Uniform Rental                                           | -451.20     |
| Total Mission Linen                                      | -505.45     |
| Mitchell, Brisso, Delaney & Vrieze                       |             |
| Legal services - February 2017                           | -480.50     |
| Total Mitchell, Brisso, Delaney & Vrieze                 | -480.50     |
| Napa Auto Parts                                          |             |
| Unit 7 service and repair                                | -213.11     |
| durable trailer repair                                   | -9.52       |
| pressure washer maintenance                              | -5.88       |
| maintenance supplies                                     | -10.96      |
| lawn mower maintenance                                   | -4.88       |
| Total Napa Auto Parts                                    | -244.35     |
| Network Management Services                              |             |
| EssentialCare Computer Support Service for Eureka office | -342.00     |
| Guard-IT Security Service for Eureka office              | -139.99     |
| Recover-IT Backup Solution                               | -124.99     |
| Domain Management                                        | -3.00       |
| Umbrella- Security                                       | -30.00      |
| Total Network Management Services                        | -639.98     |
| Nilsen Feed & Grain Co., Arcata                          |             |
| Collector 1 & 1A Lateral Replacement                     | -173.71     |
| Total Nilsen Feed & Grain Co., Arcata                    | -173.71     |
| 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     |
| North Valley Labor Compliance                            |             |
| Collectors 1 & 1A Lateral Replacement                    | -975.00     |
| Total North Valley Labor Compliance                      | -975.00     |
| Northcoast Awning Company                                |             |
| Unit 8 welder cover                                      | -65.00      |
| Total Northcoast Awning Company                          | -65.00      |
| Northern California Safety Consortium                    |             |
| membership fee                                           | -50.00      |
| Total Northern California Safety Consortium              | -50.00      |

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail  
March 2017

SECTION Jaw PAGE NO. 15

| Memo                                                           | Amount     |
|----------------------------------------------------------------|------------|
| NTT Training, Inc                                              |            |
| NFPA 70E Arc Flash with Practical Skills - Joseph David Corral | -1,499.00  |
| Total NTT Training, Inc                                        | -1,499.00  |
| NTU Technologies, Inc                                          |            |
| TRF chemical supplies                                          | -1,242.00  |
| Total NTU Technologies, Inc                                    | -1,242.00  |
| O&M Industries                                                 |            |
| Eureka office HVAC maintenance                                 | -80.00     |
| Total O&M Industries                                           | -80.00     |
| Occupational Health Services of Mad River                      |            |
| DMV Physical                                                   | -135.00    |
| Pre-Employment Physical                                        | -395.00    |
| Essex - Annual Hearing & Respirator Exams 15 employees         | -2,100.00  |
| Ruth HQ - Annual Hearing & Respirator Exam                     | -70.00     |
| Ruth Hydro - Annual Hearing & Respirator Exam                  | -70.00     |
| Total Occupational Health Services of Mad River                | -2,770.00  |
| Pacific Gas & Electric Co.                                     |            |
| Ruth Bunkhouse                                                 | -35.33     |
| Eureka office                                                  | -554.01    |
| Jackson Ranch Rectifier                                        | -19.36     |
| 299 Rectifier                                                  | -101.29    |
| West End Road Rectifier                                        | -118.33    |
| TRF                                                            | -9,177.60  |
| Ruth Hydro Valve Control                                       | -26.54     |
| Ruth Hydro                                                     | -37.96     |
| Samoa Booster Pump Station                                     | -441.88    |
| Samoa Dial Station                                             | -47.07     |
| Essex Pumping February 1 - 28, 2017                            | -40,031.54 |
| Total Pacific Gas & Electric Co.                               | -50,590.91 |
| Pacific Paper Co.                                              |            |
| Eureka office supplies                                         | -443.26    |
| Eureka office safety supplies                                  | -22.31     |
| Total Pacific Paper Co.                                        | -465.57    |
| Pitney Bowes                                                   |            |
| postage meter lease                                            | -209.54    |
| Total Pitney Bowes                                             | -209.54    |
| Platt Electric Supply                                          |            |
| TRF water system pump contactor replacement                    | -152.29    |
| Essex and Samoa Booster Pump Station lighting maintenance      | -415.52    |
| Electrical Shop Upgrade - Phase 2                              | -232.94    |
| Collector 3 crane maintenance                                  | -439.64    |
| Total Platt Electric Supply                                    | -1,240.39  |
| Power Industries, Inc                                          |            |
| Annual Ruth Maintenance - Unit 1 Turbine panel                 | -657.38    |
| Total Power Industries, Inc                                    | -657.38    |
| Recology Arcata                                                |            |
| Essex Garbage Service                                          | -262.44    |
| Total Recology Arcata                                          | -262.44    |
| Recology Humboldt County                                       |            |
| Eureka office garbage/recycling service                        | -82.30     |
| Total Recology Humboldt County                                 | -82.30     |
| Redding Drone                                                  |            |
| Ruth Dam and Mudslide area                                     | -75.00     |
| Ruth Hydro Photos for ReMat Agreement                          | -550.00    |
| Total Redding Drone                                            | -625.00    |



Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

SECTION J2a PAGE NO. 16

March 2017

| Memo                                             | Amount     |
|--------------------------------------------------|------------|
| Renner Petroleum                                 |            |
| cardlock fuel - pumping & control                | -274.02    |
| cardlock fuel - water quality                    | -274.02    |
| cardlock fuel - maintenance                      | -274.02    |
| cardlock fuel - customer service                 | -274.03    |
| Ruth Hydro hydraulic oil and sorbent pads        | -70.53     |
| Ruth HQ bulk fuel                                | -313.50    |
| Ruth Hydro bulk fuel                             | -313.51    |
| Total Renner Petroleum                           | -1,793.63  |
| SHN Consulting Engineers & Geologists            |            |
| Aerial Photos of Mad River Watershed per RWQCB   | -10,298.88 |
| Total SHN Consulting Engineers & Geologists      | -10,298.88 |
| Sierra Chemical Company                          |            |
| TRF chemicals                                    | -4,629.09  |
| TRF chemicals                                    | -4,071.18  |
| Total Sierra Chemical Company                    | -8,700.27  |
| Simply Performance Automotive                    |            |
| Unit 7 repair                                    | -37.60     |
| Total Simply Performance Automotive              | -37.60     |
| Sitestar Nationwide Internet                     |            |
| Essex Internet                                   | -52.90     |
| Total Sitestar Nationwide Internet               | -52.90     |
| Six Rivers Communications                        |            |
| Install radio in new Unit 15                     | -817.66    |
| Unit 11 radio repair                             | -94.83     |
| portable radio repair                            | -38.73     |
| Picketts Peak radio storm damage repair          | -1,600.00  |
| Unit 11 radio repair                             | -84.71     |
| Total Six Rivers Communications                  | -2,635.93  |
| Springville Safety/Supply                        |            |
| safety gear                                      | -205.15    |
| Total Springville Safety/Supply                  | -205.15    |
| Steven A. Marshall                               |            |
| Essex office supplies                            | -27.66     |
| chlorine training supplies                       | -5.43      |
| lab supplies                                     | -20.05     |
| maintenance supplies                             | -9.74      |
| Refill Ruth HQ propane                           | -5.95      |
| Refill Ruth Hydro propane                        | -5.95      |
| Samoa Booster Pump Station repair                | -10.84     |
| send part to M & M Dive                          | -8.65      |
| Ruth HQ storm damage photos                      | -9.89      |
| Ruth Hydro storm damage photos                   | -9.85      |
| Total Steven A. Marshall                         | -114.01    |
| Streamline                                       |            |
| Website maintenance March membership fee-        | -450.00    |
| Total Streamline                                 | -450.00    |
| Sudden Link                                      |            |
| Essex Internet                                   | -124.95    |
| Eureka office Internet                           | -204.95    |
| TRF internet - installation and monthly service  | -1,650.38  |
| Fieldbrook-Glendale CSD internet - installation  | -3,320.00  |
| Fieldbrook-Glendale CSD internet monthly service | -390.05    |
| Essex Internet                                   | -124.95    |
| Total Sudden Link                                | -5,815.28  |

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

SECTION J2a PAGE NO. 17

04/05/17

March 2017

| Memo                                                           | Amount    |
|----------------------------------------------------------------|-----------|
| Telstar Instruments, Inc                                       |           |
| SCADA System Upgrade - Phase 2 Progress Payment 1              | -9,617.80 |
| Total Telstar Instruments, Inc                                 | -9,617.80 |
| The Mill Yard                                                  |           |
| materials for sign mounting                                    | -65.23    |
| Essex restroom repair                                          | -76.30    |
| Essex lighting maintenance                                     | -17.89    |
| Essex fuel tank maintenance                                    | -43.84    |
| Ruth Howell Bungler valve repair                               | -35.50    |
| Total The Mill Yard                                            | -238.76   |
| The Times-Standard                                             |           |
| Position Advertisement Business Manager                        | -1,627.07 |
| Total The Times-Standard                                       | -1,627.07 |
| Thrifty Supply                                                 |           |
| blind flange for Collector #1 Surge Valve                      | -108.96   |
| Essex lab restroom repair                                      | -150.63   |
| parts return                                                   | 12.26     |
| Fieldbrook-Glendale CSD meter service                          | -79.43    |
| Fieldbrook-Glendale CSD meter installation                     | -706.91   |
| Total Thrifty Supply                                           | -1,033.67 |
| Transene Company                                               |           |
| TRF chemical supplies                                          | -82.74    |
| Total Transene Company                                         | -82.74    |
| Trinity County General Services                                |           |
| Pickett Peak site lease                                        | -250.00   |
| Total Trinity County General Services                          | -250.00   |
| Trinity County Solid Waste                                     |           |
| Ruth HQ dump fees                                              | -10.47    |
| Ruth Hydro dump fees                                           | -10.48    |
| Total Trinity County Solid Waste                               | -20.95    |
| U.S. Bank Corporate Payment System                             |           |
| Essex office supplies                                          | -133.11   |
| Essex Operations Heater                                        | -276.38   |
| Cal/OSHA Compliance Seminar - 2 employees                      | -358.00   |
| Essex office supplies                                          | -59.11    |
| Electrical Shop Upgrade - Phase 2                              | -867.98   |
| Replace 2 Essex doors                                          | -1,909.09 |
| Ruth Hydro office supplies                                     | -32.80    |
| ProGovJobs - Position Advertisemetn - Business Manager         | -95.00    |
| Record Searchlight - Position Advertisemetn - Business Manager | -986.40   |
| CSDA Webinar - Who Does What? Best Practices in Board/Staff    | -95.00    |
| Professional Web Hosting Annual account maintenance            | -181.92   |
| working lunch - SOQ for Surge Tower                            | -51.90    |
| Business Manager interview panel lunch                         | -87.88    |
| General Manager - charge in error - reimbursed by P. Helliker  | -278.80   |
| Total U.S. Bank Corporate Payment System                       | -5,413.37 |
| USA Blue Book                                                  |           |
| lab supplies                                                   | -330.04   |
| Total USA Blue Book                                            | -330.04   |
| USTI, Inc                                                      |           |
| Humboldt Bay retail ebill                                      | -2.98     |
| Fieldbrook-Glendale CSD ebill                                  | -6.54     |
| bill cards                                                     | -246.00   |
| Total USTI, Inc                                                | -255.52   |

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

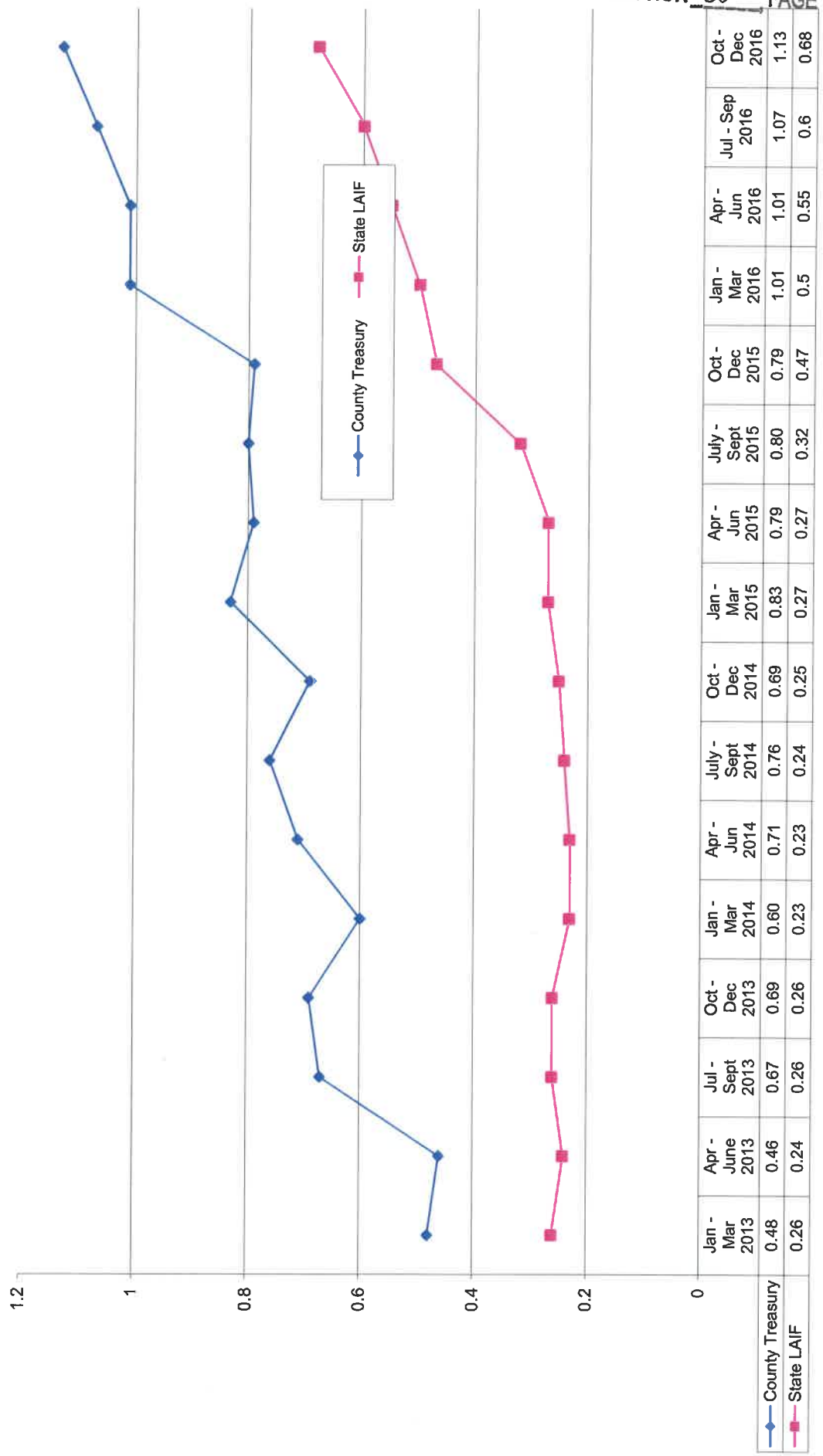
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March 2017

04/05/17

| Memo                                                            | Amount             |
|-----------------------------------------------------------------|--------------------|
| Verizon Wireless                                                |                    |
| Operations 1                                                    | -1.77              |
| Superintendent                                                  | -114.19            |
| Unit 3                                                          | -14.88             |
| Electrician                                                     | -0.22              |
| Operations 2                                                    | -3.01              |
| Water Operations Supervisor - Unit 11                           | -56.56             |
| Maintenance Supervisor                                          | -39.06             |
| Electrician                                                     | -16.99             |
| Unit 6                                                          | -5.75              |
| Unit 6                                                          | -5.76              |
| Assistant Water Operations Supervisor                           | -41.00             |
| Spare Operations                                                | -0.22              |
| <b>Total Verizon Wireless</b>                                   | <b>-299.41</b>     |
| West Coast Plumbing                                             |                    |
| Ruth HQ dishwasher repair                                       | -9.21              |
| Essex restroom repair                                           | -28.74             |
| Essex lab faucet replacement                                    | -141.55            |
| <b>Total West Coast Plumbing</b>                                | <b>-179.50</b>     |
| Wienhoff & Associates Inc                                       |                    |
| pre-employment drug screen                                      | -65.00             |
| <b>Total Wienhoff &amp; Associates Inc</b>                      | <b>-65.00</b>      |
| William B. Newell                                               |                    |
| expense reimbursement - Ruth HQ Master Bath/Laundry Room Repair | -313.83            |
| Ruth petty cash - Ruth HQ office supplies                       | -10.47             |
| Ruth petty cash - Ruth Hydro office supplies                    | -42.17             |
| Ruth petty cash - Remodel Ruth HQ Master Bath/Laundry Room      | -51.42             |
| <b>Total William B. Newell</b>                                  | <b>-417.89</b>     |
| ZEP Manufacturing Company                                       |                    |
| maintenance supplies                                            | -289.27            |
| <b>Total ZEP Manufacturing Company</b>                          | <b>-289.27</b>     |
| Zions First National Bank                                       |                    |
| WREGIS Annual GU Medium Fee                                     | -100.00            |
| <b>Total Zions First National Bank</b>                          | <b>-100.00</b>     |
| <b>TOTAL</b>                                                    | <b>-413,699.93</b> |

Comparison of County Treasury and State LAIF Investment Earning Rates  
January 2013 - December 2016





## COUNTY OF HUMBOLDT

JOHN BARTHOLOMEW  
TREASURER-TAX COLLECTOR

825 FIFTH STREET ROOM 125  
EUREKA, CALIFORNIA 95501

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

Subject: Interest Apportionment Rate and Other Considerations March 1, 2017

Honorable Board Members,

Your fund balances in the County Treasury from October through December 2016 (Fiscal 16/17 2<sup>nd</sup> Quarter) earned an annualized interest rate of 1.13%. For comparison purposes, the LAIF (Local Agency Investment Fund) rate was 0.68%.

The Federal Reserve released minutes of their last meeting and reinforced their focus on economic data being the driving force behind any decision to raise rates. The US economy continues to grow and produce jobs and there is some inflation around the corner but unless significant reforms are pushed through Washington to stimulate even more momentum the Fed will continue to be in the position of waiting vs. acting.

The Fed typically will tighten rates and then watch the market's reaction. The market is watching Federal Reserve member comments closely for clues to their plan for 2017. Will 3 rate increases happen? While the Fed is not always known for transparency Cleveland Fed President Loretta Mester said "we [the FOMC] certainly never want to surprise the markets." Then, Ms. Mester warned us that we might see more volatility in the Fed's economic outlook – "In a particular environment like this, we might see more changes in our forecasts and associated policy paths than we might have seen over the past couple of years".

Bottom line is to keep your eyes on the economic data released. The goal of this office, as always, is safety of the public's money while generating as much yield as possible in current market conditions once all liquidity requirements are met.

Let us know how we may be of service.

Sincerely,

Amy Christensen  
Senior Treasury Assistant

Humboldt County Treasury Team:  
John Bartholomew – Treasurer Tax Collector  
Whitney Morgan – Treasury Assistant

FUND BALANCES  
Allocation Account Activity

January 1, 2017 - January 1, 2017

*Interest October - December 2016*

| Account                            | Fund | Security ID | Current Transaction Rate | Date       | Receipt | Trans. Type | Contributions / Transfer In | Disbursements / Transfer Out / Fees | Allocated Earnings | Balance      |
|------------------------------------|------|-------------|--------------------------|------------|---------|-------------|-----------------------------|-------------------------------------|--------------------|--------------|
| <b>Fund Participant</b>            |      |             |                          |            |         |             |                             |                                     |                    |              |
| 2710                               | 2710 | SYS         | 1.132                    | 01/01/2017 |         | Alloc/Fee   |                             |                                     | 352.38             | 423,656.17   |
| <i>10% Taxes</i>                   |      |             |                          |            |         |             |                             |                                     |                    | 424,007.55   |
| <b>Subtotal and Ending Balance</b> |      |             |                          |            |         |             |                             |                                     |                    | 424,007.55   |
| 2711                               | 2711 | 2711        | 1.132                    | 01/01/2017 |         | Alloc/Fee   | 0.00                        | 0.00                                | 1,200.26           | 420,611.21   |
| <b>MSRA</b>                        |      |             |                          |            |         |             |                             |                                     |                    | 421,711.47   |
| <b>Subtotal and Ending Balance</b> |      |             |                          |            |         |             |                             |                                     |                    | 421,711.47   |
| 3873                               | 3873 | 3873        | 1.132                    | 01/01/2017 |         | Alloc/Fee   | 0.00                        | 0.00                                | 8,251.94           | 2,729,437.53 |
| <b>Investment Account</b>          |      |             |                          |            |         |             |                             |                                     |                    | 2,737,689.47 |
| 3874                               | 3874 | 3874        | 1.132                    | 01/01/2017 |         | Alloc/Fee   | 0.00                        | 0.00                                | 8,251.94           | 2,737,689.47 |
| <b>DWFP</b>                        |      |             |                          |            |         |             |                             |                                     |                    | 469,647.92   |
| <b>Subtotal and Ending Balance</b> |      |             |                          |            |         |             |                             |                                     |                    | 470,888.14   |
| 3876                               | 3876 | 3876        | 1.132                    | 01/01/2017 |         | Alloc/Fee   | 0.00                        | 0.00                                | 159.76             | 2,933.62     |
| <b>SRF Payment</b>                 |      |             |                          |            |         |             |                             |                                     |                    | 3,103.38     |
| <b>Subtotal and Ending Balance</b> |      |             |                          |            |         |             |                             |                                     |                    | 3,103.38     |

Run Date: 02/28/2017 - 14:47

**Humboldt Bay Municipal Water District**

To: Board of Directors  
From: Chris Harris  
Date: April 13, 2017  
Re: US Bank Account Signature Cards Update

**Background**

Two individuals (Paul Helliker and Aldaron Laird) that were signers on both the US Bank accounts and the County Funds accounts are no longer affiliated with HBMWD. In addition to this, a new Business Manager (Chris Harris) as well as a new Director, (Michelle Fuller) have recently joined HBMWD and need account privileges with US Bank as well as the County.

**Recommendation**

Staff recommends a motion to update the accounts with both US Bank and the County to remove Mr. Helliker and Mr. Laird as authorized signers and to replace them with Ms. Harris and Ms. Fuller.

**Humboldt Bay Municipal Water District**

To: Board of Directors  
From: Chris Harris  
Date: April 13, 2017  
Re: Budget for Office Desk Replacement

**Background**

Numerous studies have supported the importance of having ergonomically correct body positioning while spending hours working at a desk. This was part of the support when we began replacing the desk areas of the Eureka office staff several years ago, moving from a traditional-style desk to an adjustable desk which allows for work to be completed in both a seated and standing position. Allowing staff the flexibility to work in both positions supports not only general wellness through movement, but also improves staff efficiency by reducing or eliminating work-related injuries that occur from repetitive motion and lack of movement (ie: carpal tunnel and back strain).

**Discussion**

At this time we have several stations in the front office that have been converted to ergonomic adjustable work stations. While there is currently not a budget line item to add an additional workstation, the cost is not prohibitive. Currently we have a quote to replace an entire workstation for just under \$1,400.00. Based on prior years budget reallocations, the needed budget funds could be made available during our year end budget reallocation in June. Staff is confident that there will be sufficient funds available for this item.

**Recommendation and Action**

Staff recommends the addition of a project budget line item for the purchase of one ergonomic desk/workstation for the Eureka office based on the quote from Pacific Paper.

**Attachment**

Quote from Pacific Paper



Quote: Dee Dee Adjustable Desk

**HUMBOLDT BAY  
MUNICIPAL WATER DISTRICT** AP  
828 7TH STREET  
EUREKA, CA 95501  
707 443-5018

| Item #           | Description                                       | UOM | Qty | Customer Price   | Line Total |
|------------------|---------------------------------------------------|-----|-----|------------------|------------|
| Misc - Furniture | Adjustable 2-leg height adjustable legset-silver  | EA  | 1   | 1159.00          | \$1,159.00 |
| MISC             | Labor to KD Bridge and remove/remount KB Platform | EA  | 1   | 85.00            | \$85.00    |
|                  |                                                   |     |     | <b>Subtotal:</b> | \$1,244.00 |
|                  |                                                   |     |     | <b>Tax:</b>      | \$98.52    |
|                  |                                                   |     |     | <b>Total:</b>    | \$1,342.52 |

**Pacific Paper Co.**

2825 F. Street  
Eureka, CA 95501  
Phone: 707-443-3158  
Fax: 707-443-0547

**Humboldt Bay Municipal Water District**

To: Board of Directors

From: Chris Harris

Date: April 13, 2017

Re: Forms 640 and 645  
(Report of spending \$5,000.00 or more to Influence Legislative Action)

**Background**

In correspondence dated March 8, 2017, HBMWD received communication from ACWA regarding reporting requirements to the California Secretary of State (SOS). These requirements are based on regulations adopted by the Fair Political Practices Commission (FPPC) involving payments made to lobbying entities. Upon researching, staff found that effective July 1, 2016 new reporting requirements were applied to lobbyist employers and agencies that pay \$5,000.00 or more to others who "influence legislative or administrative action". While there are nine categorized payment codes, these new guidelines apply only to those filers who disclose payments under the "other payments" category. This category includes governments and government-type agencies making payments for dues to entities with advocacy activities. Staff has determined that payments by HBMWD to ACWA for membership dues fall into this category.

**Discussion**

Prior to this correspondence from ACWA, staff was unaware of any reporting requirements for HBMWD regarding dues payments to ACWA (or any other lobbyist entity). Based on research findings, staff has completed Forms 640 and 645 to be filed with the SOS to satisfy the current reporting requirements. Staff has also created standard procedures for all future payments to ACWA and/or any other entity that may have sufficient lobbyist activities to require completion of these forms.

**Recommendation and Action**

Staff recommends that the completed Forms 640 and 645 be signed by a Board Officer and filed with the Secretary of State as required. Based on the redundancy of information on the forms (ACWA's name, address, interests, and payment amount), staff also recommends that future approval of dues payments to ACWA also constitute approval to complete Forms 640 and 645. Completed forms will be provided to the Board Officer for signature at the same time of the ACWA payment.

**Attachment**

Copy of March 8, 2017 Memorandum from ACWA  
Draft copies of Forms 640 & 645



## MEMORANDUM

Via U.S. Mail and Electronic Mail

**TO:** General Managers of ACWA Member Agencies  
**FROM:** Timothy H. Quinn, Executive Director  
**DATE:** March 8, 2017  
**RE:** **Important – Inclusion of ACWA Dues in Lobby Reports to the California Secretary of State**

---

As you are likely already aware, local agencies are sometimes required to report lobbying activities to the California Secretary of State (SOS) under State statutes and regulations adopted by the Fair Political Practices Commission (FPPC). Recently, we received an inquiry from an ACWA member agency regarding whether ACWA dues are reportable. In fact, membership dues paid to ACWA and similar organizations with sufficient advocacy activities need to be included in local agencies' reports filed with the SOS. Many agencies may already be reporting the dues, but we wanted to bring this issue to your attention.

The attached diagram provides general information regarding whether this reporting requirement applies to your agency, and following is a link to the FPPC website: <http://www.fppc.ca.gov/learn/lobbyist-rules.html> As always, we recommend that you contact your legal counsel regarding FPPC reporting requirements.

Should you have any questions with regards to this correspondence, please contact ACWA's Deputy Executive Director of Government Relations, Cindy Tuck at (916) 441-4545.

Attachment

cc: Ms. Cindy Tuck

**REPORT OF PERSON SPENDING \$5,000 OR MORE TO  
INFLUENCE LEGISLATIVE OR ADMINISTRATIVE ACTION**  
(Government Code Section 86116)

FORM 645  
1993

DRAFT

PAGE 1 OF 3

REPORT COVERS PERIOD FROM 10/01/2016 THROUGH 12/31/2016

CUMULATIVE PERIOD BEGINNING JANUARY 1, 2016

TYPE OR PRINT IN INK

*For information required to be provided to you pursuant to the Information Practices Act of 1977, see Information Manual on Lobbying Disclosure Provisions of the Political Reform Act.*

NAME OF FILER:

HUMBOLDT BAY MUNICIPAL WATER DISTRICT (HBMWD)

|                                       |        |         |            |                   |
|---------------------------------------|--------|---------|------------|-------------------|
| BUSINESS ADDRESS: (Number and Street) | (City) | (State) | (Zip Code) | TELEPHONE NUMBER: |
| 828 SEVENTH STREET                    | EUREKA | CA      | 95501      | ( 707 ) 443-5018  |

**PART I - LEGISLATIVE OR STATE AGENCY ADMINISTRATIVE ACTIONS ACTIVELY LOBBIED DURING THE PERIOD**  
(See instructions on reverse.)

ACWA undertakes focused policy initiatives aimed at protecting members' pocketbooks, promoting local management of groundwater basins, protecting water rights and promoting regulatory decisions that facilitate member interests. For 2016, this included 21st Century Water Storage, the Sustainable Ground Water Management Act of 2014 (SGMA), and management of the state's headwaters areas.

If more space is needed, check box and attach continuation sheets.

**SUMMARY OF PAYMENTS THIS PERIOD**

|                                                                                |          |
|--------------------------------------------------------------------------------|----------|
| A. Total Activity Expenses (Part II, Section A) .....                          | \$ _____ |
| B. Total Other Payments to Influence (Part II, Section B) .....                | \$ _____ |
| Total (A + B above) .....                                                      | \$ _____ |
| C. Total Payments in Connection with PUC Activities (Part II, Section C) ..... | \$ _____ |

CAMPAIGN CONTRIBUTIONS:  Part III completed and attached  No campaign contributions made this period

**VERIFICATION**

I have used all reasonable diligence in preparing this Report. I have reviewed the Report and to the best of my knowledge the information contained herein and in the attached schedules is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

|                                                      |                                   |                                                         |
|------------------------------------------------------|-----------------------------------|---------------------------------------------------------|
| Executed on (Date)                                   | At (City and State)<br>EUREKA, CA | By (Signature of Filer or Responsible Officer)<br>DRAFT |
| Name of Filer or Responsible Officer (Type or Print) |                                   | Title                                                   |

NAME OF FILER: HUMBOLDT BAY MUNICIPAL WATER DISTRICT (HBMWD)

PERIOD COVERED: \_\_\_\_\_

**PART II - PAYMENTS MADE THIS PERIOD**

**A. ACTIVITY EXPENSES (See instructions on reverse.)**

| Date | Name and Address of Payee | Name and Official Position of Reportable Persons and Amount Benefiting Each | Description of Consideration | Total Amount of Activity |
|------|---------------------------|-----------------------------------------------------------------------------|------------------------------|--------------------------|
|      | NONE                      | DRAFT \$                                                                    |                              | \$                       |
|      |                           |                                                                             |                              |                          |
|      |                           |                                                                             |                              |                          |
|      |                           |                                                                             |                              |                          |
|      |                           |                                                                             |                              |                          |
|      |                           |                                                                             |                              |                          |

If more space is needed, check box and attach continuation sheets.

TOTAL SECTION A (Activity Expenses). Also enter the total of Section A on Line A of the Summary of Payments section on page 1.

\$

**B. OTHER PAYMENTS TO INFLUENCE LEGISLATIVE OR ADMINISTRATIVE ACTION**

NOTE: State and local government agencies do not complete this section. Check the box and complete Attachment Form 640 instead.

1. PAYMENTS TO LOBBYING COALITIONS (NOTE: Attach Form 630.) \$ \_\_\_\_\_

2. OTHER PAYMENTS \$ \_\_\_\_\_

TOTAL SECTION B (1 + 2). Also enter the total of Section B on Line B of the Summary of Payments section on page 1.

\$

**C. PAYMENTS IN CONNECTION WITH ADMINISTRATIVE TESTIMONY IN RATEMAKING PROCEEDINGS BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION**

(See instructions on reverse.) Also enter the total of Section C on Line C of the Summary of Payments section on page 1.

\$

**DRAFT**

NAME OF FILER: HUMBOLDT BAY MUNICIPAL WATER DISTRICT (HBMWD) PERIOD COVERED: \_\_\_\_\_

**PART III - CAMPAIGN CONTRIBUTIONS MADE** (Monetary and non-monetary campaign contributions of \$100 or more made to or on behalf of state candidates, elected state officers and any of their controlled committees, or committees supporting such candidates or officers must be reported in A or B below.)

A. If the contributions made by you during the period covered by this report, or by a committee you sponsor, are contained in a campaign disclosure statement which is on file with the Secretary of State, report the name of the committee and its identification number, if any, below.

Name of Major Donor or Recipient Committee Which Has Filed A Campaign Disclosure Statement: \_\_\_\_\_ Identification Number if Recipient Committee: \_\_\_\_\_

B. Contributions of \$100 or more which have not been reported on a campaign disclosure statement, including contributions made by an organization's sponsored committee, must be itemized below.

| Date | Name of Recipient | I.D. Number if Committee | Amount |
|------|-------------------|--------------------------|--------|
|      | NONE              |                          | \$     |
|      |                   |                          |        |
|      |                   |                          |        |
|      |                   |                          |        |
|      |                   |                          |        |
|      |                   |                          |        |
|      |                   |                          |        |
|      |                   |                          |        |
|      |                   |                          |        |
|      |                   |                          |        |

If more space is needed, check box and attach continuation sheets.

**NOTE:** Disclosure in this report does not relieve a filer of any obligation to file the campaign disclosure statements required by Gov. Code Section 84200, et seq.

**Attachment Form 640**  
(Attachment to Form 635 or Form 645)

SECTION J2f, PAGE NO. 6

CALIFORNIA  
FORM **640**

DRAFT

PAGE 1 OF 1

NAME OF FILER: HUMBOLDT BAY MUNICIPAL WATER DISTRICT (HBMWD) PERIOD COVERED: 10/01/2016-12/31/2016

**For Use By:** A lobbyist employer or a \$5,000 filer. Refer to the instructions on the cover page before completing this attachment.

**Summary of Other Payments to Influence Legislative or Administrative Action:**

|                                                                                                                                                                                                                |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1. Total payments for overhead expenses related to lobbying activity.<br><u>Report as a lump sum.</u> .....                                                                                                    | \$ _____            |
| 2. Total payments to Lobbying Coalitions. <u>Report as a lump sum.</u> .....                                                                                                                                   | \$ _____            |
| (Form 630 must be attached)                                                                                                                                                                                    |                     |
| 3. Total payments of less than \$250 or \$2,500, as applicable, during the calendar quarter for lobbying activity (excluding overhead). <u>Report as a lump sum.</u> .....                                     | \$ _____            |
| 4. Total payments of \$250 or more or \$2,500 or more, as applicable, during the calendar quarter for lobbying activity (excluding overhead). Itemize payments below. ....                                     | \$ <u>13,360.00</u> |
| 5. Grand total of "Other Payments to Influence Legislative or Administrative Action." Also enter this total on the appropriate line of the Summary of Payments section on Page 1 of Form 635 or Form 645. .... | \$ <u>13,360.00</u> |

Government agencies must itemize payments of \$250 or more, and all other lobbyist employers and \$5,000 filers must itemize payments of \$2,500 or more, made during the quarter for lobbying activity. Provide the payment code, name and address of the payee, the amount paid during the quarter, and the cumulative amount paid to the payee since January 1 of the current calendar year.

State and local government agencies also must itemize dues or similar payments of \$250 or more made to an organization that makes expenditures equal to 10% of its total expenditures or \$15,000 or more in a calendar quarter to influence legislative or administrative action. Government agencies must use the payment code [O] for these items.

| Payment Code, Name & Address of Payee                                                             | Amount This Quarter | Cumulative Amount Since January 1 |
|---------------------------------------------------------------------------------------------------|---------------------|-----------------------------------|
| [O] - ACWA (ASSOC. OF CALIFORNIA WATER AGENCIES)<br>910 K STREET, SUITE 100, SACRAMENTO, CA 95814 | \$ 13,360.00        | \$ 13,360.00                      |
|                                                                                                   | \$                  | \$                                |
|                                                                                                   | \$                  | \$                                |
| Subtotal of all payments itemized above                                                           | \$ 13,360.00        |                                   |

If more space is needed, check box and attach continuation sheets.

# Operations



### **Ruth Lake, Upper Mad River and Hydro Plant**

1. The high flow at Mad River above Ruth Reservoir (Zenia Bridge) for March was measured on March 25<sup>th</sup> at 1,110 cfs and the low flow was measured on March 4<sup>th</sup> at 259 cfs.
2. The conditions at Ruth Lake in March were as follows:
  - a. The lake level on March 31<sup>th</sup> was 2655.24 feet which is:
    1. 0.05 feet lower than February 28<sup>th</sup>, 2017
    2. 0.56 feet higher than March 31<sup>st</sup>, 2016
    3. 0.13 feet higher than the ten year average
    4. 1.24 feet over the spillway
3. We measured 10.07 inches of rain at Ruth Headquarters during the month with a high reading of 1.69 inches measured on March 24<sup>th</sup>.
4. Ruth hydro power production was 962,400 kWh during the month with 3 shutdowns and 27,034 kWh lost power.
5. The high discharge flow from the lake this month was 1,884 cfs on March 25<sup>th</sup> and the low release flow from the lake was 440 cfs on March 4<sup>th</sup>.

### **Winzler Control, TRF and Lower Mad River**

6. The river at Winzler Control Center reached a high recorded flow of 7,140 cfs and a level of 26.5 feet on March 22<sup>nd</sup>. The low river flow was on March 18<sup>th</sup> with a flow of 1,490 cfs and a level of 24.1 feet.
7. The domestic water conditions for March were as follows:
  - a. The monthly turbidity average was 0.06 NTU, which meets Public Health Secondary Standards.
  - b. We metered 240.446 million gallons at an average of 7.756 MGD.
  - c. The maximum metered daily municipal customer use was 8.541 MGD on March 21<sup>st</sup>.
8. The Turbidity Reduction Facility ran 31 days in March. The conditions were as follows:
  - a. Filtered water production was 247.726 million gallons.
  - b. Average monthly source water turbidity was 2.81 NTU.
  - c. Average monthly filtered water turbidity was 0.07 NTU.
9. March 6<sup>th</sup> – Our new electrician, David Corral's first day – He is doing very well and has completed a lot of required safety training.

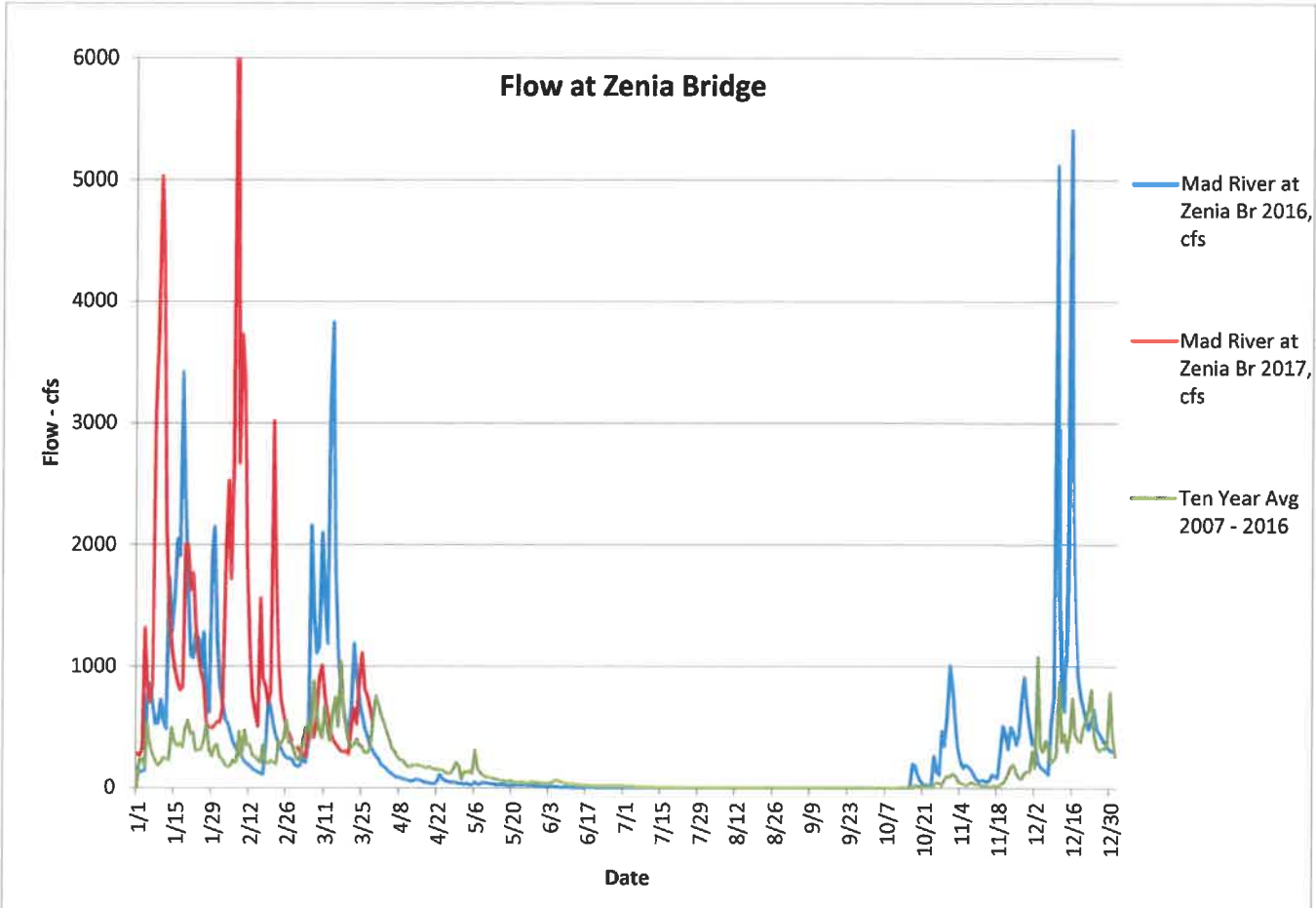
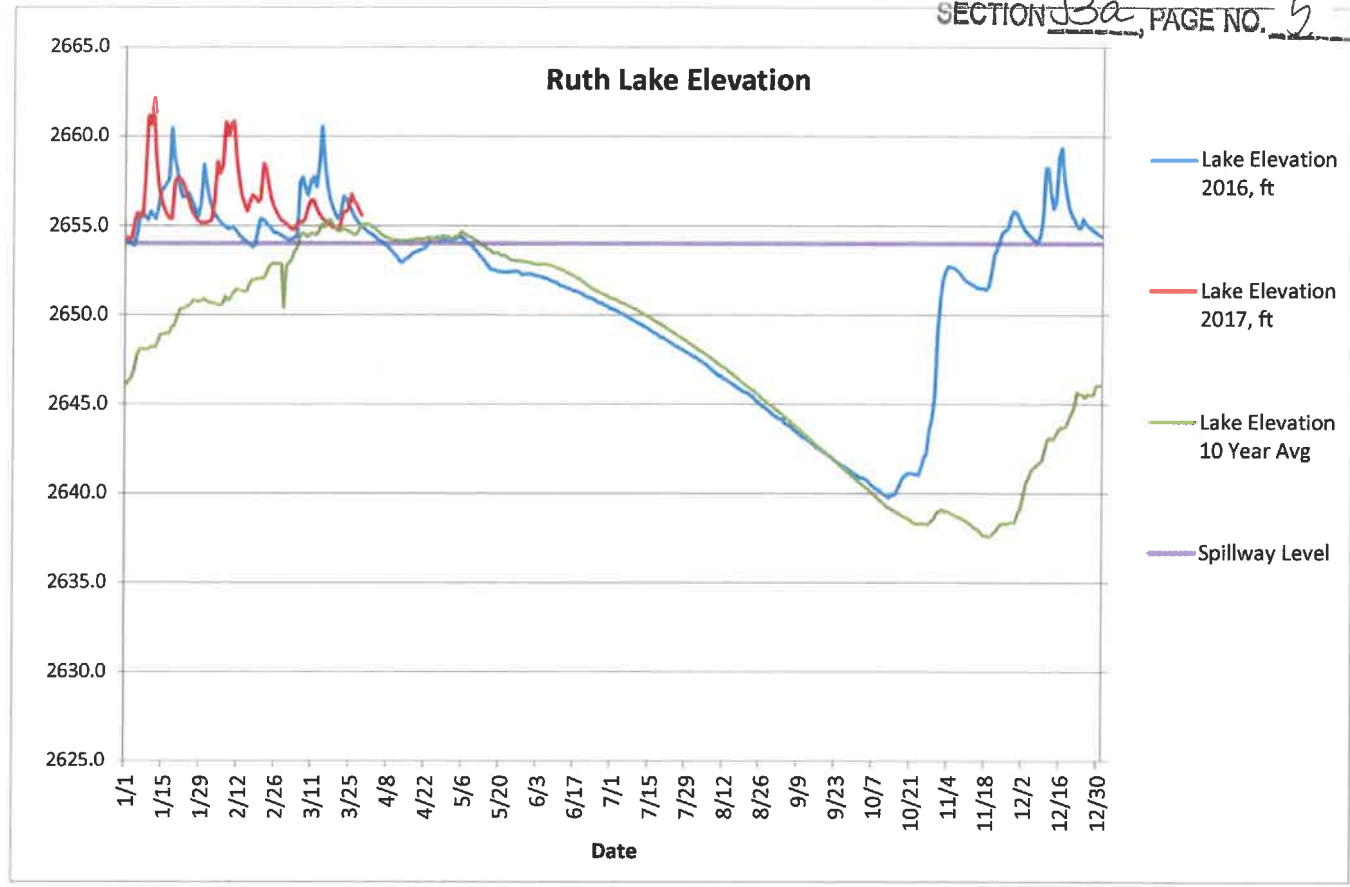
- 10. March 8<sup>th</sup> – Safety training – Chlorine Leak Response and “B” Kit training.
- 11. March 13<sup>th</sup>-16<sup>th</sup> – David went to Arc Flash Safety training in Sacramento.
- 12. March 15<sup>th</sup> – Safety meeting – Ryan, Dave and Keith put on a Rigging Safety class.
- 13. March 17<sup>th</sup> – Chris went to a Supervisors Training class.
- 14. March 17<sup>th</sup> & 18<sup>th</sup> – Bruce went to Redding and took his D-2 certification test. He feels he did well but won’t get the official results back for a few more weeks.
- 15. March 20<sup>th</sup> – Redwood Electrical Services went to Ruth to do the required Electrical and Maintenance inspection for the ReMAT contract.
- 16. March 22<sup>nd</sup> & 23<sup>rd</sup> - (4) O&M Techs and (1) Electrician went to a CWEA provided a Motor Control and Electrical Safety class in McKinleyville. This class also qualified each attendee for 16 hours of CEU credits.
- 17. March 23<sup>rd</sup> – Pat, Nathan and I went to Ruth to look at a number of winter storm related items. See attached photos
  - a. The surficial slide above the hydro plant access road. We have cleaned up at least a couple of hundred yards of debris from the slide this winter. There is some noticeable movement on the slide. Pat’s engineering report will have more information. *and Photos.*
  - b. Filling in of the tailrace and river channel below the hydro plant. We have noticed a raise in the water level below the plant. The water from the spillway is now higher than the concrete lip of the tailrace pits and we can no longer pump down the pit to do maintenance because the river is flowing in faster than we can pump it out. We need to perform emergency channel work.
  - c. Sheriffs Cove – We had a lot of filling in of the creek channel that also made a large delta in the lake. Here again, we need to dredge this soon. If this area is not maintained the problem will continue to grow and put fill into the lake and this could impact our intake at the dam.
- 18. March 28<sup>th</sup> – David attended CPR/AED training at Northern California Safety Consortium.
- 19. March 29<sup>th</sup> – I held an all hands, operational meeting. I briefed the staff on all the current and future larger projects and discussed how operations will be affected by these projects.
- 20. Notable events, Ongoing & Current projects
  - a. Staffing changes at Essex and Ruth
  - b. Collector 1 – 1A lateral replacement – Well work is complete, just ground work and clean up left to do.
  - c. Fieldbrook Communications upgrade – In progress, currently other related projects need to get done in order to finalize communications to Fieldbrook.
  - d. Arcata Intertie Radio Link to SCADA – Nearly complete, we are still waiting for signal output from Arcata.
  - e. Essex SCADA Upgrade – In Progress, going well. Next Monday we will have our 30% design review with Telstar.

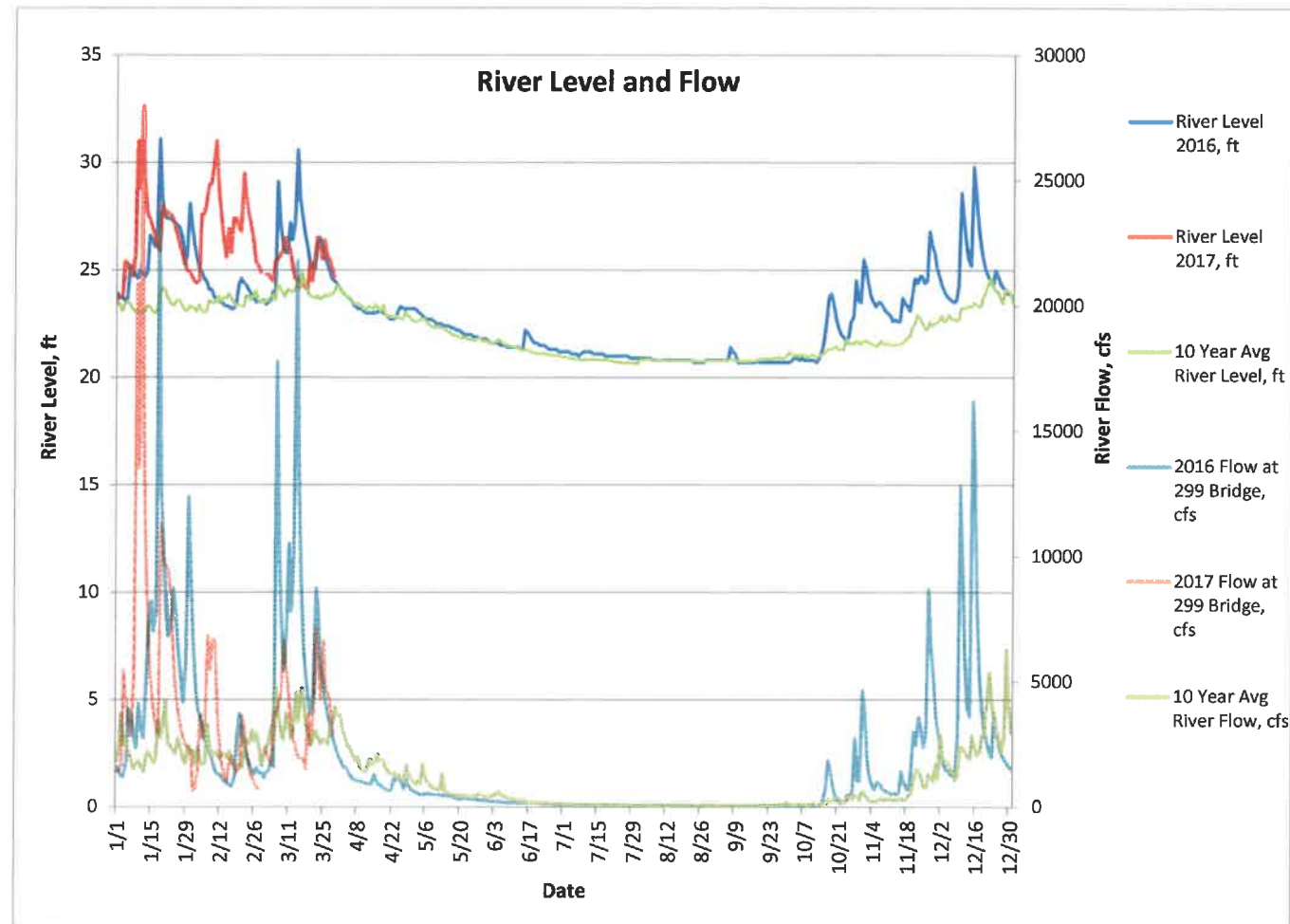
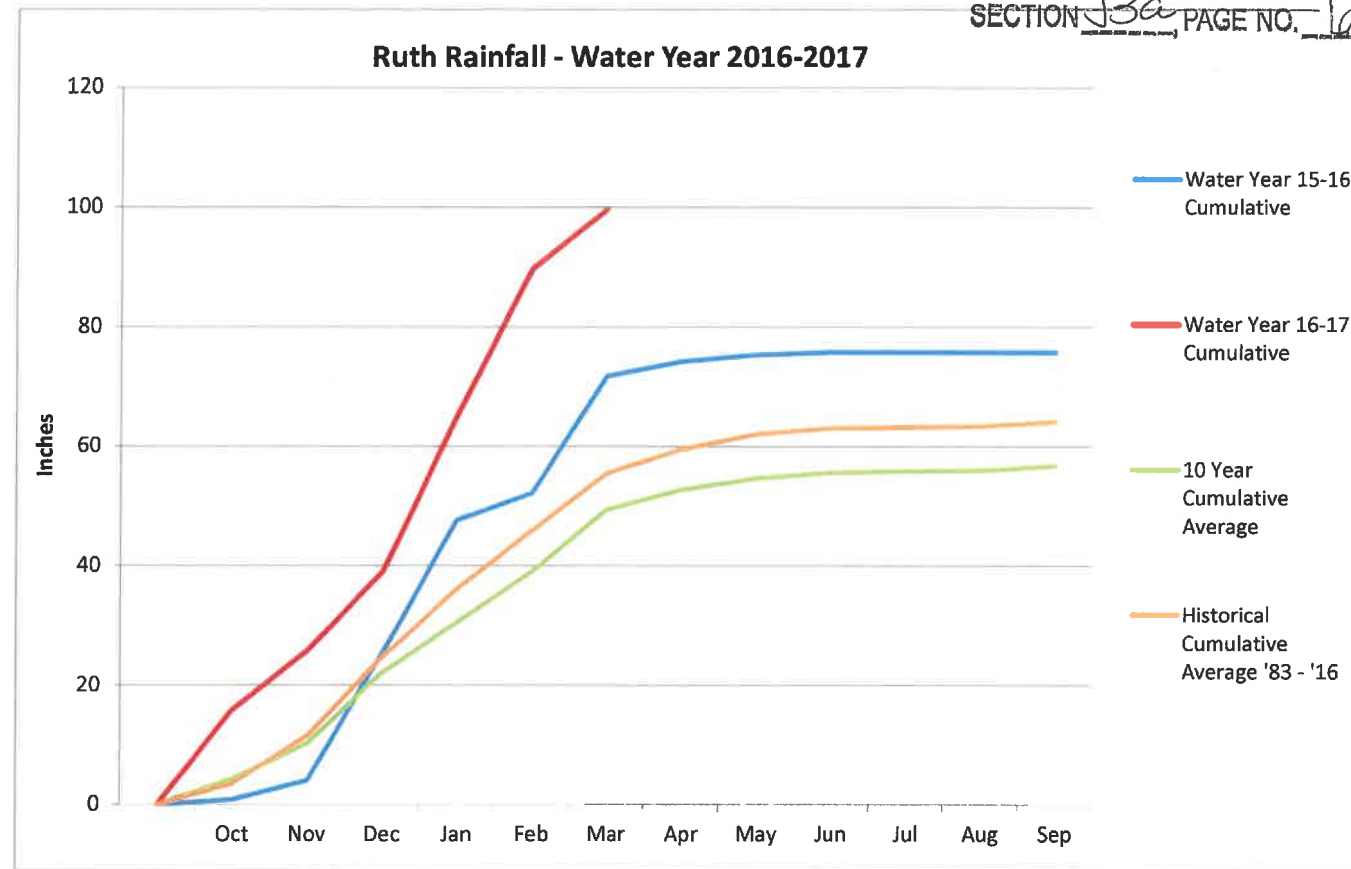
*see Photos*



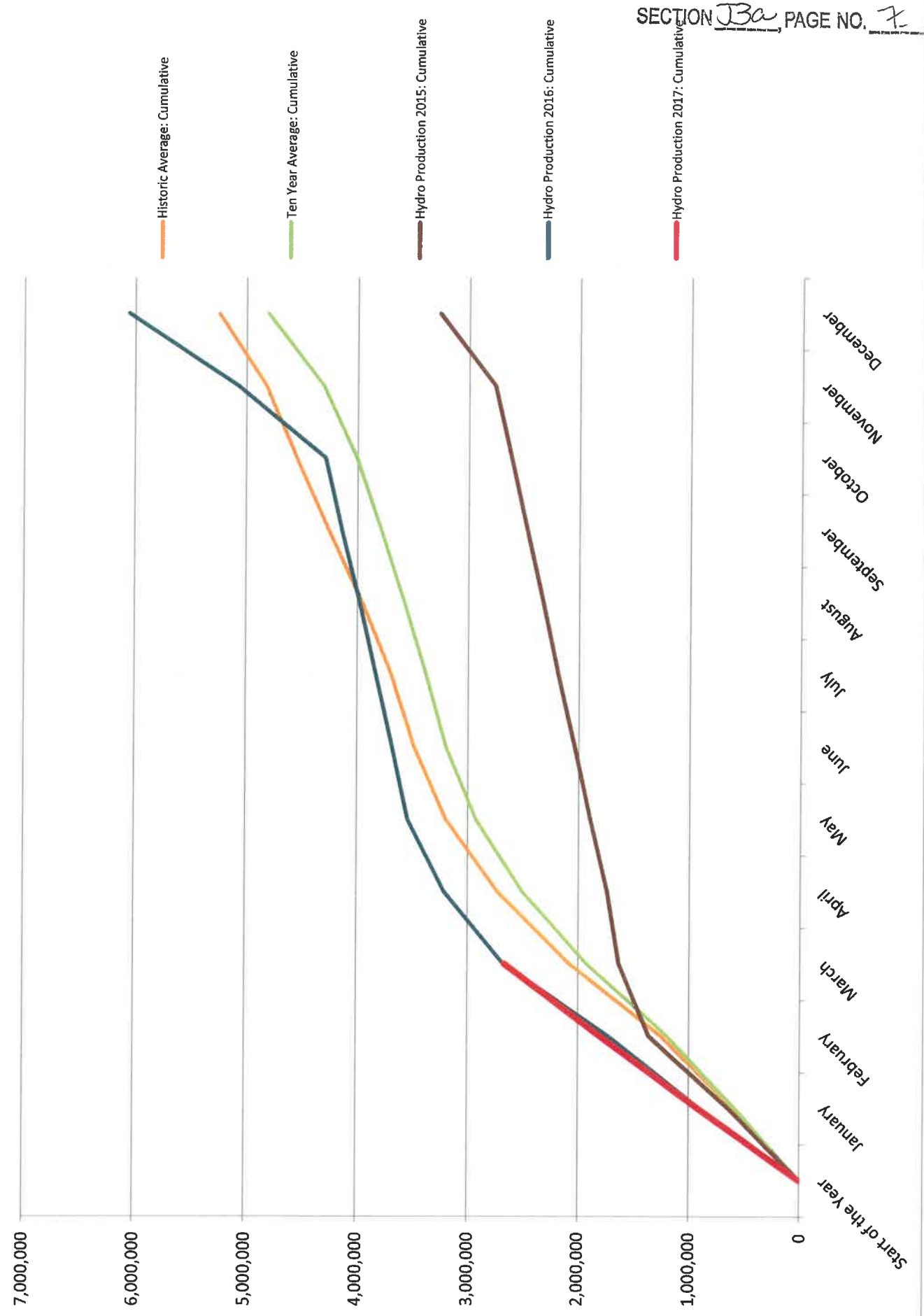


SECTION 130, PAGE NO. 4





# Ruth Hydro Production: kW per Month





## Humboldt Bay Municipal Water District Ruth Hydro Production Report - Since June 1983

|                    | Total Kwh<br>Production | Production for Period<br>Ending 2/28/2017 | Average Monthly<br>Kwh Production |
|--------------------|-------------------------|-------------------------------------------|-----------------------------------|
| On Peak            | 11,519,130              |                                           | 28,372                            |
| Part Peak          | 58,030,235              | 320,450                                   | 142,932                           |
| Off Peak           | 83,100,981              | 415,049                                   | 204,682                           |
| Super Off Peak     | 26,577,318              | 148,978                                   | 65,461                            |
| <b>Grand Total</b> | <b>179,227,664</b>      | <b>884,477</b>                            | <b>441,447</b>                    |


Grand Total Revenues      \$8,725,982.54

No. of Months of Operation      406

Average \$/Kwh      \$0.0487



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

|                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
|  <p><b>Purchase / Sales Invoice</b><br/>Invoice Number: 89921</p> <p>Delivery Period Start: 02/01/2017<br/>Delivery Period End: 02/28/2017<br/>Invoice Date: 03/09/2017<br/>Due Date: 03/30/2017</p> <p>Log Number: 19H051<br/>Account Code: 2320900<br/>Meter Channel: LJ600B<br/>Contract Start: 04/10/1983</p> | <p><b>From:</b><br/>Pacific Gas and Electric Company<br/>77 Beale Street<br/>San Francisco, CA 94105</p>       | <p><b>To:</b><br/>HUMBOLDT BAY MWD<br/>P. O. Box 95<br/>Eureka, CA 95501</p>               |
|                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Contract Manager: Nancy Breckenridge<br/>Phone: 415-973-4092<br/>Email: NJB6@pge.com</p>                    | <p>Project Name: HUMBOLDT BAY MWD<br/>Payment Method: CHECK<br/>Vendor Number: 1024538</p> |
|                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Settlement Analyst: Kimberly Song<br/>Phone: 415-973-5815<br/>Fax: 415-973-9505<br/>Email: K5SW@pge.com</p> | <p>Contact: Steve Marshall<br/>Phone: 707-822-2918<br/>Fax:<br/>Email: ops@hbmwd.com</p>   |

| Payment Name                           | Quantity              | Unit | Amount              |
|----------------------------------------|-----------------------|------|---------------------|
| Energy Payment 02/01/2017 - 02/28/2017 | <i>884477</i> 884.477 | MWh  | \$-27,523.48        |
| As-Delivered Capacity Payment          | <i>735499</i> 735.499 | MWh  | \$-2,107.16         |
| <b>Net Total</b>                       |                       |      | <b>\$-29,630.64</b> |

**Total Amount Due to HUMBOLDT BAY MWD on Due Date: 03/30/2017** **USD \$ 29,630.64**

**Payment Calculation For Energy**

**Winter Period Payment**

| Date Period                                      | TOD <sup>1</sup> | MW Levels      | MWh                     | Energy Rate | Rate (\$/MWh) | Rate % | Amount Due         |
|--------------------------------------------------|------------------|----------------|-------------------------|-------------|---------------|--------|--------------------|
| 02/01/17 to 02/28/17                             | PP               | 0.0 to 1.3     | <i>313,224</i> 313.3240 | SRAC B      | 31.4707       | 100    | \$9,860.51         |
| 02/01/17 to 02/28/17                             | OP               | 0.0 to 1.3     | <i>405,463</i> 405.4630 | SRAC B      | 31.5220       | 100    | \$12,780.98        |
| 02/01/17 to 02/28/17                             | SO               | 0.0 to 1.3     | <i>145,600</i> 145.6000 | SRAC B      | 29.2363       | 100    | \$4,256.80         |
| <b>SRAC B Subtotal for level 0.0 to 1.3:</b>     |                  |                | <b>864.3870</b>         |             |               |        | <b>\$26,898.29</b> |
| Date Period                                      | TOD <sup>1</sup> | MW Levels      | MWh                     | Energy Rate | Rate (\$/MWh) | Rate % | Amount Due         |
| 02/01/17 to 02/28/17                             | PP               | 1.301 to Total | <i>7,126</i> 7.1260     | SRAC B      | 31.4707       | 100    | \$224.26           |
| 02/01/17 to 02/28/17                             | OP               | 1.301 to Total | <i>9,586</i> 9.5860     | SRAC B      | 31.5220       | 100    | \$302.17           |
| 02/01/17 to 02/28/17                             | SO               | 1.301 to Total | <i>3,378</i> 3.3780     | SRAC B      | 29.2363       | 100    | \$98.76            |
| <b>SRAC B Subtotal for level 1.301 to Total:</b> |                  |                | <b>20.0900</b>          |             |               |        | <b>\$625.19</b>    |
| <b>Winter Period Subtotal:</b>                   |                  |                |                         |             |               |        | <b>\$27,523.48</b> |
| <b>Energy Total:</b>                             |                  |                |                         |             |               |        | <b>\$27,523.48</b> |

TOD<sup>1</sup> = Time Of Deliveries, PK = Peak, PP = Partial Peak, OP = Off Peak, SO = Super Off Peak

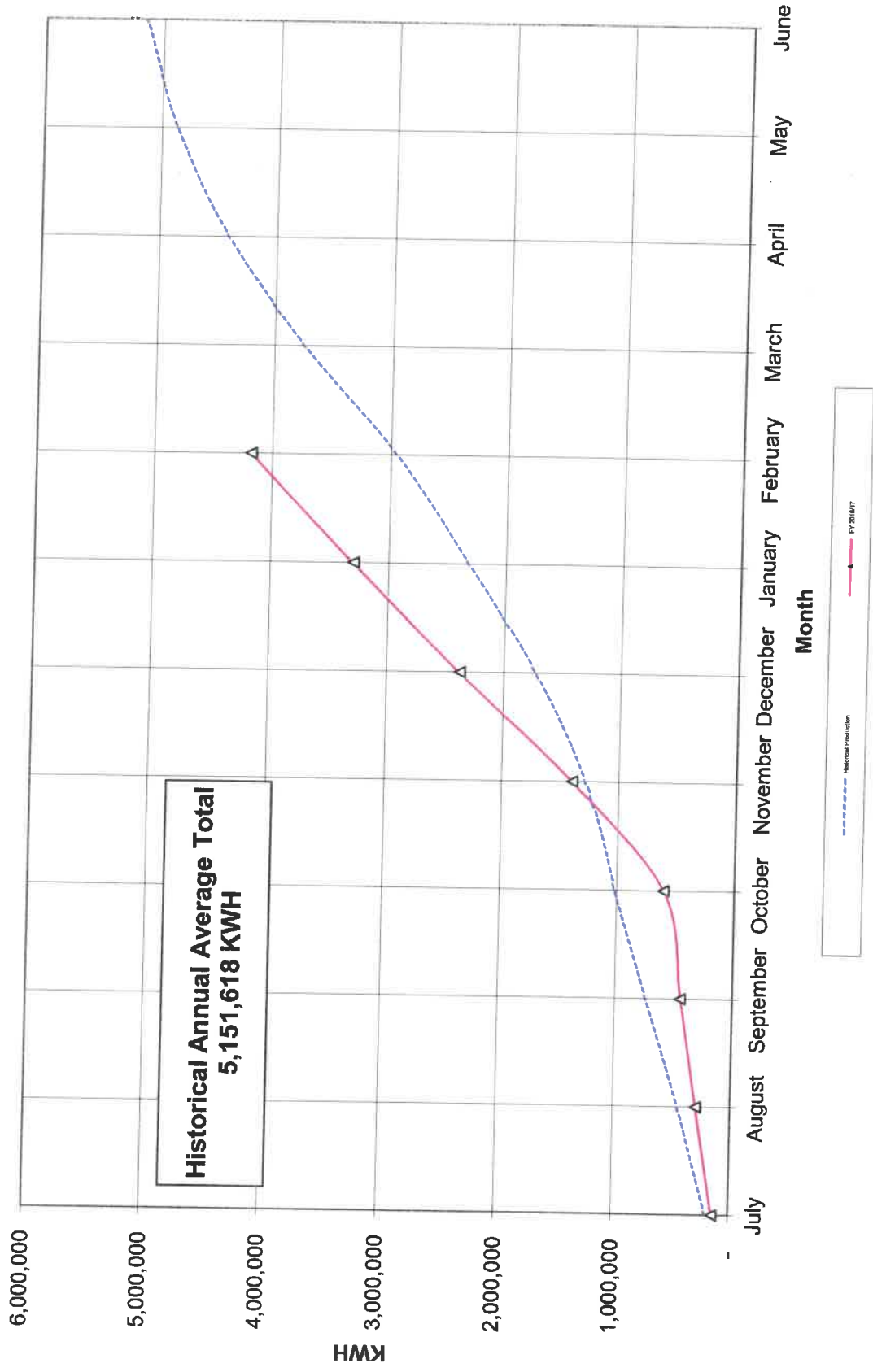
Energy line loss adjustments, in accordance with the Settlement Agreement approved by the CPUC Decision 06-07-032, are being applied to the generation delivered after March 31, 2009 23:59 for energy payments.

*PP = 320,450*

*OP = 415,049*

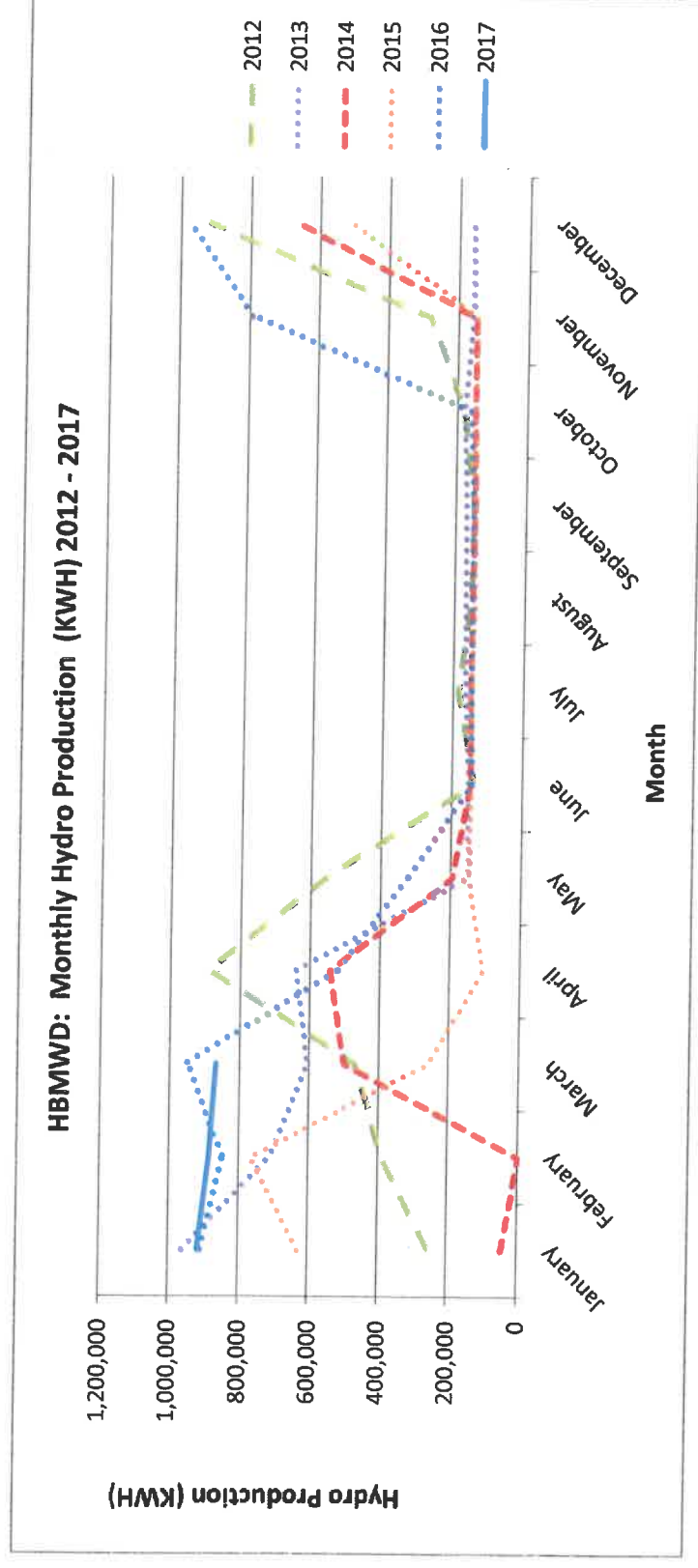
*SO = 148,978*

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 CY2012 - 2017

| Month               | 2012             | 2013             | 2014             | 2015             | 2016             | 2017             |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| January             | 255,300          | 962,724          | 47,002           | 632,611          | 907,103          | 916,562          |
| February            | 390,898          | 713,055          | 0                | 769,170          | 848,575          | 884,477          |
| March               | 470,351          | 605,327          | 501,812          | 261,555          | 950,250          |                  |
| April               | 892,452          | 642,402          | 545,893          | 106,258          | 523,573          |                  |
| May                 | 553,888          | 152,795          | 196,968          | 151,803          | 323,636          |                  |
| June                | 138,181          | 152,044          | 147,630          | 143,055          | 142,248          |                  |
| July                | 186,027          | 164,775          | 149,503          | 150,599          | 147,564          |                  |
| August              | 151,424          | 168,428          | 148,220          | 140,977          | 147,531          |                  |
| September           | 147,850          | 169,768          | 145,020          | 145,468          | 148,770          |                  |
| October             | 179,706          | 178,812          | 148,715          | 147,574          | 159,930          |                  |
| November            | 282,768          | 157,195          | 148,816          | 145,196          | 793,097          |                  |
| December            | 923,766          | 160,936          | 665,823          | 510,915          | 978,889          |                  |
| <b>Total Annual</b> | <b>4,572,611</b> | <b>4,228,261</b> | <b>2,845,402</b> | <b>3,305,181</b> | <b>6,071,166</b> | <b>1,801,039</b> |



**ACWA**

**RESOLUTION 2017-07**

**Resolution of the Humboldt Bay Municipal Water District  
In Support of the Association of California Water Agencies'  
Policy Statement on Bay-Delta Flow Requirements**

WHEREAS, California is facing a defining moment in water policy that will be substantially impacted by the State Water Resources Control Board's approach to water quality objectives under the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta; and

WHEREAS, the State Water Board has the responsibility for updating the Bay-Delta Plan in a manner that establishes water quality objectives that ensure the reasonable protection of all beneficial uses of water in a way that is consistent with the coequal goals of improving water supply reliability and protecting, restoring and enhancing the Delta ecosystem and with respect to the commitments made in the California Water Action Plan; and

WHEREAS, the State Water Board staff's current proposal, which focuses singularly on an "unimpaired flow" approach, is irreconcilable with a policy of coequal goals of improving both water supply reliability and ecosystem health; and is also inconsistent with the broader water policy objectives of the Brown Administration; and

WHEREAS, the ACWA Board of Directors has unanimously adopted a strong policy statement which calls for a better approach that can more effectively achieve ecological objectives while maintaining water supply reliability. The statement calls on the State Water Board to set aside its "unimpaired flow" approach and heed Governor Jerry Brown's call for negotiated agreements, which have been successful on many rivers and tributaries throughout California.

WHEREAS, the ACWA statement notes that to be successful, the state's flow policy must be consistent with the principles of collaboration, comprehensive solutions, science, functional flows, economic considerations, consistency with state policy, and leadership; and

WHEREAS, California's local urban and agricultural water managers are united in their vision for a future that includes a vibrant California economy as well as healthy ecosystems and fish populations, and believe this vision is best achieved through comprehensive and collaborative approaches;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Humboldt Bay Municipal Water District hereby supports ACWA's Policy Statement on Bay-Delta Flows and encourages the State Water Resources Control Board to set aside its unimpaired flow methodology and instead embrace the approach articulated in ACWA's policy statement.

Adopted and approved this 13th day of April 2017 by the following roll call vote:

AYES:  
NOES:  
ABSENT:

Attest:

\_\_\_\_\_  
Sheri Woo, President

\_\_\_\_\_  
J. Bruce Rupp, Secretary/Treasurer

Home > News > Water News

## ACWA Requests Member Agencies Adopt Resolutions on Bay-Delta Flows

Submitted by Pamela Martineau on Wed, 03/29/2017 - 5:16pm  
in



In an effort to demonstrate broad support for a comprehensive, collaborative approach to setting new water quality objectives in the Bay-Delta watershed, ACWA is asking its member agencies to adopt resolutions in support of the association's policy statement on Bay-Delta Flows.

The ACWA's Board of Directors on March 10 adopted a strong policy statement urging the State Water Resources Control Board to set aside its problematic "unimpaired flow" approach to setting new water quality standards in the Delta. The statement asks the State Water Board to instead heed Gov. Jerry Brown's call for negotiated agreements, which have proven successful in achieving positive ecological outcomes while maintaining water supply reliability – both pillars of the state's coequal goals.

More information on the State Water Board's flow proposal and ACWA's policy statement is available [here](#). Sample resolutions also are available at that site. ACWA held two webinars today for members to provide more details on the ACWA Board position and the staff proposal from the State Water Board. Recordings of the webinars soon will be available to members [here](#).

ACWA believes the State Water Board staff proposal to base new water quality objectives on a "percentage of unimpaired flow" could lead to widespread fallowing of agricultural land and negatively affect water reliability for much of the state's population. The singular focus on unimpaired flow is incompatible with the state's policy of coequal goals and other broader policy commitments in the Brown Administration's California Water Action Plan.

ACWA submitted its policy statement to the State Water Board along with its formal comment letter on the Phase 1 update to the Bay-Delta Water Quality Control Plan. Read ACWA's comment letter [here](#).

ACWA asks that copies of your agency's approved resolution or other action be emailed to ACWA Region & Member Services Specialist Ana Javaid at [anaj@acwa.com](mailto:anaj@acwa.com). Members also are encouraged to educate key audiences and local leaders on the policy statement.



# ACWA POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

## COLLABORATIVE APPROACH IS KEY TO CALIFORNIA'S FUTURE

California is facing a defining moment in water policy. A staff proposal under consideration by the State Water Resources Control Board presents a decision point about the future we want for California and its communities, farms, businesses and ecosystems. The State Water Board's staff proposal to base new water quality objectives on a "percentage of unimpaired flow" would have impacts that ripple far beyond water for fish.

The proposal could lead to widespread fallowing of agricultural land, undercut the state's groundwater sustainability goals, cripple implementation of the Brown Administration's California Water Action Plan, negatively affect water reliability for much of the state's population and impact access to surface water for some disadvantaged communities that do not have safe drinking water. These effects are not in the public's interest.

Local water managers overwhelmingly believe the proposal's singular focus on "unimpaired flow" is the wrong choice for the state's future. California's urban and agricultural water managers are united in their vision for a future that includes a healthy economy as well as healthy ecosystems and fish populations. That vision is best achieved through comprehensive, collaborative approaches that include "functional" flows as well as non-flow solutions that contribute real benefits to ecosystem recovery.

On behalf of its more than 430 member public agencies serving urban and agricultural customers throughout the state, the Association of California Water Agencies (ACWA) adopts the following policy statement regarding the State Water Board's proposed approach to updating the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta.



## CHOOSING OUR VISION FOR CALIFORNIA'S WATER FUTURE

Since 2009, state law has required water resources to be managed in a way that achieves the coequal goals of improving water supply reliability for California and protecting, restoring and enhancing the Delta ecosystem. ACWA and its public water agency members believe that policy requires a commitment from state agencies and stakeholders to advance both water supply and environmental goals together. ACWA and its members further believe that effective implementation of the coequal goals requires transparent, collaborative processes and comprehensive solutions.

In 2014, the Brown Administration released its California Water Action Plan outlining priority actions addressing water-use efficiency, groundwater sustainability, ecological restoration, Delta conveyance solutions, water storage, safe drinking water and more. Embedded in the plan is the Brown Administration's commitment that planned actions "will move California toward more sustainable water management *by providing a more reliable water supply for our farms and communities, restoring important wildlife habitat and species, and helping the state's water systems and environment become more resilient.*"

ACWA believes the policy of coequal goals and the commitment embedded in the California Water Action Plan have the potential to put California on a path that includes a vibrant agricultural and urban economy and a healthy ecosystem.

ACWA and its members believe the unimpaired flow approach proposed by State Water Board staff undercuts and threatens that potential and cannot lead us to the future we want for California. Simply put, any strategy that would result in vast amounts of agricultural land going out of production and ultimately reduce water supply reliability for the majority of Californians is irreconcilable with a policy of coequal goals and blatantly inconsistent with the water policy objectives of the Brown Administration.

ACWA strongly supports the collaborative approach called for by Governor Jerry Brown to move these important decisions out of adversarial processes and into negotiated, comprehensive agreements. The following principles can assure success in that endeavor.

## LOCAL SUCCESS STORIES

Collaborative efforts have been successful on many rivers in the Bay-Delta watershed.

**Lower Yuba River:** A voluntary, collaborative settlement among Yuba County Water Agency, California Department of Fish and Wildlife, National Marine Fisheries Service, PG&E and conservation groups resolved 20 years of controversy and resulted in a continuing program to improve 24 miles of salmon and steelhead habitat while protecting water rights and the needs of local communities. State Water Board members have specifically recognized the value of the agreement, which was formally implemented in 2008.

**Lower American River:** A broad representation of water suppliers, environmental groups, local governments and others negotiated an historic agreement that led to a flow management standard that was successfully incorporated into a 2009 biological opinion issued by the National Marine Fisheries Service.

**Feather River:** Six years of negotiations among water users, fisheries agencies and environmental groups yielded a comprehensive agreement that includes a habitat improvement program with specific flow and temperature requirements to accommodate spawning salmon and steelhead. The State Water Board adopted the agreement, with some modification, in 2010 as a water quality certification under the federal Clean Water Act.

## A BETTER PATH TO THE FUTURE

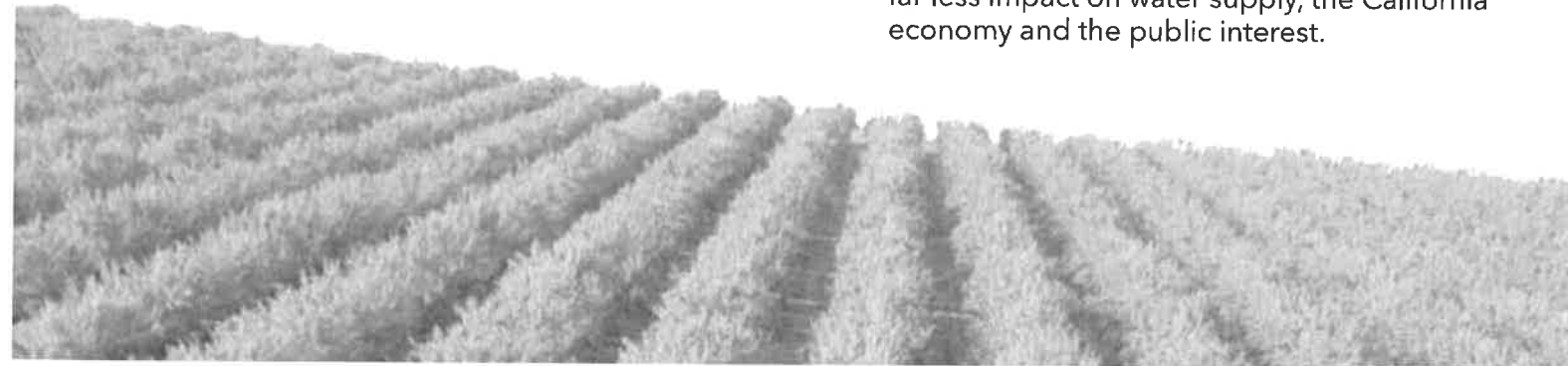
The State Water Board is responsible for updating the Bay-Delta Plan in a manner that establishes water quality objectives that ensure the reasonable protection of all beneficial uses of water (including domestic, municipal, agricultural and industrial supply; power generation; recreation; aesthetic enjoyment; navigation; and preservation and enhancement of fish, wildlife, and other aquatic resources) while considering past, present and probable future beneficial uses, environmental characteristics, water quality conditions and economic considerations, among other things. (See California Water Code Section 13241.) It also has a responsibility to update the plan in a way that is consistent with the coequal goals and respects and implements the commitments made in the California Water Action Plan.

ACWA and its members urge the State Water Board to set aside the unimpaired flow approach and heed Governor Brown's call for negotiated agreements. ACWA believes that a successful flows policy must be consistent with the following principles:

- **Collaboration:** The governor has called for work on a comprehensive agreement on environmental flows in both the San Joaquin and Sacramento River basins. He has asked that State Water Board members and staff prioritize analysis and implementation of voluntary agreements. Further, the Brown Administration committed in the California Water Action Plan that the State Water Board and the California Natural Resources Agency will work with stakeholders to encourage negotiated implementation of protective Delta standards. ACWA strongly supports the collaborative approach called for by the governor because it is the least contentious, most effective way to achieve the coequal goals. Negotiated agreements have been demonstrably successful at achieving outcomes and widespread support for appropriate environmental flows; forced

regulations have not yielded the same track record. The State Water Board should wholly embrace this approach and allow enough time for it to work.

- **Comprehensive Solutions:** A successful collaborative approach will require comprehensive solutions for both water supply and ecosystem management. Water users will need to continue and build on their commitment to integrated resources management in order to maintain reliability without undue impacts on the ecosystem. Similarly, ecosystem managers will need to focus on the entire life cycle of affected species and multiple variables, such as predation, food, and habitat availability to develop integrated management portfolios that accomplish ecosystem goals without undue impacts on water supply. Utilizing the single variable proposed in the "percentage of unimpaired flow" approach will not achieve the desired ecological outcomes and is, by far, the most destructive policy approach from the perspective of protecting and improving water supply. ACWA firmly believes the ecological outcomes can be achieved with even better results through a comprehensive approach that considers multiple solutions and benefits.
- **Science:** The State Water Board needs to incorporate the best available science to inform its work and assist with the development of voluntary settlement agreements. The unimpaired flow approach, in which flow objectives are not tied to any specific ecological outcome, fails to incorporate the best available science. As noted above, the updated plan needs to focus on the entire life cycle of affected species and multiple variables, such as predation, food, and habitat availability, and incorporate relevant current scientific information. Science alone cannot identify the best policy choice, but it can inform us about the policy tradeoffs we confront and help structure integrated solutions that provide ecosystem benefits with far less impact on water supply, the California economy and the public interest.



## FUNCTIONAL FLOWS: A BETTER APPROACH

**Sacramento Valley:** Sacramento Valley water users and conservation partners are working together to advance a new generation of innovative projects to promote salmon recovery.

Over the past two and a half years, 12 projects have been completed through the Sacramento Valley Salmon Recovery Program to address fish passage, improve the timing of flows and increase habitat for salmon and other species. Priority projects have included removal of structural barriers to fish passage, modifying riffles, eliminating predator habitat, restoring floodplains and creating side channel spawning and rearing areas.

In addition, program partners are exploring creative ways to reconnect water with the land in floodplains and agricultural areas to enhance habitat and food production and create rearing habitat in rice fields.

While each of these collaborative projects provides independent value, implementation of the entire comprehensive suite is generating unique benefits that can significantly improve ecological outcomes for salmon in the Sacramento Valley.

**Merced River:** Merced Irrigation District has spent millions of dollars and decades undertaking intense and in-depth scientific research on the Merced River. This research has included analysis of flows, temperatures, biological resources and habitat. MID is poised to put this research into action through its Merced S.A.F.E. Plan (Salmon, Agriculture, Flows, and Environment) to provide certainty for both the environment and local water supply in Eastern Merced County.

The plan would provide increased flows using science to dictate the amounts and timing, restore critical sections of habitat for spawning and rearing juvenile salmon, protect local drinking water quality, upgrade an existing salmon hatchery with state-of-the-art facilities and reduce predation.

Based on in-depth science and technologically advanced computer modeling, MID seeks to take immediate action and dramatically benefit salmon on the Merced River.

- **Functional Flows:** Science shows that functional flows have very promising benefits for fish as well agricultural and urban water users. Timed and tailored for specific purposes, functional flows can benefit species in ways that unimpaired flow requirements cannot. Examples abound of collaborative, innovative projects currently underway by local water agencies and stakeholders that include functional flows and non-flow solutions that reconnect land and water to restore habitat and address the full life cycle of species needs. These efforts contribute real benefits to ecosystem recovery while maintaining water supply reliability.
- **Economic Considerations:** The State Water Board has a statutory obligation to consider economic impacts when establishing water quality objectives that reasonably protect all beneficial uses of water. Having a robust economic analysis is critical. The board also has a policy obligation under the coequal goals to ensure its actions related to a revised Bay-Delta Plan increase water supply reliability and thereby allow for a healthy, growing agricultural and urban economy in California.
- **Consistency with State Policy:** ACWA urges the State Water Board to heed the governor's direction and recognize that achieving the coequal goals will lead to a more reliable water supply and healthy ecosystem. Pursuing the coequal goals should be a guiding principle for the board's decisions related to adopting a revised Bay-Delta Plan. The State Water Board also should ensure that its decisions on the Bay-Delta Plan enable, rather than obstruct, the implementation of the California Water Action Plan.
- **Leadership:** The best policy choice will come through the give and take of the negotiating process and the enlightened leadership of the State Water Board members. Ultimately, the board must establish water quality objectives that ensure the reasonable protection of all beneficial uses of water as it implements negotiated solutions. The State Water Board should actively engage in this work and lead in a manner that is grounded in an awareness of how its actions can affect the implementation of the California Water Action Plan and the achievement of the coequal goals.

ACWA and its members have taken a strong policy position in support of comprehensive solutions such as those outlined in the California Water Action Plan. We stand ready to work with the Brown Administration to pursue the collaborative and comprehensive approaches needed to ensure a future for California that includes a vibrant agricultural and urban economy and a healthy ecosystem.



Submitted via electronic mail to [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

March 17, 2017

The Honorable Felicia Marcus, Chair  
Jeanine Townsend, Clerk of the Board  
State Water Resources Control Board  
1001 I Street, 24<sup>th</sup> Floor  
Sacramento, CA 95814

**RE: ACWA Comments – 2016 Bay Delta Plan Amendment & SED**

Dear Chair Marcus:

The Association of California Water Agencies (“ACWA”) appreciates the opportunity to comment on the State Water Resources Control Board’s (“Water Board’s”) Draft Revised Substitute Environmental Document in support of Potential Amendments to the Bay-Delta Plan (“draft Bay-Delta Plan amendment”). ACWA is a statewide association that represents more than 430 public water agency members that collectively supply approximately 90 percent of the water that is delivered for agricultural, municipal and industrial uses in California. As explained in the comments that follow, ACWA is concerned that the approach taken in the draft Bay-Delta Plan amendment does not provide reasonable protection of all beneficial uses of water and fails to appropriately balance the multiple competing uses of water as required by state law. The approach is inconsistent with the coequal goals of improving water supply reliability and enhancing the Delta ecosystem established in the Delta Reform Act of 2009. The approach is also inconsistent with the Sustainable Groundwater Management Act (“SGMA”) and would undermine implementation of the California Water Action Plan, particularly in the areas of improving water supply reliability, sustainably managing groundwater, and providing safe drinking water for all communities.

On March 10, 2017, ACWA’s Board of Directors unanimously adopted the attached policy statement on Bay-Delta flow requirements, which is incorporated into the following comments by reference. In the policy statement, ACWA expresses deep concerns regarding the draft Bay-Delta Plan amendment’s proposal to base flows on a percentage of unimpaired flow, and presents an alternate approach that supports the Governor’s request that flow requirements be developed through a negotiated, collaborative process.

## I. COMMENTS

ACWA's members overwhelmingly believe the draft Bay-Delta Plan amendment's singular focus on unimpaired flows is the wrong choice for the state's future. The proposed "percentage of unimpaired flow" approach outlined in the draft Bay-Delta Plan amendment fails to account for all beneficial uses of water, fails to consider economic impacts, contradicts existing state policy, and does not incorporate the best available science. The only way to achieve a vision for a future that includes a healthy economy as well as healthy ecosystems and fish populations is through comprehensive, collaborative approaches that include "functional" flows as well as non-flow solutions that contribute real benefits to ecosystem recovery.

### ***A. The Bay-Delta Plan must provide reasonable protection for all beneficial uses of water and must factor in economic considerations.***

The current draft Bay-Delta Plan amendment fails to recognize the beneficial uses of water on affected waters outside of the Delta, does not provide reasonable protection for those beneficial uses, and fails to consider economics and other key factors in the required public interest balancing. The Water Board is responsible for amending the Bay-Delta Plan in a manner that establishes water quality objectives that ensure the reasonable protection of *all* beneficial uses of water, including domestic, municipal, agricultural and industrial supply; power generation; recreation; aesthetic enjoyment; navigation; and preservation and enhancement of fish, wildlife, and other aquatic resources. (Wat. Code § 13050.) In doing so, the Water Board must consider past, present and probable future beneficial uses, environmental characteristics, water quality conditions and economic considerations, among other things. (Wat. Code § 13241.) Thus, when setting water quality objectives, the Water Board must consider "all demands being made and to be made on those waters." (Wat. Code § 13000.)

In their singular focus on flows for wildlife beneficial uses, the draft amendments to the Bay-Delta Plan fail to protect other beneficial uses. Further, the draft amendments fail to consider the economic impacts that will occur as surface water supplies for water supply are reduced. For example, the proposal could lead to widespread fallowing of agricultural land in the region. The California Water Action Plan ("Plan") underscores the policy objective that "the Water Board's action will balance competing uses of water including municipal and agricultural supply, hydropower, fishery protection, recreation, and other uses" (Plan at p. 10). To accomplish this, the Water Board must first examine the beneficial uses of the waters of the tributaries, and then engage in the required statutory balancing. These procedural steps are mandatory because they reflect the State's policy determination that, in our climate where water is relatively scarce in many areas, the public interest requires balancing of the multiple competing uses for this precious resource. These important steps must be taken before the Water Board can appropriately consider the draft amendments to the Bay-Delta Plan.

**B. The Bay-Delta Plan must be consistent with established state policy.**

As explained below, the draft Bay-Delta Plan amendment contradicts existing state policy.

- i. The draft Bay-Delta Plan amendment is inconsistent with the coequal goals established in the Delta Reform Act of 2009.

Since enactment of the Delta Reform Act of 2009, state law has set forth the coequal goals of improving water supply reliability for California and protecting, restoring and enhancing the Delta ecosystem. ACWA is committed to furthering the coequal goals and has supported a comprehensive approach to ecosystem management for more than two decades. In 2014, the Brown Administration released its California Water Action Plan outlining priority actions addressing water use efficiency, groundwater sustainability, ecological restoration, Delta conveyance solutions, water storage, safe drinking water and more. Stated clearly in the California Water Action Plan is the Brown Administration's commitment that planned actions "will move California toward more sustainable water management *by providing a more reliable water supply for our farms and communities*, restoring important wildlife habitat and species, and helping the state's water systems and environment become more resilient" (Plan at p. 4).

ACWA believes the policy of coequal goals and the commitment embedded in the California Water Action Plan have the potential to put California on a path that includes both a vibrant agricultural and urban economy on the one hand, and a healthy ecosystem on the other. ACWA is concerned that the draft Bay-Delta Plan amendment, as currently written, undercuts and threatens that potential and cannot lead us to the future we want for California.

- ii. The draft Bay-Delta Plan amendment would undercut the state's groundwater sustainability goals.

The draft Bay-Delta Plan amendment would also undercut current state policy on groundwater sustainability. The draft amendment notes that the proposed "percent of unimpaired flows" proposal will increase groundwater overdraft. Since the 2014 adoption of SGMA, the state has made clear that its goal is to achieve sustainable management of groundwater basins. Increased groundwater pumping to replace lost surface supplies in groundwater basins that are already in a condition of overdraft will undermine groundwater sustainability goals. Therefore, the outcome of reducing surface water supplies is likely to be widespread following, as noted by many commenters from the counties and irrigation districts in the affected areas.

Increased groundwater pumping would also affect water quality in the drinking water wells in the impacted area, which includes a significant number of disadvantaged communities. The California Water Action Plan notes that "the state will identify drought-vulnerable public water systems" and "help prevent or mitigate any anticipated shortfalls in supply" when needed (at p. 18). The current draft Bay-Delta Plan amendment promotes an anticipated shortfall in supply that is flatly inconsistent with this state policy.

***C. The proposed Bay-Delta Plan amendments must be based on the best available science.***

The current draft amendments to the Bay-Delta Plan do not incorporate all of the best available science. The Water Board needs to incorporate the best available science to inform its work and assist with the development of voluntary settlement agreements. The 2012 Delta Independent Science Board peer review of the “unimpaired flows” approach states that “flow is but one of many stressors affecting fish and wildlife” and “the choice of flow criteria and metrics needs to serve the broader needs of ecosystems as well as individual species.” (May 22, 2012 letter at p. 1) The draft Bay-Delta Plan amendment’s “percent of unimpaired flows” proposal, in which flow objectives are not tied to any specific ecological outcome, fails to incorporate the best available science and will not lead to the desired improvement in fisheries. The plan amendment needs to focus on the entire life cycle of affected species and multiple stressors that affect their status, such as predation, food, and habitat availability, and incorporate all current scientific information.

ACWA’s member agencies have invested significant resources into scientific study of the fish populations that would be affected by the implementation program outlined in the Bay-Delta Plan amendments, and the science demonstrates that connecting flows to other types of activities such as habitat restoration or food production can benefit species in ways that unimpaired flow requirements cannot. Examples abound of collaborative, innovative projects currently underway by local water agencies and stakeholders that include “functional flows” and non-flow solutions that reconnect land and water to restore habitat and address the full life cycle of species needs. These efforts contribute real benefits to ecosystem recovery while maintaining water supply reliability, and can form the basis of integrated solutions that provide ecosystem benefits with far less impact on water supply, the California economy and the public interest.

***D. The best way to achieve the desired outcomes and provide reasonable protection for all uses of water is through a collaborative, negotiated process.***

The Governor has called for work on a comprehensive agreement on environmental flows in both the San Joaquin and Sacramento River basins. He has asked that Water Board members and staff prioritize analysis and implementation of voluntary agreements. Further, the Brown Administration committed in the California Water Action Plan that the Water Board and the California Natural Resources Agency will work with stakeholders to encourage negotiated implementation of protective Delta standards. ACWA strongly supports the collaborative approach called for by the Governor because it is the least contentious, most effective way to achieve the coequal goals. Negotiated agreements have been demonstrably successful at achieving outcomes and widespread support for appropriate environmental flows; forced regulations have not yielded the same track record. The Water Board should wholly embrace this approach and allow enough time for it to work.

A successful collaborative approach will require comprehensive solutions for both water supply and ecosystem management. Water users will need to continue and build on their

commitment to integrated resources management in order to maintain reliability without undue impacts on the ecosystem. Similarly, ecosystem managers will need to focus on the entire life cycle of affected species and multiple variables, such as predation, food, and habitat availability, to develop integrated management portfolios that accomplish ecosystem goals without undue impacts on water supply. Utilizing the single variable proposed in the “percentage of unimpaired flow” approach will not achieve the desired ecological outcomes and is, by far, the most destructive policy approach from the perspective of protecting and improving water supply. ACWA firmly believes the ecological outcomes can be achieved with even better results through a comprehensive approach that considers multiple solutions and benefits.

## II. CONCLUSION

ACWA appreciates the Water Board’s consideration of these comments. ACWA’s Board of Directors has taken a strong policy position in support of comprehensive solutions such as those outlined in the California Water Action Plan. ACWA urges the Water Board to heed Governor Brown’s call for voluntary agreements that are negotiated through a comprehensive, collaborative process. We stand ready to work with the Water Board and the Brown Administration to pursue the collaborative and comprehensive approaches needed to ensure a future for California that includes a vibrant agricultural and urban economy and a healthy ecosystem.

Sincerely,



Rebecca Franklin  
Senior Regulatory Advocate

Encl.

cc: The Honorable Members, State Water Board  
The Honorable Charlton H. Bonham  
Ms. Kim Craig  
Mr. Gordon Burns  
Ms. Karla Nemeth  
Mr. Bruce Babbitt  
Mr. William Croyle  
Mr. Tom Howard



*Environmental, Fishing, Environmental Justice and Tribal Coalition Response to Water Agency Consortium Request that Water Board Abandon Unimpaired Flow Approach to Water Management in Bay-Delta*





October 26, 2015

Ms. Felicia Marcus, Chair  
Members of the Board  
State Water Resources Control Board  
P.O. Box 100  
Sacramento, CA 95812-0100

Re: Water Agency Letter Regarding Unimpaired Flows

Dear Chair Marcus and Members of the Board:

The broad coalition of undersigned environmental, commercial and recreational fishing, environmental justice and tribal organizations, whose collective mission is to represent the public interest and public trust resources, respectfully request that the State Water Resources Control Board (SWRCB) reject the 23 July 2015 demand by a consortium of nineteen water agencies to abandon the “unimpaired flow” approach to water management in the San Francisco Bay/Sacramento-San Joaquin Delta Estuary, including the Water Quality Control Plan process.

The California Legislature, in the 2009 Delta Reform Act, directed the SWRCB to use the best available scientific information gathered as part of a public process to develop new flow criteria for the Delta ecosystem to protect public trust resources. The Legislature also directed the California Department of Fish and Wildlife (DFW) to identify quantifiable biological objectives and flow criteria for the species of concern in the Delta.

Following an extensive public proceeding, the SWRCB found that present Delta flows are insufficient to support native species, and issued recommended flow criteria necessary to protect public trust resources in 2010. The flow criteria were based upon a percentage of unimpaired flows and reflected a consensus opinion of fishery agencies, university and independent scientific experts and non-governmental fishery and environmental organizations. While the recommended flow criteria are subject to a subsequent balancing of beneficial uses pursuant to the public trust doctrine, as made clear by the SWRCB, they also form the basis for the necessary

Water Quality Control Plan analysis regarding the state's responsibility to fully protect the most sensitive beneficial uses, including fish.

In a separate yearlong public proceeding, DFW developed a report detailing the recommendations, rationale and justification for biological objectives and flow criteria to protect aquatic and terrestrial species of concern that depend on the Delta. The report recommended that water flow into and through the Delta should reflect the frequency, duration, timing and rate of change of flows and that inflows should generally be provided from tributaries to the Delta watershed in proportion to their contribution to unimpaired flow in order to assure connection between Delta flows and upstream tributaries.

The water agencies now claim an unimpaired flow approach is infeasible and that the present drought has revealed the fallacy of attempting to mimic unimpaired flow to protect beneficial uses. They assert that if an unimpaired flow approach had been in place, precious water resources would have been drained from reservoirs before we entered the drought. Nonsense! Drought sequences have occurred in forty-one of the last hundred years. The severity of drought has been exacerbated by water agencies making normal water deliveries in the first years of drought and continuing to deliver excessive quantities of water in subsequent drought years in the hope of future rainfall.

The SWRCB has reduced minimal flow and water quality standards established to protect fisheries thirty-five times during the present drought<sup>1</sup> in order to conserve water for irrigated agriculture. These reductions have brought several pelagic and anadromous fish species to the precipice of extinction. Despite these actions, reservoir and groundwater levels are now at or approaching historic lows, and California is facing a disaster of epic proportions should the drought continue for another year. This has nothing to do with unimpaired flow. It has everything to do with an over-appropriated system and the failure of water agencies to embrace realistic delivery schedules with a margin of safety to protect against inevitable dry years. The water agency demands are little more than an effort to maintain an unsustainable status quo.

The percent-of-unimpaired flow approach is predicated on distributing flows to meet the life-stage requirements of species in a manner that resembles the natural variability of the hydrograph under which native estuarine species evolved and adapted. However, the approach is based on more than unimpaired flow. It incorporates unimpaired flow data, historical impaired flows that supported more desirable ecological conditions, statistical relationships between flow and native species abundance, and ecological functions-based analysis for desirable species and ecosystem attributes. It emphasizes information based on ecological functions, followed by information on statistical relationships between flow and native species abundance. It is, as both the SWRCB and DFW reports conclude, based on the best available science.

Recent modeling demonstrates that a percent-of-unimpaired flow approach is feasible. It is also equitable and the fairest approach to protecting the public trust and other beneficial uses because it asks for a fair-share commitment of flow from all tributary streams. It will reward those who

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<sup>1</sup> PPIC Water Policy Center, 2015, *What if California's Drought Continues?* p.13.

wisely conserve and promote water use efficiency and penalize those who recklessly overspend their share of water.

The present water quality and flow standards for the Delta were initially adopted two decades ago. It has been nine years since they were last reviewed and left unchanged. The present Water Quality Control Plan process is years behind schedule. In the interval, pelagic and anadromous fisheries have continued their decline, and a number of species are now perilously close to extinction. The water contractors insist that the SWRCB abandon the approach it has followed for the last five years and start over, ensuring additional years of delay. Given the grave state of the Delta's ecosystem and statutory requirements of the federal Clean Water Act, additional years of delay, simply because water contractors fear that protecting the Delta will cost them water, is unacceptable.

We ask the SWRCB to reject the efforts of the water contractors to delay and sabotage the present Water Quality Control Plan process and to move expeditiously in implementing Delta flow requirements needed to protect our waterways and fish.

Respectfully submitted, with regard,

/s/ Bill Jennings  
Executive Director  
California Sportfishing Protection Alliance

/s/ Gary Bobker  
Program Director  
The Bay Institute

/s/ Trent W. Orr  
Staff Attorney  
Earthjustice

/s/ Kyle Jones  
Policy Advocate  
Sierra Club California

/s/ Barbara Barrigan-Parrilla  
Executive Director  
Restore the Delta

/s/ Jonas Minton  
Water Policy Advisor  
Planning and Conservation League

/s/ John McManus  
Executive Director  
Golden Gate Salmon Association

/s/ Tim Sloane  
Executive Director  
Pacific Coast Federation of Fisherman's  
Associations

/s/ Caleen Sisk  
Spiritual Leader & Tribal Chief  
Winnemen Wintu Tribe

/s/ Doug Obegi  
Staff Attorney  
Natural Resource Defense Council

/s/ Barbara Vlamis  
Executive Director  
AquAlliance

/s/ Carolee Kreiger  
Executive Director  
California Water Impact Network

/s/ Lucas Ray RossMerz  
Executive Director  
Sacramento River Preservation Trust

/s/ Janet McCleery  
President  
Save the California Delta Alliance

/s/ Lloyd Carter  
President  
California Save Our Streams

/s/ Cecily Smith  
Executive Director  
Foothills Conservancy

/s/ Carol Perkins  
Water Policy Advocate  
Butte Environmental Council

/s/ Jeff Miller  
Conservation Advocate  
Center for Biological Diversity

/s/ Peter Drekmeier  
Policy Director  
Tuolumne River Trust

/s/ David Lewis  
Executive Director  
Save the Bay

/s/ Elizabeth Lasensky  
Council Co-Chair  
Yolo MoveOn

/s/ Sejal Choski  
Executive Director  
San Francisco Baykeeper

/s/ Lowell Asbaugh  
Conservation Vice President  
Northern California Council International  
Federation of Fly Fishers

/s/ Colin Bailey  
Executive Director  
Environmental Justice Coalition for Water

/s/ Susan Corum  
Water Quality Coordinator  
Karuk Tribe

/s/ Stephen Green  
President  
Save the American River

/s/ Lynn Plambeck  
President  
Santa Clarita Organization for Planning  
And the Environment

/s/ Bill Wells  
Executive Director  
California Delta Chambers & Visitors  
Bureau

/s/ Connor Everts  
Facilitator  
Environmental Water Caucus

/s/ Rachel Zwillinger  
Water Policy Director  
Defenders of Wildlife

/s/ Roger Mammon  
President  
Lower Sherman Island Duck Hunters Ass.

/s/ Jim Cox  
President  
California Striped Bass Association

/s/ Sonoma County Conservation Action  
David Keller  
Board Chair

/s/ Eric Wesselman  
Executive Director  
Friends of the River

/s/ Steve Mayo  
Project Manager  
San Joaquin Council of Governments

/s/ Steve Shimek  
Coastkeeper  
Monterey Coastkeeper

/s/ Pennie Opal Plant  
Co-Founder  
Ide No More SF Bay

/s/ Linda Sheehan  
Executive Director  
Earth Law Institute

/s/ Jack Sanchez  
President  
Save Auburn Ravine Salmon & Steelhead

/s/ Dave Steindorf  
California Stewardship Director  
American Whitewater

/s/ Fred Evanson  
Director  
Ecological Rights Foundation

/s/ Caleb Dardick  
Executive Director  
South Yuba River Citizens League

/s/ Kate Powers  
President  
Marin Conservation League

/s/ Jennifer Clary  
Water Program Manager  
Clean Water Action

/s/ Ron Forbes  
Conservation Chair  
Delta Fly Fishers

/s/ Don McEnhill  
Executive Director  
Russian Riverkeeper

/s/ Michael Martin, Ph.D.  
Director  
Merced River Conservation Committee

/s/ Mark Rockwell  
California State Representative  
Endangered Species Coalition

/s/ Daniel Cooper  
Co-Founder & Attorney  
Lawyers for Clean Water

/s/ Jennifer Kalt  
Director  
Humboldt Baykeeper

Roger Thomas  
President  
Golden Gate Fisherman's Association

/s/ Caryn Mandelbaum  
Freshwater Program Director  
Environment Now

/s/ Dick Pool  
President  
Water4Fish

Bruce Reznik  
Executive Director  
Los Angeles Waterkeeper

/s/ Sally Shanks  
Treasurer  
Sandhill Crane Festival

/s/ Scott Greacen  
Executive Director  
Friends of the Eel

/s/ Michael Monroe  
Treasurer  
Friends of the San Francisco Estuary

/s/ Cindy Charles  
Conservation Director  
Golden West Women Flyfishers

/s/ Alan Harthorn  
Executive Director  
Friends of Butte Creek

/s/ Tim Little  
Executive Director  
The Rose Foundation

/s/ Steve Shimek  
Executive Director  
The Otter Project

/s/ Pietro Parravano  
President  
Institute for Fisheries Resources

/s/ Nate Rangel  
President  
California Outdoors

/s/ Allison Boucher  
Director  
Tuolumne River Conservancy

/s/ Siobahn Dolan  
Director  
Desal Response Group

/s/ Conner Everts  
Executive Director  
Southern California Watershed Alliance

/s/ Larry Collins  
President  
San Francisco Crab Board Owners  
Association

/s/ Lowell Asbaugh  
Conservation VP  
Fly Fishers of Davis

/s/ John Buckley  
Executive Director  
Central Sierra Environmental Resource  
Center

/s/ Brian LeNeve  
President  
Carmel River Steelhead Association

/s/ Jeff Miller  
Director  
Alameda Creek Alliance

/s/ Alan Levine  
Director  
Coast Action Group

/s/ David Keller  
Executive Director  
Petaluma River Council

/s/ Dan Bacher  
Managing Editor  
Fish Sniffer

/s/ Konrad Fisher  
Riverkeeper  
Klamath Riverkeeper

/s/ Chris Poehlmann  
President  
Friends of the Gualala River

/s/ Jim Wheaton  
President  
Environmental Law Foundation

/s/ Dan Silver  
Executive Director  
Endangered Habitats League

/s/ Natalynne DeLapp  
Executive Director  
Environmental Protection Information  
Center

/s/ Ara Marderrosian  
Forestkeeper  
Sequoia Forestkeeper

/s/ Jason Weiner  
Coastkeeper  
Ventura Coastkeeper

/s/ Jack Ellwanger  
President  
Pelican Network

/s/ Mati Waiya  
Executive Director  
Wishtoyo Foundation

/s/ Chuck Hammerstad  
Conservation Chair  
Flycasters of San Jose

/s/ Marily Woodhouse  
Director  
Battle Creek Alliance

/s/ Joseph Vaile  
Executive Director  
Klamath-Siskiyou Wildlands Center

/s/ Trevor Kennedy  
President  
Fishery Foundation



RCEA, RREDC, *NCRP*



## MEETING AGENDA

### NOTE MEETING LOCATION:

**Humboldt Bay Municipal Water District Office  
828 7th St, Eureka, CA 95501**

**March 20, 2017  
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 Barbara Garcia 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 February 27, 2017 Board Meeting.
- B. Approve attached Warrants.
- C. Accept attached Financial Reports.
- D. Approve attached recommendation for authorized check signers.

### **V. REMOVED FROM CONSENT CALENDAR ITEMS**

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

### **VI. NEW BUSINESS**

- A. Electric Vehicle Program  
Approve CA Energy Commission Grant Agreement ARV-16-012 for \$109,651 for Electric Vehicle Readiness Plan Implementation.

### **VII. OLD BUSINESS**

- A. Humboldt Redwood Company Power Purchase Agreement  
Approve 9-month and 51-month Power Purchase Agreements with Humboldt Redwood Company.

**VIII. COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)**

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighting voting as established in the RCEA joint powers agreement.

**IX. OLD CCE BUSINESS**

**A. Additional Biomass Power Procurement**

Provide direction to staff on next steps for additional biomass power procurement .

**B. Outreach and Customer Notification Update**

**X. STAFF REPORTS**

**A. Executive Director**

**XI. ADJOURNMENT**

To: Sherrie Sobol <sobol@hbmwd.com>  
Subject: RCEA info for Friday BB

SECTION K4a, PAGE NO. 3

Hi Sherrie, here is the agenda. You can include this email as supplemental meeting notes.

The meeting was well attended by the public.

The Board packet was over 200 pages long.

The Board approved the \$109,651 grant agreement for implementing the electric vehicle readiness plan.

After much discussion by Board members and the public, the Board approved the 9-month and the 51-month biomass energy purchase agreements with Humboldt Redwood Company. The Board expressed gratitude to staff and attorney for crafting language that addressed environmental concerns.

After much discussion by Board members and the public, the Board directed staff to move forward with biomass power agreements with DG Fairhaven, based on selection criteria that had been evaluated during the Request for Offers. The same language crafted to address environmental concerns for the HRC agreements will be included in these agreements.

CCE program outreach is continuing.

Official minutes will be available before the next RCEA meeting which is scheduled for Monday April 17th, 3:15 pm at HBMWD meeting room.

Thanks, Sheri



**REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION**  
**Regular meeting of the Board of Directors**  
At the Prosperity Center 520 E Street, Eureka, CA  
March 27, 2017 at 6:30 pm  
**AGENDA**

- I. **Call to Order & Flag Salute**
- II. **Approval of Agenda and Minutes**
  - A. Approval of Agenda for March 27, 2017
  - B. Approval of Minutes of the Board of Directors for February 27, 2017
- III. **Public Hearing for Draft FY 2017-2018 RREDC Budget**
- IV. **Public Input for non-agenda items**
- V. **Program – Randall Weaver, North Coast Labor Market Consultant, Employment Development Department – Housing Affordability in Humboldt County**
- VI. **Consent Calendar**
  - A. Acceptance of Agency-wide Financial Report: January 31, 2017
- VII. **Reports – No Action Required**
  - A. Loan Portfolio Reports: January 31, 2017
  - B. Executive Director's Report
- VIII. **Old Business**
  - A. None
- IX. **New Business**
  - A. Reappointment of Loan Committee Members
  - B. Consideration of Letter of Support for St. Joseph Hospital's Residency Program
  - C. Discussion and Possible Action on Housing Affordability in Humboldt County
  - D. Discussion and Consideration of Position and Letters of Support for pending legislation AB 1410 co-authored by Senator Mike McGuire and Assembly Member Jim Wood
- X. **Member Reports**
- XI. **Agenda/Program Requests for future Board of Directors Meetings**
- XII. **Adjourn**

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

**John Friedenbach**

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**From:** Seemann, Hank <HSeemann@co.humboldt.ca.us>  
**Sent:** Wednesday, April 05, 2017 9:53 AM  
**To:** John Friedenbach  
**Cc:** Immitt, Cybelle  
**Subject:** RE: NCRP Technical Committee

John-

I apologize for the delay in getting back to you on this item. Cybelle and I spoke with Supervisors Sundberg and Wilson and they both support naming you to the technical committee for the North Coast Resource Partnership. I will work on an agenda item today that should go to the Board on April 18. It will be submitted for the consent calendar and I don't expect the need for your presence at the Board meeting.

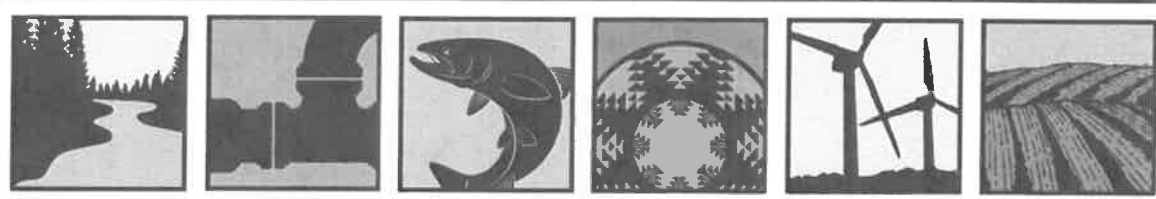
We can have an orientation discussion on the role of the committee in the near future. The committee will not be reviewing project proposals until next year and doesn't have any immediate duties coming up.

I know it's short notice but the NCRP is having their quarterly meeting on April 20 (3-5:30 pm) and 21 (9:30-4:30 pm) in Santa Rosa. April 20 is a business meeting and April 21 is a ten-year celebration with invited state-level speakers. I will forward you the notice in a separate e-mail. This would be a nice meeting to help understand the history and future of the NCRP, but is not urgent to attend.

Let me know if you have any questions.

Hank

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Hank Seemann  
Deputy Director - Environmental Services  
Humboldt County Public Works Department  
1106 Second Street  
Eureka, CA 95501  
707-268-2680



## NORTH COAST RESOURCE PARTNERSHIP

### North Coast Resource Partnership (NCRP)

#### Policy Review Panel (PRP) & Technical Peer Review Committee (TPRC) Meeting

#### AGENDA

**April 20, 2017; 3 – 5:30 pm**

**Location: Westside Water Education Center, 9703 Wohler Rd, Healdsburg**

- |      |      |               |                                                                                                                                                                                                                                                        |
|------|------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I    | 3:00 |               | <b>Welcome and Introductions</b>                                                                                                                                                                                                                       |
| II   | 3:10 |               | <b>Opening Tribal Prayer and Welcome</b>                                                                                                                                                                                                               |
| III  | 3:15 |               | <b>Welcome to the Westside Water Education Facility</b><br>Ryan Pedrotti, Sonoma County Water Agency                                                                                                                                                   |
| IV   | 3:20 | DECISION      | <b>Review and Approve Agenda</b><br><br><b>PUBLIC COMMENT for items not on the agenda</b>                                                                                                                                                              |
| V    | 3:25 | INFORMATIONAL | <b>New NCRP Leaders and 2017 NCRP Handbook</b><br>NCRP PRP Chair, Trinity County Supervisor Morris                                                                                                                                                     |
| VI   | 3:40 | DECISION      | <b>NCRP Nominations and Elections:</b> <ul style="list-style-type: none"> <li>• PRP Vice-Chair</li> <li>• Executive Committee Member</li> <li>• TPRC Co-Chair</li> </ul> NCRP PRP Chair, Trinity County Supervisor Morris<br><br><b>PUBLIC COMMENT</b> |
| VII  | 4:00 | DECISION      | <b>NCRP Ad Hoc Committee Review and Membership</b><br>NCRP PRP Chair, Trinity County Supervisor Morris<br><br><b>PUBLIC COMMENT</b>                                                                                                                    |
| VIII | 4:10 | INFORMATIONAL | <b>Annual Jimmy Smith Award: Process and Award</b><br>NCRP PRP Chair, Trinity County Supervisor Morris                                                                                                                                                 |
| IX   | 4:30 | DECISION      | <b>Alliance of Regional Collaboratives for Climate Adaptation (ARCCA) Membership</b><br>NCRP PRP Chair, Trinity County Supervisor Morris                                                                                                               |

- X 4:45 INFORMATIONAL **Updates**
- i. **Legislative News**  
Tim Anderson/Ann DuBay, Public Information Officer, Sonoma County Water Agency
- ii. **North Coast Tribal Engagement Update**  
Sherri Norris, Executive Director, California Indian Environmental Alliance
- iii. **Regional Administrator & Project Implementation Update**  
Hank Seemann, Deputy Director, Public Works Dept, Humboldt Co  
Devin Theobald, Senior Environmental Analyst, Public Works Department, Humboldt County
- iv. **NCRP Outreach & Involvement: Tribal Engagement & Economic Opportunity for Disadvantaged Communities Program Update**  
NCRP Proposition 1 Ad Hoc Committee or West Coast Watershed
- v. **Executive Committee, PRP direction and staff action**  
(see meeting materials)
- XI 5:20 **PUBLIC COMMENT**
- XII 5:25 Next NCRP meeting date: July 21, 2017, Eureka Area
- XIII 5:30 **ADJOURN**

**2017 NCRP Meeting Dates & Location:**

- July 21 – Eureka Area
- October 20 – Weaverville Area



**Technical Peer Review Committee Members**

Co-Chair: Sandra Perez, Program Manager, Five Counties Salmonid Conservation Program, Trinity Co

Co-Chair: vacancy

Javier Silva, Environmental Director, Sherwood Valley Rancheria, Central District

Alternate, Central District: vacancy

Jim Barnts, Director of Public Works, Del Norte County

Zack Larson, Smith River Watershed Coordinator, Del Norte County

Alternate, Del Norte County: vacancy

Hank Seemann, Deputy Director, Environmental Services, Public Works Department, Humboldt County

Humboldt County: vacancy

John Friedenbach HBMWD proposed.

Alternate, Humboldt County: vacancy

Patricia Hickey, Executive Director, Mendocino Resource Conservation District, Mendocino County

Sean White, Director of Water and Sewer, City of Ukiah, Mendocino County

Alternate, Mendocino County: vacancy

Sean Curtis, Modoc County Natural Resources, Modoc County

Alternate, Modoc County: vacancy

Toz Soto, Senior Fisheries Biologist, Karuk Tribe, Northern District

Alternate: Marissa Fierro, Environmental Director, Pit River Tribe, Northern District

TPRC members (2) and alternate, Siskiyou County: vacancy

Dale Roberts, Engineer, Sonoma County Water Agency, Sonoma County

TPRC member and alternate, Sonoma County: vacancy

Nathan Rich, Kashia Band of Pomo, Southern District

Alternate: Emily Luscombe, Environmental Director, Coyote Valley Band of Pomo, Southern District

Wes Scribner, General Manager, Weaverville Community Services District, Trinity County

Alternate: Mark Lancaster, Director, Five Counties Salmonid Conservation Program, Trinity County

**Funding Ad Hoc Committee**

Supervisor Judy Morris, Trinity County

Supervisor James Gore, Sonoma County

Javier Silva, Sherwood Valley Rancheria

Marissa Fierro, Environmental Coordinator, Pit River Tribe, Northern District

**SGC Ad Hoc Committee**

Toz Soto, Karuk Tribe, Northern District

**Proposition 1 Ad Hoc Committee**

Supervisor Judy Morris, Trinity County

Emily Luscombe, Coyote Valley Band of Pomo

**Policy Review Panel Members**

Chair: Supervisor Judy Morris, Trinity County

Vice-Chair: vacancy

Edwin Smith, Tribal Council, Bear River Band of the Rohnerville Rancheria, Central District

Alternate, Central District: vacancy

Supervisor Gerry Hemmingsen, Del Norte County

Supervisor Chris Howard, Del Norte County

Alternate: Supervisor Bob Berkowitz, Del Norte County

Supervisor Ryan Sundberg, Humboldt County

Supervisor Mike Wilson, Humboldt County

Alternate Humboldt County: vacancy

Supervisor Carre Brown, Mendocino County

Supervisor John McCowen, Mendocino County

Alternate: Supervisor Dan Gjerde, Mendocino County

Supervisor Geri Byrne, Modoc County

Alternate, Modoc County: vacancy

Leaf Hillman, Director of Natural Resources, Karuk Tribe, Northern District

Alternate, Northern District: vacancy

Supervisor Ray Haupt, Siskiyou County

Supervisor Brandon Criss, Siskiyou County

Alternate: Supervisor Lisa L. Nixon, Siskiyou County

Supervisor James Gore, Sonoma County

Supervisor Lynda Hopkins, Sonoma County

Alternate: Grant Davis, Sonoma County Water Agency, Sonoma County

Alternate: Dale Roberts, TPRC member, Sonoma County

Brandi Brown, Redwood Valley Little River Band of Pomo, Southern District

Alternate: Martina Morgan, Tribal Council Vice-Chair, Kashia Band of Pomo, Southern District

Supervisor John Fenley, Trinity County

**Executive Committee**

Chair: Supervisor Judy Morris, Trinity County

Vice-Chair: vacancy

Leaf Hillman, Karuk Tribe

Vacancy