

# MINUTES



HUMBOLDT BAY MUNICIPAL WATER DISTRICT  
828 7<sup>th</sup> Street, Eureka

Minutes for Special Meeting of Board of Directors  
January 7, 2019

A. **ROLL CALL**

President Woo called the meeting to order at 5:31 pm. Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Latt, Rupp and Woo were present. General Manager John Friedenbach and Board Secretary Sherrie Sobol were also present. Special Legal Counsel Leslie Walker participated via phone for a portion of the meeting.

B. **FLAG SALUTE**

President Woo led the flag salute.

C. **ACCEPT AGENDA**

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

D. **PUBLIC COMMENT**

No public comment was received.

E. **CONTINUING BUSINESS**

Humboldt County Board of Supervisors re: New Zoning Districts proposed to be added and properties

Mr. Friedenbach stated the Board of Supervisors is considering zoning amendments at their January 15, 2019 meeting. The public notice in the newspaper indicates three owner zoning requests will be considered. The Mercer Fraser request is not one of the three listed. Director Rupp stated the Mercer Fraser zoning request should not be considered or acted upon since it was not legally noticed. Mr. Friedenbach confirmed this is true however, he recommended the Board move forward with the District letter to the Board of Supervisors and suggested they go into closed session for discussion with District legal counsel.

F. **CLOSED SESSION**

Conference with Legal Counsel: Anticipated Litigation in accordance with Section 54956.9, subdivision (b), of the Brown Act

The Board entered into closed session at 5:38 pm.

They returned to Open Session at 7:02 pm. President Woo stated there was no reportable action.

**ADJOURNMENT**

The meeting adjourned at 7:03 pm.

Attest:

\_\_\_\_\_  
Sheri Woo, President

\_\_\_\_\_  
J. Bruce Rupp, Secretary/Treasurer



**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**  
**828 7<sup>th</sup> Street, Eureka**



**Minutes for Meeting of Board of Directors**

**January 10, 2019**

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**A. ROLL CALL**

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

**B. FLAG SALUTE**

President Woo led the flag salute.

**C. ACCEPT AGENDA**

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

**D. MINUTES**

On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve the minutes of the December 10, 2018 Special Board Meeting and the December 13, 2018 Regular Board Meeting.

**E. PUBLIC COMMENT**

A member of the public stated he lives on Redmond Road and needs water service. Mr. Friedenbach stated that is an item to be taken up by Humboldt Community Services District (HCSD) since they are the water provider for that area. The Board assured him that the District has enough water to provide to HCSD, however it is up to HCSD as the retail water provider to determine where they have connections. The individual was provided the contact information of HCSD.

**F. CONSENT AGENDA**

On motion by Director Fuller, seconded by Director Latt, the Board voted 4-0 to approve the Consent Agenda.

**G. CORRESPONDENCE**

November 8, 2018 Minutes from Ruth Lake CSD

Mr. Friedenbach shared the minutes from Ruth Lake CSD. He notified the Board that the general manager of Ruth Lake CSD is on disability leave for the next eight months. In the meantime, former general manager Steve Canale and Business Manager Margaret Kiser have returned to assist the District.

**H. CONTINUING BUSINESS**

Water Resource Planning - re: water-use options under consideration (local sales, transport, and in-stream flow dedication)

Mr. Friedenbach stated there are no updates. The instream flow committee will meet soon and will report out next month. President Woo added that the committee will soon be contacting special counsel David Aladjem to discuss the next steps in filing water rights changes and dedicating a portion of the rights to instream flow.

Cannabis Grows affecting Mad River Watershed

Mr. Friedenbach shared the news articles regarding cannabis. Director Rupp inquired about the status of abandoned sites in need of cleanup. Director Latt stated Humboldt County has been



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addressing abatement issues and according to articles in the Times-Standard over \$1.2 million has been received in abatement funds. Mr. Friedenbach stated he would check with Mr. Bauer of the Wildlife Enforcement Team for a status update.

Humboldt County Board of Supervisors re: Zoning Text Amendments and Zone Reclassifications to Implement the General Plan

Mr. Friedenbach shared the letter sent to the Board of Supervisors. The letter was based on discussion from the Special Meeting on Monday. The Board of Supervisors will discuss zoning reclassifications at the January 15, 2019 meeting.

Ordinance 22 for Public Recreation

Last month the Board directed staff to propose an ordinance governing the use of certain District properties for recreational purposes. Mr. Friedenbach shared the proposed ordinance and explained the process for adopting an ordinance. Members of the public expressed opinions for and against creating a public access site to the Mad River via District property located on Glendale Drive. Concerns included safety and parking. If there are illegal campers with dogs there now with the area being closed, the situation could worsen if the area becomes public access. Others stated there used to be several public access areas to the Mad River along Glendale Drive and this is one of the last remaining on the north side of the Mad River. Mr. Dan Berman, executive director of the Mad River Alliance stated public access to the river is a valuable resource and should be recognized as such in the purpose of the ordinance. He understands the concerns of the immediate property owner and stated Mad River Alliance is willing to do public cleanups at the Glendale Drive public access site on a regular basis. The Board discussed the concerns of the adjacent property owner and those requesting public access. They also suggested changes to the ordinance language. Director Rupp confirmed the ordinance does not apply to Ruth Lake. Director Latt stated the District wants to be a good partner in the sense of working collaboratively with the parties involved. He requested the adjacent property owner address the Board going forward if there are any issues that arise from public access. Director Fuller stated although it seems counter-intuitive, research has shown that having public access to areas actually decreases some negative behaviors compared to closed areas. On motion by Director Latt, seconded by Director Rupp, the Board voted 4-0 to direct staff to publish the revised draft notice of Ordinance 22.

Steelhead Days/Expo

The Steelhead Days expo is February 9<sup>th</sup>. Directors Fuller and Woo volunteered to staff the booth and will be available to discuss topics such as water resource planning, re-zoning concerns near the District's Ranney wells, the District's Habitat Conservation Plan and the water delivery system.

**I. NEW BUSINESS**

Officer and Committee Assignments

Appointment of officers and Appointment to committees and JPA Boards

At the January meeting of odd numbered years, the Board must elect a president. Mr. Friedenbach shared the current list of officers and committee assignments. Director Rupp suggested the list of officers remain the same. On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 keep the same officers, including Director Woo as President.

The Board requested the committee assignments be discussed at the February meeting when the full board is present. President Woo stated she will not be able to attend the February meeting. Mr. Friedenbach stated 2019 meeting dates will be discussed later in the meeting and the Board may want to consider changing the February meeting date at that time.



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2. CLOSED SESSION

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

This was the last item discussed on the agenda. The Board entered into closed session to the discuss the performance evaluation for the general manager at 1:45 pm.

OPEN SESSION

The Board returned to open session at 2:04 pm. President Woo stated there was no reportable action.

J. REPORTS (from Staff)

Engineering (Time set for 11:00 a.m.)

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

Mr. Kaspari stated the project is complete and the Notice of Completion was filed.

Surge Tower Replacement (\$239,900 District Match)

The Surge Tower project went out to bid on January 9, 2019 and responses are due on February 12, 2019 at 3 pm.

12kV Switchgear Replacement (\$441,750 District Match)

Mr. Kaspari shared the projected timeline for the project. The design has started and the project should go out for bid in June with project completion in September. September is the end of the grant and if needed, will ask for an extension.

Collector Mainline Redundancy Hazard Mitigation Grants (\$763,000 District Match)

No news on the grant status.

Reservoir Structural Retrofit Hazard Mitigation Grant Application (\$914,250 District Match)

CalOES requested additional information which was provided. No updates have been received.

Single Line Industrial Slough Crossing Hazard Mitigation Grant Application (\$679,750 District Match)

CalOES requested additional information. Response will be submitted and hopefully funding will be received.

Matthews Dam Spillway Analysis Hazard Mitigation Grant Application (\$1,666,667 District Match)- status report \*

CalOES requested additional information. Response will be submitted and hopefully funding will be received.

Essex Emergency Chlorine Scrubber Hazard Mitigation Grant NOI (\$335,000 District Match)

Staff is working on the grant application and will have it ready by the mid-April due date.

Lazzar Development 27<sup>th</sup> Street

Mr. Friedenbach met with City of Arcata staff to try and find alternate routes for the utilities on the Lazzar development so they did not cross over District pipelines. The suggestions made by City of Arcata restricted the buildable area but also added a second layer of protection for the District's pipelines. Mr. Lazzar met with the City of Arcata yesterday and staff has not heard feedback



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from that meeting. Mr. Friedenbach stated Mr. Lazzar has some angst regarding the current proposed agreement from the District. Legal Counsel has stated the District has already made concessions and does not recommend changes to the agreement.

Status report re: other engineering work in progress

Nothing to report.

**Financial**

Ms. Harris provided the December Financial Report. She noted that this will be the last month the report will be in this format. She and other staff will be going to Caselle training next week. She also added the February report may be a bit thin as she and staff will be still be learning the new accounting and utility billing software, however, she is very excited about the new software. Director Rupp inquired if switching software and reporting formats will cause any issues with the auditor. Ms. Harris stated no, in fact the auditor has been involved in the process along the way and has provided input as well. Since the report format will be changing, Ms. Harris requested and received Board input to provide the most meaningful report format. President Woo reviewed the bills and stated all was good. On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 to approve the December 2018 financial report and vendor statement in the amount of \$463,266.68.

**Operation**

Mr. Davidsen provided the December 2018 Operational Report. The bunkhouse remodel is going well. He discussed two change orders for the project and noted the change orders did not change the budget. The project should be completed in the next few months. Training for the Blue Lake SCADA monitoring is in process and going well. The USGS monitoring gauge below Essex failed. Since the federal government is currently shutdown, there is nothing that can be done with the gauge. Mr. Friedenbach stated he reached out to the USGS and inquired how the District could support them in regards to the data gauge as this is critical information for the District. The topic of the December Safety Meeting was SCBA's.

**K. MANAGEMENT**

1. CSDA

Mr. Joel Bauer of the West Side Cemetery District is the new president of CSDA. Mr. Friedenbach shared the list of the full CSDA Executive Committee. CSDA is also offering online ethics training at no cost until March 15, 2019.

2. Meeting dates

The Board discussed new meeting dates for the months of February, April, May and September. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve the following new meeting dates for 2019: February 12, April 18, May 16 and September 19 and also set May 30 for the Special Project Budget meeting at Essex.

3. GM Performance Evaluation Process: Policy & Procedure

Mr. Friedenbach provided draft General Manager Evaluation policy and procedure. The Policy and Evaluation committee has already reviewed them and provided feedback. The Board discussed the edits proposed. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve the General Manager Evaluation policy and procedure as amended.



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**L. DIRECTOR REPORTS & DISCUSSION**

**1. General -comments or reports from Directors**

No comments or reports were received.

**2. ACWA – JPIA**

Nothing to report.

**3. ACWA**

Revenue Sub Committee

Director Rupp chaired the meeting of the Revenue Subcommittee. He shared his notes from the meeting. There were no questions.

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

President Woo reported out on the RCEA meeting. She stated she plans to stay on the RCEA finance committee but will step down as the president at the next meeting.

The RREDC December meeting was cancelled for lack of quorum.

**ADJOURNMENT**

The meeting adjourned at 2:06 pm.

Attest:

\_\_\_\_\_  
Sheri Woo, President

\_\_\_\_\_  
J. Bruce Rupp, Secretary/Treasurer

**CONSENT**



RUTH LAKE COMMUNITY SERVICES DISTRICT  
Minutes for December 13, 2018  
Board of Directors Meeting

1. Called to Order
  - A. Meeting call to order by Chairman, Dennis Johnson at 4:00 pm.
  - B. Flag Salute
  - C. Board members present: Debra Sellman, Brian Nicholson, Dennis Johnson and Susan Gordon.
  - D. Members absent: John Wise.
  - E. Others present: Cynthia Lofthouse
  
2. Approval of Agenda:
  - A. Motion was made by Susan Gordon to approve agenda as submitted. Seconded by Brian Nicholson. Motion carried, Debra Sellman, Brian Nicholson, Dennis Johnson and Susan Gordon.
  
3. Election: Election of Board Officers and meeting time of place.
  1. Motion Susan Gordon, Debra Sellman to nominate Dennis Johnson Chairman of the Board. Motion carried, Debra Sellman, Brian Nicholson, Susan Gordon approved.
  2. Motion Debra Sellman, Susan Gordon to nominate Brian Nicholson Vice Chairman of the Board. Motion carried, Debra Sellman, Dennis Johnson, Susan Gordon approved.
  3. Motion Debra Sellman, Susan Gordon nominate Cynthia Lofthouse as Secretary to the Board. Motion carried, Brian Nicholson, Dennis Johnson, Susan Gordon and Debra Sellman approved.
  4. Meetings to be moved to the third Thursday of the month starting January 17, 2019 at 4:00pm. Motion carried Susan Gordon second Brian Nicholson. Motion carried, Debra Sellman, Dennis Johnson, Susan Gordon and Brian Nicholson approved.
  
4. Approval of Minutes:
  - A. Approval of minutes for the meeting of November 8, 2018 motion by Brian Nicholson to approve the minutes, seconded by Susan Gordon. Motion carried, Debra Sellman, Dennis Johnson, Brian Nicholson and Susan Gordon.
  
5. Public Comment: None
  
6. Supervisor's Report: None
  
7. Correspondence: None
  
8. Update of District Projects: None
  
9. Items for Board Action and Investigation:

- A. Remodel of Ruth Lake business office: Have a room built within the office. Dennis will look into finding a contractor to do the job.
- B. Reading of Job Descriptions for District Manager and Store Manager
  - 1. Add to District Manager to sit in with Store, Marina Manager during reviews.
  - 2. Store Manager has not change at this time. Sue Gordon will ~~connect~~ <sup>contact</sup> Steve Canale and Cynthia will follow up with Margaret Kiser in regards to the Store Manager job description.
- C. Charges for boat rentals:
  - A. Keep rentals prices as is. Cynthia will speak to Buck in regards to current rental prices.
- D. Motion approved by Debra Sellman of the transfer of lease site 10D from Adam & Lisa Jagger to Eric & Lee Anne Smith seconded by Brian Nicholson. Motion carried by Dennis Johnson, Susan Gordon, Debra Sellman and Brian Nicholson.

10. Manger's Report and Update:

- A. Financial -Recognizes and acknowledge Documents,
  - 1. Month Comparison little changes
  - 2. Profit & loss Previous Year Comparison

B. Community Hall:

Ronnie Millsap having a family Christmas party 12-15-18 other then that not much going on.

11. New Matters for the Board Consideration. None

12. Closed Session

13. Adjournment: 5:15pm

[Signature]  
Submitted by Date 1-17-18

[Signature]  
Approved by Date 1-17-18



PRESS RELEASE

# CSAC Elects Officers for 2019

## Humboldt County Supervisor Bass Becomes President

December 3, 2019

**FOR IMMEDIATE RELEASE**

Contact: Sara Floor, Communications Coordinator

916-327-7500, ext. 516

916-926-8769 mobile

The California State Association of Counties® (CSAC), the statewide organization representing all 58 counties, elected a new slate of officers at its Annual Meeting in San Diego County. The new officers were officially installed Thursday evening.

- **President – Humboldt County Supervisor Virginia Bass**
- First Vice President – Orange County Supervisor Lisa Bartlett
- Second Vice President – Sonoma County Supervisor James Gore
- Immediate Past President – Kern County Supervisor Leticia Perez

“Each of the 2019 CSAC officers exemplifies the trait of resiliency and embodies the principles of integrity, teamwork and adaptability. I am excited to work side by side with these talented and experienced leaders as we move forward into the new year,” said CSAC Executive Director Graham Knaus. “Even with positive news about the state budget, we know that there are many challenges ahead for California’s counties. Working together in Sacramento and in Washington D.C., our 2019 officers will serve California’s 58 counties and nearly 40 million residents well.”

“California’s counties are as diverse as the many programs and services we provide,” said Supervisor Bass. “I am so grateful for the role that CSAC plays not only in advocacy, but in bringing counties together to share expertise that better enables us to serve our communities. I look forward to an exciting and productive year working on behalf of all of California’s counties.”

Supervisor Bass has most recently served as the Association’s Second and First Vice President. She has also served on the Association’s Board of Directors, Executive Committee and as Vice Chair of CSAC’s Agriculture, Environment and Natural Resources Policy Committee.

*The California State Association of Counties is the voice of California’s 58 counties at the state and federal level.*



January 3, 2019

**H.B.M.W.D. JAN - 7 2019**

Mr. John Friedenbach, General Manager  
Humboldt Bay Municipal Water District  
Post Office Box 95  
Eureka, California 95502

Subject: **Notice of Receipt – Emergency Action Plan**  
Robert W. Matthews Dam, No. 1013, Trinity County

Dear Mr. Friedenbach:

The California Governor's Office of Emergency Services, Dam Safety Planning Division, hereby acknowledges the receipt of your completed Emergency Action Plan Review Package on December 4, 2018, for the subject dam(s) listed above. Our records also indicate that the inundation map(s) reflected within the Emergency Action Plan was approved by the Department of Water Resources, Division of Safety of Dams on October 5, 2018.

Pursuant to California Water Code Section 6161, subdivision (b)(1), the Dam Safety Planning Division shall review your Emergency Action Plan no later than 60 days after receipt of the completed Emergency Action Plan Review Package, as noted above. To the extent possible, the Dam Safety Planning Division will give priority to a dam with the highest hazard classification.

If you have any questions or need additional information, please contact Phillip J. Labra at (916) 845-8420 or [phillip.labra@CalOES.ca.gov](mailto:phillip.labra@CalOES.ca.gov), with a copy to [eap@caloes.ca.gov](mailto:eap@caloes.ca.gov).

Sincerely,

JOSÉ LARA  
Chief, Dam Safety Planning Division

cc: Sharon Tapia, Chief, Division of Safety of Dams, Department of Water Resources





**Cal OES**

GOVERNOR'S OFFICE  
OF EMERGENCY SERVICES

January 31, 2019

H.B.M.W.D. FEB - 5 2019

Mr. John Friedenbach, General Manager  
Humboldt Bay Municipal Water District  
Post Office Box 95  
Eureka, California 95502

Subject: **Emergency Action Plan – Review**  
Robert W. Matthews Dam, No. 1013.000, Trinity County

Dear Mr. Friedenbach:

The California Governor's Office of Emergency Services, Dam Safety Planning Division, acknowledges receipt of your organization's Emergency Action Plan for the subject dam(s), listed above. Pursuant to Water Code Section 6161, subdivision (b)(1), we have determined the Emergency Action Plan does not meet the requirements of Government Code Section 8589.5.

During the review of your Emergency Action Plan, we have identified items to be missing, insufficient, and/or incorrect (please refer to Table 1. Required Changes in the EAP Review Report).

Additionally, please refer to the Federal Emergency Management Agency's *Federal Guidelines for Dam Safety: Emergency Action Planning for Dams* for the required elements needed in an Emergency Action Plan. This guidance will help you create a comprehensive plan that fulfills legislative requirements and will be extremely beneficial during a dam incident.

Once corrected, please resubmit the Emergency Action Plan. The division shall review and approve the plan, should it meet the requirements of Government Code Section 8589.5.

If you have any questions or need additional information, please contact Phillip J. Labra at (916) 845-8420 or [phillip.labra@caloes.ca.gov](mailto:phillip.labra@caloes.ca.gov), with a copy to [eap@caloes.ca.gov](mailto:eap@caloes.ca.gov).

Sincerely,

JOSÉ LARA  
Chief, Dam Safety Planning Division

Enclosure



3650 SCHRIEVER AVENUE, MATHER, CA 95655  
(916) 845-8506 TELEPHONE (916) 845-8511 FAX  
[www.CalOES.ca.gov](http://www.CalOES.ca.gov)

HANK SIMS / 1/8/19 @ 12:16 P.M. / LOCAL GOVERNMENT

## Marin Judge Orders the Remains of the North Coast Railroad Authority to Pay Humboldt Environmental Groups Nearly \$2 Million



*Photo: Friends of the Eel.*

Late last month, just a handful of days before Christmas, a Marin County judge ordered the North Coast Railroad Authority to pay two Humboldt County environmental groups more than \$1.9 million in attorney's fees — a consequence of the groups' successful lawsuit

against the public agency, which went all the way up to the California Supreme Court.

The order marks the final act of the NCRA's quixotic, fruitless, 20-year quest to reestablish rail service between the Bay Area and Humboldt County. Last year, state Sen. Mike McGuire sponsored (and Gov. Jerry Brown signed) legislation that will eventually dissolve the authority and begin work toward building a pedestrian trail along its right-of-way.

This most recent legal blow stems from a lawsuit brought by the two environmental groups — Friends of the Eel River and Californians for Alternative to Toxics — that challenged the railroad authority's failed attempt to argue that it is not bound by the California Environmental Quality Act, despite the fact that it is a California state agency. After several rounds in lower courts, the California Supreme Court ruled for the environmental groups. The railroad petitioned the U.S. Supreme Court to take up the case, on yet another appeal, but the high court declined.

As the new legislation puts the railroad authority in a tight financial straightjacket and the dissolution of the agency pending, the nearly \$2 million awarded to CATS and Friends of the Eel might be the last major expense the North Coast Railroad Authority will bequeath to the taxpayers of California.

"This adds another layer of debt to their hot mess of a budget," McGuire told the *Outpost* Friday. He said that it's not yet clear how the debt will be cleared — certainly the authority has no funds to clear it — but that he and his colleagues had been planning for a "worst-case scenario" with the courts.

For the time being, the authority — which meets in Eureka tomorrow — continues on in a neutered fashion. McGuire staffer Jason Liles attended a meeting of the board or directors in October, and according to the official minutes Liles repeatedly warned the NCRA to butt out of railroad matters. According to the minutes:

[Liles] said the bill is the NCRA closure and transition to trails act, and if the Board and staff are not spending 80-90% of their time on trails then they are not following the new state law. He advised Board members that are not ready to work on trails, promoting trails, or invest their time in trails to step down from the Board. He said the state mandate has clearly changed and that NCRA needs to focus on trails, not freight, and if that Board does not agree to the mandate or have time for trails, then those members should step down.

This morning, the Humboldt County Board of Supervisors reappointed Supervisor Estelle Fennell to the NCRA board despite a brief challenge from Supervisor Mike Wilson, who spoke of this changing mission and of his district's experience in railbanking and related matters. Fennell assured her colleagues that she has no problem with the NCRA's mandate, and that, along with her previous experience on the board, seemed to carry the day.

The North Coast Railroad Authority Board meets Wednesday, January 9, at 10:30 a.m. in the Board of Supervisor's chambers in the Humboldt County Courthouse. Among the items on the agenda: an update on the Annie & Mary Trail between Arcata and Blue Lake, an agreement with the Timber Heritage Association on local speeder runs in 2019, and a few other items of local interest. See full agenda [here](#).



North Coast Railroad Authority  
419 Talmage Road, Suite M  
Ukiah, Ca 95482

**NORTH COAST RAILROAD AUTHORITY (NCRA)  
Board of Directors Meeting**

Humboldt County Board of Supervisors Chambers  
825 5th Street, Eureka, Ca.  
Humboldt County  
Wednesday, January 9, 2019 - 10:30 a.m.

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**AGENDA**

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. AGENDA APPROVAL**
- D. PUBLIC COMMENT**

*Commenters are requested to complete a Public Comment Card and provide completed card to the Recording Secretary prior to commenting. Comments will be limited to three minutes per person and not more than ten minutes per subject, so that everyone can be heard. "Public comment" time is limited to matters under the jurisdiction of the Authority that may not have been considered by the Authority previously and are not on the agenda. No action will be taken. Members of the public may also comment during specific agenda items when recognized by the Chair.*

- E. PRESENTATIONS**

- 1. **Hank Seeman, Deputy Director of Environmental Services, Humboldt County - City of Blue Lake Grant Funding for Annie & Mary Trail**
- 2. **Uri Driscoll, Timber Heritage Association – Pedal Rail Bikes**

- F. CONDUCT OF BUSINESS**

- 1. Election of Board Officers for Calendar Year 2019
- 2. Appointments to NCRA Committees for Calendar Year 2019
- 3. Discussion and Possible Action Regarding Approval of 2019 Timber Heritage Association Speeder Schedule
- 4. Discussion and Possible Action Regarding City of Eureka Community Art Program



5. Discussion and Possible Action Regarding Security National Request Relative to NCRA Railroad Easement at Fairhaven
6. Discussion and Possible Action Regarding Property Committee Recommendation Relative to Ukiah Depot Improvements
7. Discussion and Possible Action Regarding SB1029 (McGuire)

**G. CONSENT CALENDAR**

1. Approval of Minutes – Regular Board Meeting – November 14, 2018
2. Approval of Minutes – Property Committee Meeting – December 5, 2018
3. Approval of NCRA Financial Statements – November and December 2018
4. Approval of Warrants Issued – November and December 2018
5. Approval of Cal Card Statement – November and December 2018
5. Approval of Property Management Report – November and December 2018
6. Approval of Resolution 2019-01 - Amending NCRA Property Budget FY 2018-19

**H. OPERATOR REPORT – Doug Bosco – Legal Counsel NWP Co.**

**I. STAFF REPORT – Mitch Stogner – Executive Director**

**J. LEGAL COUNSEL REPORT – CJ Neary**

**K. MATTERS FROM THE BOARD**

**L. CLOSED SESSION**

**1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

- a. Ukiah Depot Property, including Mason Street Property  
Negotiation Regarding Disposition of Ukiah Depot Property, including Mason Street Property  
Agency Negotiators: Mitch Stogner, Chris Neary  
Under Negotiation: Price, Terms

**2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Government Code Section 54956.9(a) two cases

- a. CATS V. NORTH COAST RAILROAD AUTHORITY  
Marin County Superior Court Case No. CIV-1103591
- b. KO-RI INC. V. NORTH COAST RAILROAD AUTHORITY  
Sonoma County Superior Court Case No. SCV-263454

**3. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL INITIATION OF LITIGATION**

Government Code Section 54956.9(c) one case

**M. ANNOUNCEMENT OUT OF CLOSED SESSION**

**N. ANNOUNCEMENT OF NEXT MEETING**

Regular Board Meeting  
Wednesday, February 13, 2019 - 10:30 a.m.  
Healdsburg City Council Chambers  
401 Grove Street, Healdsburg, CA  
Sonoma County

**O. ADJOURNMENT**

**AGENDA NOTE**

*All items appearing on the agenda are subject to action by the Board of Directors. Staff recommendations are subject to action by the Board of Directors. Staff recommendations are subject to change by the Board.*

**AMERICAN WITH DISABILITIES ACT (ADA) REQUESTS**

*To request disability-related modifications or accommodations for accessible locations or meeting materials in alternative formats (as allowed under Section 12132 of the ADA) please contact the NCRA office at 707 463-3280, at least 72 hours before the meeting.*

**ADDITIONS TO AGENDA**

*The Brown Act, Section 54954.2, states that the Board may take action on off-agenda items when: a) a majority vote determines that an "emergency situation" exists as defined in Section 54956.5, or b) a two-thirds vote of the body, or a unanimous vote of those present, determines that there is a need to take immediate action and the need for action arose after the agenda was legally posted, or c) the item was continued from a prior, legally posted meeting not more than five calendar days before this meeting.*

**ADDITIONAL MEETING INFORMATION FOR INTERESTED PARTIES**

*Written materials related to an item on this agenda submitted to the Board of Directors are available for public inspection in the NCRA office located at 419 Talmage Road, Suite M, Ukiah California. Documents maintained for public inspection are considered to be draft documents until approved by the Board of Directors. Some of these documents may also be posted on the NCRA website, but the official record is maintained for public inspection in the NCRA office.*

**CLOSED SESSION**

*If agendaized, NCRA may adjourn to a closed session to consider litigation or personnel matters. Discussion of litigation or pending litigation may be held in closed session by authority of Government Code Section 54956.9; discussion of personnel matters by authority of Government Code Section 54957; to confer with their negotiator regarding real property by authority of Government Code Section 54956.8.*

*Times Standard 1/17/2019*

NEWS &gt; LOCAL NEWS

## New county planning commissioner wants to address public transparency



Melanie McCavour, who currently serves on the Arcata Planning Commission, will now fill the vacancy on the county Planning Commission. (Screenshot)

By **SHOMIK MUKHERJEE** | [smukherjee@times-standard.com](mailto:smukherjee@times-standard.com) |

PUBLISHED: January 16, 2019 at 8:07 pm | UPDATED: January 16, 2019 at 8:07 pm

Melanie McCavour, a planning commissioner in Arcata with years of experience in agricultural science, will now serve on the Humboldt County Planning Commission, having been selected for the job on Tuesday.

The county Board of Supervisors unanimously picked McCavour from a pool of 16 applicants for the at-large position, which means she needed a majority vote from the board to get the job. A Canada native, McCavour has worked in multiple countries and previously lectured on forestry and wildland resources at Humboldt State University.

"I'm passionate about early planning," McCavour told the Times-Standard on Wednesday. "I want to get involved at the zoning stage and make sure public participation and transparency takes place early on."

For those looking to jump into the county's fledgling legal cannabis economy, the Planning Commission holds the keys. If

More recently, the commission has been a major player in a [controversial process](#) to reclassify the county's various land zones.

McCavour echoed the opinion of most major county officials that cannabis is an "important" part of the economy, though its regulations, along with the costs involved, could use some ironing out, she said.

Smaller agricultural operations need to be encouraged over the major players, she added, not just because they pose fewer environmental consequences but because the small, diverse patches produce greater yield than "monoculture" grows.

"The big question is what the maximum size level of a site should be," she said. "It's not that corporations themselves are bad, it's that large hemp (grows) have been done in a way that hasn't been the most helpful."

Controversy has surrounded the Planning Commission for the past year. Hostility arose in the fall when the commissioners voted to rezone a land parcel in the Glendale area, opening the doors to a potential cannabis manufacturing facility.

Much of the discontent centered around the notion that the commission hadn't been forthcoming with the public up until approving the rezoning.

"The main problem with that situation was that there wasn't a lot done for public outreach at the earlier stages," McCavour said. "It's a good example of how important it is to do your planning early on."

As a member of the commission, McCavour says she will be able to bring a "moderate view" to present to both sides of an issue in a "reasonable" way. Using science to guide decisions that could have environmental impacts, she said, eliminates the binary debate that either all available land should be developed or none at all.

It's also on the community to keep its ears to the ground, she added. Nothing in the rezoning process was done in secret, she said, and it's at least partly up to the community to get involved when these issues are discussed.

In the past year, planning commissioners have been publicly accused by other public officials of having conflicts of interest — namely, by owning properties on land they've voted to rezone.

Former 4th District Planning Commissioner Kevin McKenny, meanwhile, resigned from his post in May 2018 after being cited by the state for violations of state and federal environmental laws.

In making their decision Tuesday, the supervisors discussed the prospect of breaking the commission's all-male makeup by selecting McCavour. Third District Supervisor Mike Wilson pointed to a need for diversity of ideas as a reason to bring a woman into the commission's ranks.

"Perspectives increase from a higher number of identities," McCavour agreed. "By this point, business knows that yield, profits and such go up when you have different people with diverse ideas."

McCavour leaves behind planning directly in Arcata, where housing shortages have been a widely-covered and often noticeable concern. Attempts to curb the problem have dominated many of the town's civic meetings, but McCavour says it's really a problem all over the state — and one with complexities.

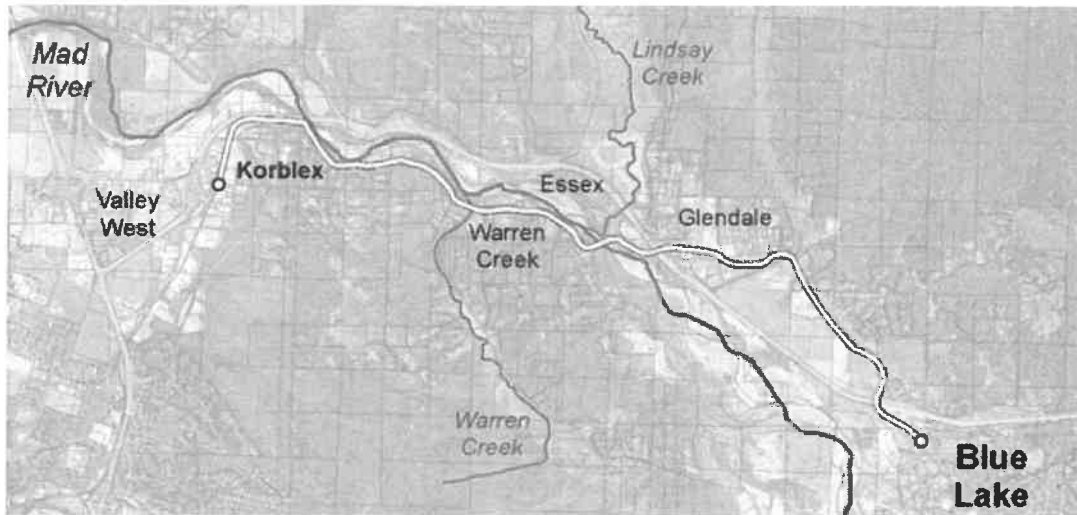
More densely populated areas are often an environmental boon, she said, since they prevent longer commutes and higher greenhouse gas emissions. It also does more to leave natural forestland alone. But of course, that comes with a consequence of less available housing, she said.

"The people of Arcata are wonderfully involved in the community," she said. "Even if they're coming out against a project, at least they're getting participated in the planning and (environmental) process."

*Shomik Mukherjee can be reached at 707-441-0504.*

STEPHANIE MCGEARY / 1-18-19 @ 4:44 P.M. / LOCAL GOVERNMENT, TRAILS

## Arcata and Blue Lake One Step Closer to Completing the Trail That Will Connect Their Towns



The Arcata & Mad River rail corridor | Images courtesy of Hank Seemann

Humboldt County has trail fever and the only prescription is, well, more trails!

The Cities of Arcata and Blue Lake are making progress on the Annie & Mary Trail, a vision that's been in the works for over 20 years to connect the two cities via the Arcata-Mad River rail corridor.

After receiving an Active Transportation Program (ATP) grant in 2017, the City of Blue Lake is gearing up to complete phase one of the project — the half mile long portion of trail which runs through the town.

Friends of the Annie & Mary Rail Trail Board Member Ingrid Kosek is excited to see some progress being made on this project, which she has been a part of since 1997. The last train operated on that track in 1995 and two years later, after the rails and ties were removed for salvage, Friends of the Annie & Mary Rail Trail formed.

"It has been a long, slow struggle," Kosek told the *Outpost*. "They took out the track and we thought we could just build a trail. But it wasn't that easy."

One of the challenges was working with the North Coast Railroad Authority (NCRA) regulations, Kosek said. But in 2008 the NCRA passed a resolution approving multi-modal use for the rail line. The next big victory came with the passage of Senate Bill 1029, known as the Great Redwood Trail Act, which aims to turn the North Coast railroad line into a trail through Northern California — which would include the Annie & Mary Trail.

Not only is Kosek happy about the progress on a project she has been working towards for a long time, but also, as a Blue Lake resident, she's excited about the improvements to her town.

"It'll preserve the railroad corridor to start with. That's a big part of the history of the town," Kosek said. She also says it will provide a safer route through town for pedestrians, bicyclists, people in wheelchairs. And it will create a better path for those who travel to work at the Blue Lake Casino.



*'Phase 1' of the trail, through Blue Lake*

Humboldt County Director of Environmental Services Hank Seemann says that if all goes well, construction on the Blue Lake portion of the trail should begin this summer. "[There are] some administrative hurdles," Seemann told the *Outpost*. "But I'm confident we can do that in next month or two."

Seemann has been working on the project since the County became involved in 2011. But he says the County's efforts have recently been diverted to advancing the Humboldt Bay Trail, which has made a lot of progress. Arcata completed their portion of the trail in 2017, Eureka completed the Waterfront Trail portion in 2018, and the final section is one step closer to completion after receiving recommendation for an ATP grant in December.

Seemann thinks the momentum from the Bay Trail will help advance the A&M trail, especially since the two will be connected. However, Caltrans had also applied for the ATP grant to complete Phase two of the A&M trail — the section that would run between Blue Lake and Glendale — and they did not receive the recommendation.

This was a disappointment, both Seemann and Kosek said, and it presents a potential roadblock in the project. But the agencies involved plan to pursue alternative funding. Plus, the completion of the Blue Lake and Arcata portions will likely increase the chances of ATP funding in the future. (This is what happened with the Bay Trail, for example.)



*Section of the proposed trail through Arcata*

The city of Arcata is still in the planning stage for their leg of the trail, which would run from Sunset Avenue to the Valley West. Arcata received a grant from the Caltrans Sustainable Communities Program which includes funding for public outreach and planning for the project.

The Redwood Community Action Agency (RCAA) has partnered with the City of Arcata to help with this planning stage. RCAA Natural Resources Director Emily Sinkhorn said that this project is aligned with a lot of the City's goals, including promoting sustainable transportation and connecting downtown Arcata to the more isolated areas of town.

"[This is] a really important project to connect the vibrant area of Arcata to the rest of the city," Sinkhorn told the *Outpost*. "The city really wants to prioritize making a better connection with Valley West."

Right now it is rather difficult to travel to and from the Valley West and the Aldergrove Industrial Park without using a car. Although people can ride a bike on West End Road, It can be very dangerous for cyclists and pedestrians, especially at night. There is no shoulder and a lot of big logging trucks drive down that road.

"A lot of people work in that area," Sinkhorn said. "A trail connection could open it up for bicyclists."

The city of Arcata is holding a public workshop on the Annie & Mary Trail on Monday, Feb. 4 from 6 to 8 p.m. at the D Street Neighborhood Center, located at 1301 D Street in Arcata. All are encouraged to attend and share their input.

For those who can't make it, the City encourages you to share your thoughts on the online survey.

LoCO STAFF / 02/01/19 @ 1:27 P.M. / ENVIRONMENT

## Inmate Work Crew Cleans Up Homeless Encampment on the Banks of the Mad River



*Photos from HCSO. Faces blurred for issues of privacy*

From the Humboldt County Sheriff's Office:

Today a HCCF inmate crew helped Fish and Wildlife wardens clean up a transient encampment along the bank of the Mad River. Campers had been notified ahead of time to vacate the property and were provided information on services for mental health, housing, and more. Crews picked up the remaining trash today.

The HCCF inmate crew is a great opportunity for inmates to spend their time in jail productively, giving back to the community and getting some fresh air. The crew does lawn and yard work across the county, picks up trash on the freeways, helps clean abandoned transient encampments and more.





**MICHAEL FRANCESCONI(1955 - 2019)**

MICHAEL FRANCESCONI Mike was born in Scotia, CA on February 24, 1955. He spent his early years in Rio Dell as one of the Riverside Acres group of kids. He always looked back fondly on his happy days there, spent with many friends whom he kept in touch with. His early school years started in Rio Dell and then moved on to St. Joseph's Catholic school in Fortuna. He attended Fortuna Union High School and then transferred to St. Bernard's in Eureka where he graduated with the class of '73. College years found him at College of the Redwoods, University of San Diego and Chico State. Football was Mike's main passion at all three schools. He even had a stint on a semi-pro team, after college. It has been his favorite sport until the day that he passed away. Upon graduation he started his career in medical sales where he made many lasting friends. During all of those years he spent many weekends at his family's cabin on Ruth Lake in Trinity County. He became a great water skier and helped many of his friends learn the sport. When not at Ruth Lake he could be found on Shasta Lake, boating and enjoying the many friends he made while living in Redding. His present job was as the District Manager of the Ruth Lake Community Services District. Mike loved all of our family gatherings over the years. Blessed with two grandmothers that loved to cook, he not only enjoyed all the bounty, he became an accomplished cook and hosted many great dinners. He loved the outdoors, particularly anything to do with water. He was an avid windsurfer, fisherman, water skier and wake boarder. From the early age of six to the present, Mike's hobby was trains. He has built an extensive layout and at his death was working on a HO scale wharf to add to the layout. He has enjoyed his membership in the Timber Heritage Association working on the Big Trains and speeders. His family would appreciate donations to that organization at T.H.A, PO Box 6399, Eureka, CA 95502. Mike is survived by his mother, Pat, his sister and brother in law, Debbie and Tom Kingshill and their two children Emily and Patrick. His aunt and uncle, Karen and Gene Hall, their sons, Joe and his wife Susie and Bob and his wife, Lynn. On the Francesconi side are his loving cousins Susan and Bob Reidel, Jim and Shelley Francesconi and Bob and Mollie Francesconi. He was preceded in death by his father, Larry, his grandparents, Ernesto and Rosa Francesconi and Frank and Olieva Casey, as well as his uncle and aunt, Leo and Ida Francesconi. Mike's memorial Mass will be on Saturday at 11 AM, February 2, 2019 at St. Joseph's Church, 801 14th Street (14th & N) in Fortuna, CA. A reception will follow at River Lodge Conference Center, 1800 Riverwalk Drive, Fortuna, CA.

**Published in Eureka Times-Standard on Jan. 20, 2019**

## THIS JUST IN ... January Storms Boost California's Snowpack to 98 Percent of Average

January 31, 2019 Maven Breaking News



### California Snowpack Holds More Water than Last Year

*From the Department of Water Resources:*



Today, the Department of Water Resources (DWR) conducted the second Phillips Station snow survey of 2019. The manual survey recorded 50 inches of snow depth and a snow water equivalent (SWE) of 18 inches, which is 71 percent of average for this location. Statewide, the Sierra snowpack is 98 percent of average.

By comparison, on February 1, 2018 measurements at Phillips Station revealed a SWE of 2.6 inches, only 14 percent of the early-February average. And last year at this time, measurements at this location were at 30% percent of average.

“The snowpack across California is on par with the historical average for this time of year, thanks in no small part to an atmospheric river that brought heavy snowstorms to the Sierra Nevada. Typically, California relies on a handful of large storms like we saw earlier this year.” said DWR Director Karla Nemeth. “It’s a start, but the next two or three months will determine what it means for our reservoirs and overall water supply.”

Results from snow surveys like the one conducted today at Phillips Station are critical to the management of California's water. More than 50 local, state, and federal agencies work together as part of the Cooperative Snow Surveys Program to collect data from more than 300 snow courses throughout California.

"The data we collect allows us to forecast how much snowmelt will run off into our streams and reservoirs," said John Paasch, Chief of DWR's Hydrology and Flood Office. "Snowpack is an important factor in determining how DWR manages California's water resources each year to sustainably meet demands."

On average, the Sierra snowpack supplies about 30 percent of California's water needs as it melts in the spring and early summer to meet water demands in the summer and fall.

DWR has conducted manual snow surveys at Phillips Station since 1964, recording both depth and snow water equivalent. Snow water equivalent is the depth of water that theoretically would result if the entire snowpack melted instantaneously. That measurement allows for a more accurate forecast of spring runoff.

DWR conducts five snow surveys each winter – near the first of January, February, March, April and May – at Phillips Station in the Sierra Nevada just off Highway 50 near Sierra-at-Tahoe. The Phillips snow course is one of hundreds that will be surveyed manually throughout the winter. Manual measurements augment the electronic readings from about 100 snow pillows in the Sierra Nevada that provide a current snapshot of the water content in the snowpack.

Times Standard - 2/1/2019

## WATER SUPPLY

# Storms good for Sierra snowpack

*The Associated Press*

**PHILLIPS STATION** » January storms raised the vital Sierra Nevada snowpack to near normal for this time of year, an important development for California's water supply, state officials said Thursday after the second survey of the winter.

The snowpack was 98 percent of average to date and 71 percent of average for the entire season, which usually sees maximum accumulation by April 1, the California Department of Water Resources said.

"This is a significant in-

crease since the last survey," said John King, a water resources engineer who conducted a manual survey of a snow course at Phillips Station, one of hundreds of locations measured.

At the site, the snow depth measured 50 inches (127 centimeters) with a snow-water equivalent of 18 inches (46 centimeters).

On Jan. 3, the measurements were 25.5 inches (65 centimeters) and 9 inches (23 centimeters), respectively. And on Feb. 1, 2018, Phillips Station had a snow-water equivalent only 14 percent of average.

**PG&E bankruptcy could mean higher rates, smaller payouts for fire victims**

Sen. Mike McGuire: 'PG&E must take full responsibility for the company's mistakes'

By THE ASSOCIATED PRESS |

PUBLISHED: January 29, 2019 at 5:52 pm | UPDATED: January 29, 2019 at 5:53 pm

Faced with potentially ruinous lawsuits over California's recent wildfires, Pacific Gas & Electric Corp. filed for bankruptcy protection Tuesday in a move that could lead to higher bills for customers of the nation's biggest utility and reduce the size of any payouts to fire victims.

The Chapter 11 filing allows PG&E to continue operating while it puts its books in order. But it was seen as a glimpse of the financial toll that could lie ahead for the industry because of climate change, which scientists say is leading to fiercer, more destructive blazes and longer fire seasons.

The bankruptcy could also jeopardize California's ambitious program to switch entirely to renewable energy sources within a few decades.

PG&E, which supplies natural gas and electricity to 16 million people in Northern and central California, cited hundreds of lawsuits over fires in 2017 and 2018 and tens of billions of dollars in potential liability when it announced earlier this month that it planned to file for bankruptcy.

The blazes include the nation's deadliest wildfire in a century — the one in November that killed at least 86 people and destroyed 15,000 homes in and around Paradise in Butte County. The cause is still under investigation, but suspicion fell on PG&E after it reported power line problems nearby around the time the fire broke out.

PG&E said the bankruptcy will not affect electric or gas service and will allow for an "orderly, fair and expeditious resolution" of wildfire claims.

"Throughout this process, we are fully committed to enhancing our wildfire safety efforts, as well as helping restoration and rebuilding efforts across the communities impacted by the devastating Northern California wildfires," interim CEO John R. Simon said in a statement.

**Wildfire lawsuits**

The wildfire lawsuits accuse PG&E of inadequate maintenance, including not adequately trimming trees and clearing brush around electrical lines, and failing to shut off power when fire risk is high.

The bankruptcy filing immediately puts the lawsuits on hold and consolidates them in bankruptcy court, where legal experts say victims will probably receive less money.

"They're going to have to take some sort of haircut on their claims," said Jared Elias, a bankruptcy attorney who teaches at the University of California, Hastings College of the Law. "We don't know yet what that will be."

In a bankruptcy proceeding, the victims will have little chance of getting punitive damages, and their claims will almost certainly be heard by a judge, not a jury. They will also have to stand in line behind PG&E's secured creditors, such as banks, when the judge decides who gets paid and how much.

### **Lawmakers respond**

Gov. Gavin Newsom said in a statement that his administration will work to ensure that "Californians have access to safe, reliable and affordable service, that victims and employees are treated fairly, and that California continues to make forward progress on our climate change goals."

North Coast state Sen. Mike McGuire said the focus needs to focus on "fire survivors and ratepayers."

"PG&E must take full responsibility for the company's mistakes and it's up to the leaders of the utility to present a long term turnaround plan," he said in a prepared statement. "We are committed to working with the Governor's Office, Pro Tem (Toni) Atkins and the entire Legislature to ensure Californians continue to have access to safe, reliable and affordable service."

### **Wildfire victims**

Amanda Riddle, an attorney representing victims of a deadly 2015 wildfire, said that even before the bankruptcy filing, PG&E had stopped making settlement payments to her clients. They will now have to fight for their money in bankruptcy court, she said.

"It shows PG&E does not actually have the best interests of the wildfire victims in mind," she said.

Riddle attended the first court hearing on PG&E's bankruptcy Tuesday. Judge Dennis Montali did not rule on any requests by PG&E, including approval for up to \$5.5 billion in bankruptcy financing. He said he would give the public a chance to weigh in on the case in the future and set another hearing for Thursday.

"For me and for most of you by my calculation we haven't even had 14 hours to absorb what was filed just after midnight," he told a packed courtroom.

Legal experts said customers could also be hit with higher rates to help PG&E cover its costs. PG&E would not speculate about the effect on customers' bills, noting that the state Public Utilities Commission sets rates.

Part of the company also filed for bankruptcy in 2001 during an electricity crisis marked by rolling blackouts. It emerged from court protection three years later but obtained billions in higher rates.

*Times-Standard city editor Ruth Schneider contributed to this report.*

*Times Standard 1/10/2019***Another view**

# California's other fiscal time bomb

**By Marc Joffe**  
*Special to CALmatters*

California's state and local agencies have \$187 billion in unfunded retiree health care and other benefit liabilities that threaten to crowd out public services, such as public safety and education, that Californians expect government to provide.

Fortunately, state and local officials have more options to manage these other post-employment benefits than they do for public pensions. It's urgent that they start exercising these options.

The estimated \$187 billion in unfunded liabilities comes from a Reason Foundation review of audited financial statements published by the state, University of California system and several hundred local governments, including counties, cities, school districts, community college districts and other special districts for the 2017 fiscal year.

The bulk of the unfunded liabilities are carried by the state—\$88 billion—and a handful of large agencies, such as Los Angeles County, with \$25 billion in unfunded post-employment benefits, and the University of California system, with \$19 billion.

Perhaps the biggest impact is being felt by the Los Angeles

Unified School District, which is struggling with declining enrollment and long-term budget issues. Lower enrollment means reduced state aid.

Since post-employment benefit costs are relatively fixed, they become an increasing burden as the school district's revenue falls. In the case of Los Angeles schools, post-employment benefit costs for retired teachers and staff amount to \$700 per student annually and consumed 4 percent of the district's total revenue in 2017, according to data in the district's own audited annual financial report.

Unlike pensions, other post-employment benefits, including healthcare coverage, are not covered by the California Rule, which locks in an employee's ability to continue accruing benefits under current or more generous terms.

If an employee's pension benefit is now growing at 3 percent of his or her salary for each year of service, the California Rule requires that this benefit growth rate continue.

By contrast, state law provides no similar floor for other post-employment benefits, so they can be altered or abolished by each government, although such changes are subject to collective

bargaining for represented employees.

At the extreme end, for example, the city of Stockton terminated retiree health benefits when it filed for bankruptcy but left public pension benefits untouched.

Of course, terminating retiree benefits without notice is not the desired outcome and one that can and should be avoided through sound public policy.

Unfunded post-employment benefit obligations represent a growing burden on public agencies. While federal or state health care legislation might someday help resolve the problem, such changes would be controversial and costly. Rather than hope for a bailout, governments now facing large unfunded post-employment benefit obligations should look toward realistic reforms.

Pre-funding, requiring retirees to pay for a portion of their own benefits, and limiting dependent coverage are the most sensible paths to start digging out of the \$187 billion hole facing taxpayers and future retirees.

*Marc Joffe is a senior policy analyst at the libertarian Reason Foundation in Los Angeles, marc.joffe@reason.org. He wrote this commentary for CALmatters.*

# **CORRESPONDENCE**





SECTION 61 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**

SHERI WOO, PRESIDENT

NEAL LATT, VICE-PRESIDENT

J. BRUCE RUPP, SECRETARY-TREASURER

BARBARA HECATHORN, DIRECTOR

MICHELLE FULLER, DIRECTOR

**GENERAL MANAGER**

JOHN FRIEDENBACH

January 11, 2019

Division of Safety of Dams

Marcelino Alcantar

[Marcelino.Alcantar@water.ca.gov](mailto:Marcelino.Alcantar@water.ca.gov)

(916)227-4640

RE: Proposed Changes in Calculation of Annual Dam Fees – **OPPOSED** – Unless **AMENDED**

To Whom It May Concern:

As the owner and operator of the R. W. Matthews Dam, Humboldt Bay Municipal Water District (HBMWD) expresses **strong opposition** to the proposed changes in the metrics to calculate the required annual dam fees.

The R. W. Matthews Dam is located in a very rural part of Trinity County, and supplies treated domestic water to seven municipal agencies in Humboldt County who in turn provide water to approximately 88,000 citizens (65% of Humboldt County). HBMWD is a very small Municipal Water District (less than 30 employees), and has long-term contracts (2037) with seven wholesale municipal customers. HBMWD also has a long-term contract (2038) with PG & E for the purchase of the energy generated by the small hydro-plant (2 MW) contained within the R. W. Matthews Dam. These contracts cannot be renegotiated for nearly twenty years to offset the increased annual dam fees being proposed by DWR. Therefore, any fee increases negatively affect our net revenue.

While we understand the need for the use of a common metric, HBMWD opposes using the *height of the dam* as the sole common metric since the *height of the dam* does not correlate to the revenue generation of a dam. Regardless of whether the revenue generated is through water sales or hydro power production, any revenue generation impacts the ability of the dam owner to pay the proposed increased fees. HBMWD urges DWR to consider utilizing an **additional metric** of *revenue generation* in conjunction with the *height of the dam* metric. Using combined metrics of the *height of the dam* factored with the *average revenue generated over the prior 5 years* (as an example) would more fairly allocate fees across all dam owners in proportion to their individual abilities to pay for increased fees resulting in a more equitable distribution of fees.

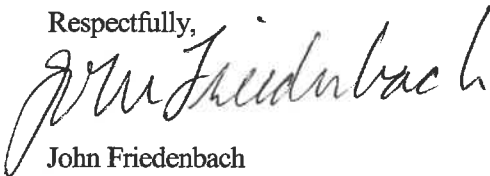
During the last five years our annual dam fees from DSOD have risen from \$18,000 to \$28,500. This is a 58% increase! Under the proposed fee schedule, our dam fees will increase from \$28,500 to \$41,000. This is ANOTHER 44% INCREASE!! The total cumulative increase is 128% from just five years ago. This is unsustainable given our limited hydro power revenue. The proposed fee represents 18% of our annual hydro power revenue. This removes funding for repairs and maintenance of our dam from our annual budget.

Division of Safety of Dams  
Marcelino Alcantar  
Marcelino.Alcantar@water.ca.gov  
January 11, 2019  
Page -2-

Dam owners with non-revenue generating dams should not pay the same fees as owners with revenue generating dams. This provides a negative incentive for dam owners to remain in compliance with DWR's regulatory programs. Correspondingly, dam owners with relatively small revenue generating dams should not pay the same fees as dam owners with large revenue generating dams of the same height. Using the sole common metrics of the *height of the dam* does not correlate to the ability of the owner to fund the potentially substantially increased annual fees.

We respectfully request that you utilize a fee structure that accounts for the disparity in dam owner's ability to pay these uncontrolled fees.

Respectfully,

A handwritten signature in cursive script, appearing to read "John Friedenbach".

John Friedenbach  
General Manager

Cc: Senator Mike McGuire  
Assembly member Jim Wood

**From:** John Friedenbach <friedenbach@hbmwd.com>  
**Sent:** Friday, January 11, 2019 5:29 PM  
**To:** 'marcelino.alcantar@water.ca.gov'  
**Cc:** 'senator.mcguire@senate.ca.gov'; 'assemblymember.wood@assembly.ca.gov'; Chris Harris  
**Subject:** Dam Safety Program Annual Fee public comments  
**Attachments:** dam fee comment ltr.pdf

Dear Marcelino Alcantar,

Attached is our public comment letter regarding the proposed Division of Safety of Dams proposed annual fees. Kindly consider our comments and our request.

Respectfully,

John Friedenbach  
General Manager  
Humboldt Bay Municipal Water District  
www.hbmwd.com  
707-443-5018 work  
707-362-7509 cell



**John Friedenbach**

---

**From:** John Friedenbach <friedenbach@hbmwd.com>  
**Sent:** Wednesday, January 16, 2019 8:30 AM  
**To:** 'senator.mcguire@senate.ca.gov'  
**Cc:** 'tomas.witzel@sen.ca.gov'  
**Subject:** DWR / DSOD Dam Owner Fee increase  
**Attachments:** dam fee comment ltr.pdf

Good Morning,

Attached is a copy of the letter our district submitted to DSOD regarding their proposed dam owner fee increase. As a small rural dam operator with limited hydro power income and the uncertainty with PG&E financial status to pay for our hydro power, we are extremely concerned about the proposed fee increase and our ability to pay for necessary operating repairs and maintenance after these continual fee increases.

Kindly discuss this with the appropriate Senate committee or on the floor.

If you have any questions or wish to discuss this further, please do not hesitate to contact us.

Regards,

John Friedenbach  
General Manager  
Humboldt Bay Municipal Water District  
www.hbmwd.com  
707-443-5018 work  
707-362-7509 cell



**John Friedenbach**

---

**From:** John Friedenbach <friedenbach@hbmwd.com>  
**Sent:** Wednesday, January 16, 2019 8:14 AM  
**To:** 'assemblymember.wood@assembly.ca.gov'  
**Cc:** 'erin.dunn@asm.ca.gov'  
**Subject:** DWR / DSOD Dam Owner Fee increase  
**Attachments:** dam fee comment ltr.pdf

Good Morning,

Attached is a copy of the letter our district submitted to DSOD regarding their proposed dam owner fee increase. As a small rural dam operator with limited hydro power income and the uncertainty with PG&E financial status to pay for our hydro power, we are extremely concerned about the proposed fee increase and our ability to pay for necessary operating repairs and maintenance.

Kindly discuss this with the appropriate Assembly committee or on the floor.

If you have any questions or wish to discuss this further, please do not hesitate to contact us.

Regards,

John Friedenbach  
General Manager  
Humboldt Bay Municipal Water District  
www.hbmwd.com  
707-443-5018 work  
707-362-7509 cell



**John Friedenbach**

---

**From:** Lee Hodge via California Special Districts Association <Mail@ConnectedCommunity.org>  
**Sent:** Tuesday, January 15, 2019 9:55 AM  
**To:** friedenbach@hbmwd.com  
**Subject:** RE: Notice of Proposed Rulemaking Re Dam Fees

The following message has been sent to you in response to your Discussion message

Message From: Lee Hodge

Thanks John. Well said.

-----  
Lee Hodge  
Director  
Showcase Ranches Community Services District  
Mount Aukum CA  
-----

-----  
Original Message:  
Sent: 01-15-2019 11:49 AM  
From: John Friedenbach  
Subject: Notice of Proposed Rulemaking Re Dam Fees

Attached is a copy of the comment letter that our district submitted regarding the proposed fee increase.

-----  
John Friedenbach  
General Manager  
Humboldt Bay Municipal Water District  
Eureka CA  
(707) 443-5018  
-----

-----  
Original Message:  
Sent: 01-13-2019 04:19 PM  
From: Michael Spencer  
Subject: Notice of Proposed Rulemaking Re Dam Fees

Hello, Chris: I just wanted to make sure that persons wishing to comment on the monetary burden placed on dam owners by these new regulations know that they still have the opportunity to do so. We were notified at the January 8 public hearing that the deadline for receiving written comments has been extended to January 18.

-----  
Michael Spencer  
Board Member  
Igo-Ono Community Services District  
Igo CA  
(530) 396-2941

**From:** Chris Gallagher via California Special Districts Association <Mail@ConnectedCommunity.org>  
**Sent:** Tuesday, January 15, 2019 1:28 PM  
**To:** friedenbach@hbmwd.com  
**Subject:** RE: Open Forum : Notice of Proposed Rulemaking Re Dam Fees



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

## Open Forum

[Post New Message](#)

[Re: Notice of Proposed Rulemaking Re Dam Fees](#)

[Reply to Group](#)

[Reply to Sender](#)



Jan 15, 2019 1:26 PM  
[Chris Gallagher](#)

Thanks John!

Chris

-----  
Chris Gallagher  
General Manager  
Indian Valley Community Services District  
Greenville, CA  
(530) 284-7224  
-----

[Reply to Group Online](#) [View Thread](#) [Recommend](#) [Forward](#)

-----  
Original Message:  
Sent: 01-15-2019 11:49 AM  
From: John Friedenbach  
Subject: Notice of Proposed Rulemaking Re Dam Fees

Attached is a copy of the comment letter that our district submitted regarding the proposed fee increase.

-----  
John Friedenbach  
General Manager

## DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836  
SACRAMENTO, CA 94236-0001  
(916) 653-5791

January 11, 2019

Tom Mattson  
Director, Public Works Department  
County of Humboldt  
1106 Second Street  
Eureka, CA 95501-0579SUBJECT: Notification of Proposed Change to Project Post-Performance Reporting  
Requirement, Proposition 84 Implementation Round 2 Agreement #4600010579

Dear Tom Mattson:

This letter serves as notification of the Department of Water Resources' (DWR) intent to update the contractual obligation under the subject grant agreement, specifically, **Paragraph 19. Submission of Reports: Post-Performance Reports.**

The existing grant agreement language requires local project sponsors (LPS) to conduct post-construction project performance monitoring annually and the Grantee to submit an annual Post-Performance Reports (PPR) to DWR for each project for a period of ten (10) years. The first PPR is due ninety (90) calendar days following completion of the first operational year of a project. After consideration of Grantees' and LPS' administrative burden and resource limitations, and by exercising the rights of both parties via **Standard Condition D.49. Waiver of Rights** in the Grant Agreement, DWR is proposing to reduce the PPR reporting period from ten (10) years to three (3) years.

Please indicate your concurrence or non-concurrence with this change and e-mail a signed scanned copy of this page within ten (10) days of receipt of this letter to [DWR\\_IRWM@water.ca.gov](mailto:DWR_IRWM@water.ca.gov).

Concur       Do Not Concur

  
\_\_\_\_\_  
Tom Mattson  
Director, Public Works Department

Date 1/19/19



January 11, 2019  
Page 2

Include in the subject line of the e-mail: "Post-Performance Report Period, Grant Agreement #4600010579"

Receipt of this email by DWR will dispense with the need for an amendment to the grant agreement.

Thank you for your participation in the Proposition 84 Implementation Round 2 Grant Program and your continued efforts to sustainably manage water resources in your region. If you have any questions, please contact [DWR\\_IRWM@water.ca.gov](mailto:DWR_IRWM@water.ca.gov).

Sincerely,



Carmel K. Brown, P.E., Chief  
Financial Assistance Branch  
Division of Integrated Regional Water Management  
California Department of Water Resources

**Ruth Lake Community Services District**

Telephone: (707) 574- 6332

Fax: (707) 574-6080

E-mail: ruthlakecsd@yahoo.net

**12200 Mad River Road**

**Mad River, CA 95552**

**2018 QUAGGA INSPECTION REPORT**

**In our 10<sup>th</sup> year of watercraft Registrations and inspections, the required inspections are generally understood and accepted with boaters utilizing the lake. The “clean, drain and dry” policy is understood and compliance to this procedure is generally adhered to.**

**This year, 1595 watercraft registrations and inspections were completed between the Ruth Rec. Campground and Marina inspection facilities.**

## QUAGGA INSPECTION SUMMARY

January 1, 2018 – December 31, 2018

	Marina	Campground	Total
Resident registrations (yellow)	189	132	321
Non-resident inspections (red)	498	321	819
Non-trailer watercraft (blue)	161	294	455
Total registrations/inspections	848	747	1595
Craft that failed inspections	0	0	0
Inspections:			
Banded from 2017			51
Inspections at other locations			
Reynolds RV (Fortuna)	2		
Bayleys (Hayfork)	1		
Browns Sporting (Garberville)	2		



## 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

SHERI WOO, PRESIDENT

NEAL LATT, VICE-PRESIDENT

J. BRUCE RUPP, SECRETARY-TREASURER

BARBARA HECATHORN, DIRECTOR

MICHELLE FULLER, DIRECTOR

### GENERAL MANAGER

JOHN FRIEDENBACH

January 31, 2019

Department of Toxic Substances Control

Mr. Henry Wong

700 Heinz Avenue

Berkeley, CA 94710-2721

RE: McNamara and Peepe Lumber Mill, Glendale, Humboldt County, California

Dear Mr. Wong,

Our District has received notification that on December 28, 2018 the DTSC has rescinded the March 9, 1998 Remedial Action Certification (REC) for the above referenced site. We are saddened to hear that the REC has been rescinded after twenty years of implementation and that "soil and groundwater contamination at the Site is not under control and the implemented remedial actions are no longer protective of human health and the environment" after such a long implementation period. However, we are supportive of changing the course of remedial action at this site to address and eliminate the contamination present. Our District has anxiously been monitoring the clean up at this site since the early 1990's.

The Humboldt Bay Municipal Water District (District), a regional wholesale water provider, supplies water to approximately 88,000 people in the Humboldt Bay area. HBMWD supplies drinking water to seven municipal customers that include the cities of Arcata, Blue Lake, and Eureka, as well as community services districts serving unincorporated areas including Humboldt, Fieldbrook/Glendale, Manila, and McKinleyville CSDs, and the Samoa Peninsula. These municipal customers in turn serve water to approximately 66% of the population in Humboldt County.

HBMWD owns and operates R.W. Matthews Dam, which forms Ruth Lake. The District releases water from Ruth Lake into the Mad River, where it flows for approximately 75 miles until it reaches the District's pumping facilities at Essex. HBMWD's domestic water system draws water from the aquifer below the Mad River near the District's Essex Control Facility via four collector wells. These collector wells are located approximately one mile downstream of the McNamara and Peepe site on the Mad River. This site poses a potential threat to this drinking water source in Humboldt County and therefore should receive extremely high priority with the DTSC.

According to the records of this site, in April 2002, Blue Lake Forest Products, Inc. declared bankruptcy and ceased groundwater pumping from an onsite lumber mill production well PW-1. This caused a rise of the groundwater elevation to approximately 15 feet higher than the previous groundwater elevation measured while the production well was operational. Since April 2002, groundwater has been in contact

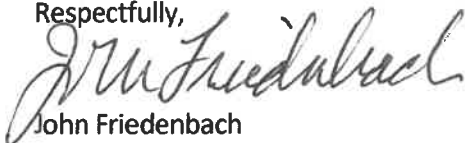
with the PCP- and TCP-impacted soil beneath the cap, thereby mobilizing hazardous substances from soil to groundwater. Grab groundwater samples collected in May 2005 at various Site locations contained PCP and TCP concentrations as high as 16,000 µg/L and 1,500 µg/L, respectively. From December 2003 through May 2017, PCP and TCP have been detected in groundwater monitoring wells at concentrations up to 2,200 µg/L and 120 µg/L, respectively. On April 22, 2008, DTSC issued an Imminent and Substantial Endangerment Determination, Docket No. I&SED 07/08-009 for this Site, because there has been a release or a threatened release of hazardous substances at the Site.

The remedy action selected in the 1994 Remedial Action Plan is no longer protective because (a) rising groundwater level have mobilized PCP/TCP in soil beneath the Green Chain area cap due to cessation of production well pumping in 2002; (b) surface water can percolate through PCP/TCP-impacted soil present below the former saw mill area as this area is partially unpaved and/or covered with a building foundation in poor condition; and (c) PCP/TCP can migrate offsite in groundwater or surface water runoff across the former saw mill area. Since the former saw mill area is partially unpaved and the pavement is in poor condition, individuals on site have the risk of coming into direct contact with the contaminants. Therefore, additional remedial action is necessary to prevent potential human exposures and rainwater infiltration at the former saw mill area.

We understand that DTSC is requiring an updated Remedial Action Plan and we appreciate and support that course of action. We respectfully request that our District be added to the distribution list to be notified when the new Remedial Action Plan is available for review and comment.

It appears from the data on the DTSC website that there has been no sampling of the contaminant plume since 2017. Our District requests that a minimum of quarterly sampling be implemented to monitor any migration that may be occurring and to determine the effectiveness of any remedial action plan that is implemented. We strongly encourage the DTSC to move forward quickly and effectively on addressing and eliminating the contamination at this site and throughout its plume of migration off site.

Respectfully,



John Friedenbach  
General Manager

Cc: Scott Gilbreath, SWRCB  
Pat Kaspari, GHD



*Matthew Rodriguez*  
Secretary for  
Environmental Protection



## Department of Toxic Substances Control

Barbara A. Lee, Director  
700 Heinz Avenue  
Berkeley, California 94710-2721



*Edmund G. Brown Jr.*  
Governor

December 28, 2018

Mr. Charles D. Aalfs  
Blue Lake Forest Products, Inc.  
4175 Cloverway Drive  
Redding, California 96002  
[danaalfs@gmail.com](mailto:danaalfs@gmail.com)

Ms. Jennifer Finch and Mr. Robert Schultz  
P.O. Box 146  
Arcata, California 95518  
[magnaws@gmail.com](mailto:magnaws@gmail.com)

### DECERTIFICATION, MCNAMARA AND PEEPE LUMBER MILL, GENDALE, HUMBOLDT COUNTY, CALIFORNIA

Dear Mr. Aalfs, Ms. Finch, and Mr. Schultz:

The Department of Toxic Substances Control (DTSC) issued a Remedial Action Certification on March 9, 1998 for McNamara and Peepe Lumber Mill (Site) upon implementation of the remedial actions pursuant to the December 4, 1994 Remedial Action Plan. However, subsequent soil and groundwater investigations have revealed that soil and groundwater contamination at the Site is not under control and the implemented remedial actions are no longer protective of human health and the environment. Therefore, DTSC rescinds the March 9, 1998 Remedial Action Certification and issues this Decertification based on the following findings:

**Site Identification and Landowners:** The Site is located in Glendale, an unincorporated community in Humboldt County, approximately 0.9 miles southeast of the City of McKinleyville and approximately 1.2 miles northwest of the City of Blue Lake, Humboldt County, California. The Site occupies approximately 26 acres with nine Assessor's Parcel Numbers (APNs). The current landowners of the Site are (a) Blue Lake Forest Products, Inc. and (b) Jennifer Finch and Robert Schultz.

- Blue Lake Forest Products, Inc. owns seven parcels with APNs 516-091-020, 516-101-040, 516-101-060, 516-111-062, 516-111-063, 516-111-064, and 516-111-066 located on 1619 Glendale Drive.
- Jennifer Finch and Robert Schultz own two parcels with APNs 516-151-003 and 516-151-004 located on 1678 Glendale Drive.

**1998 Remedial Action Certification:** On December 5, 1994, DTSC approved the Remedial Action Plan with the following remedies for the Site:

- Consolidation of pentachlorophenol (PCP) and tetrachlorophenol (TCP) contaminated soils at the Green Chain area and installation of a new cap over such contaminated soils at areas encompassing APNs 516-101-060 and 516-111-063;
- Surface water and groundwater monitoring; and
- A land use covenant prohibiting any site activities which may compromise the integrity of the cap located at areas within APNs 516-101-060 and 516-111-063 and concrete slab located at an area within APN 516-151-003, as well as prohibiting development of these areas for uses for a residence, long-term care hospital, day-care facility, and school.

On March 9, 1998, DTSC issued the Remedial Action Certification stating that (a) all appropriate remedial actions have been completed, (b) a deed restriction was recorded the County's Recorder Office, and (c) long-term surface water and groundwater monitoring are necessary at the Site.

**Subsequent Investigations and Contamination:** During groundwater monitoring events conducted from 1997 through 2002, PCP concentrations were predominately below the cleanup goal of 1 µg/L and TCP concentrations were all below the laboratory reporting limit of 1 µg/L. In April 2002, Blue Lake Forest Products, Inc. declared bankruptcy and ceased groundwater pumping from an onsite lumber mill production well PW-1, which caused a rise of the groundwater elevation to approximately 15 feet higher than the previous groundwater elevation measured while the production well was operational. Since April 2002, groundwater has been in contact with the PCP- and TCP-impacted soil beneath the cap, thereby mobilizing hazardous substances from soil to groundwater.

Grab groundwater samples collected in May 2005 at various Site locations contained PCP and TCP concentrations as high as 16,000 µg/L and 1,500 µg/L, respectively. From December 2003 through May 2017, PCP and TCP have been detected in groundwater monitoring wells at concentrations up to 2,200 µg/L and 120 µg/L, respectively.

On April 22, 2008, DTSC issued an Imminent and Substantial Endangerment Determination, Docket No. I&SED 07/08-009 for this Site, because there has been a release or a threatened release of hazardous substances at the Site.

The former saw mill area, located within APNs 516-111-062 and 516-111-063, is partially unpaved and located adjacent to the cap at the Green Chain area encompassing APNs 516-101-060 and 516-111-063. The former saw mill building at the former saw mill area was demolished in 2006. Portions of the building foundation, in poor condition, remain at the former saw mill area. In 2010 and 2011, DTSC conducted investigation at the former saw mill area and found PCP concentrations in soil ranging from 1.8 mg/kg to 40 mg/kg, above the PCP cleanup goal of 1.75 mg/kg established in the 1994 Remedial Action Plan.

Therefore, the remedy selected in the 1994 Remedial Action Plan is no longer protective because (a) rising groundwater level have mobilized PCP/TCP in soil beneath the Green Chain area cap due to cessation of production well pumping in 2002; (b) surface water can percolate through PCP/TCP-impacted soil present below the former saw mill area as this area is partially unpaved and/or covered with a building foundation in poor condition; and (c) PCP/TCP can migrate offsite in groundwater or surface water runoff across the former saw mill area. Since the former saw mill area is partially unpaved and the pavement is in poor condition, people also run the risk of coming into direct contact with the contaminants. Therefore, additional remedial action is necessary to prevent potential exposures and rainwater infiltration at the former saw mill area.

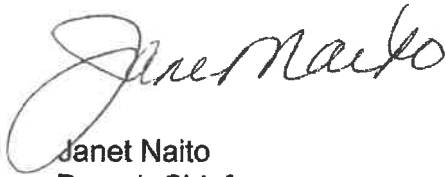
**Remedial Action Plan Amendment:** To address the contaminated soil and groundwater, DTSC plans to prepare a Remedial Action Plan Amendment and select the appropriate remedy or remedies necessary to mitigate the impact of hazardous substances at the Site. The Remedial Action Plan Amendment will evaluate a range of the alternatives including capping of the former saw mill area, enhanced biodegradation of chemicals in groundwater, long-term groundwater monitoring, and amending the land use covenant.



Mr. Aalfs, Ms. Finch, and Mr. Schultz  
December 28, 2018  
Page 4

If you have any questions, please contact Henry Wong of my staff at (510) 540-3770 or [henry.wong@dtsc.ca.gov](mailto:henry.wong@dtsc.ca.gov).

Sincerely,



Janet Naito  
Branch Chief  
Site Mitigation and Restoration Program

cc: Stephanie Lai  
Senior Staff Counsel  
DTSC - Office of Legal Counsel  
[stephanie.lai@dtsc.ca.gov](mailto:stephanie.lai@dtsc.ca.gov)

Garry Rees  
Streamline Planning Consultants  
[garry@streamlineplanning.net](mailto:garry@streamlineplanning.net)

Chad Waters  
CEO  
Royal Gold LLC  
[chadwaters707@gmail.com](mailto:chadwaters707@gmail.com)

**John Friedenbach**

---

**From:** Wong, Henry@DTSC <Henry.Wong@dtsc.ca.gov>  
**Sent:** Monday, February 04, 2019 9:20 AM  
**To:** John Friedenbach  
**Cc:** Gilbreath, Scott@Waterboards; Pat Kaspari; Murphy, Daniel@DTSC; Yuen, Nicole@DTSC; 'danaalfs@gmail.com'; 'magnaws@gmail.com'; Garry Rees (garry@streamlineplanning.net); chad waters (chadwaters707@gmail.com)  
**Subject:** RE: McNamar and Peepe Lumber Mill, Glendale, Humboldt County  
**Attachments:** Letter of Concern [HBMWD 1-31-19].pdf; Decertification [DTSC 12-28-18].pdf

Hi Mr. Friedenbach,

DTSC has received your January 31, 2019 letter expressing disappointment regarding rescission of the Remedial Action Certification for the McNamara and Peepe Lumber Mill site located in Glendale, an unincorporated community in Humboldt County, California. The Humboldt Bay Municipal Water District's (HBMWD) January 31, 2019 letter and DTSC's December 28, 2018 Decertification are attached with this email. You have requested that (a) HBMWD be added to the distribution list to be notified when the new Remedial Action Plan is available for review and comment, (b) a minimum of quarterly sampling be implemented to monitor any migration that may be occurring and to determine the effectiveness of any remedial action plan that is implemented, and (c) DTSC move forward quickly and effectively on addressing and eliminating the contamination at this site and throughout its plume of migration off site.

DTSC will include HBMWD in the mailing list for reviewing the upcoming Remedial Action Plan Amendment during the public comment period. DTSC agrees that remedy selection and implementation should proceed quickly to mitigate on-site contamination and prevent contaminants from migrating off-site. DTSC will monitor and evaluate the effectiveness of the implemented remedy to ensure that contaminant concentrations are reducing to meet the remedial action objective. Such determination will be based on a periodic groundwater monitoring program as appropriate.

Please let me know if you have other questions.

Henry Wong  
Project Manager  
Site Mitigation and Restoration Program  
Department of Toxic Substances Control  
700 Heinz Avenue  
Berkeley, California 94710-2721  
(510) 540-3770  
[Henry.Wong@dtsc.ca.gov](mailto:Henry.Wong@dtsc.ca.gov)

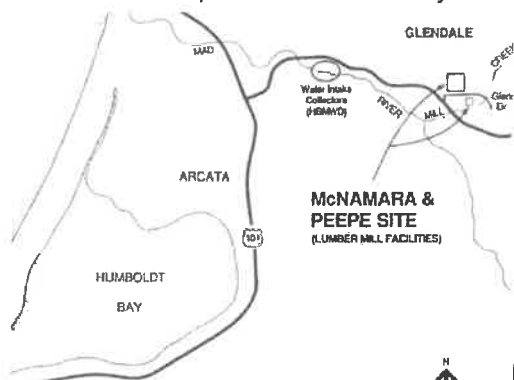
# Toxics Initiative

## Renewed Threat from Contaminated Former Lumber Mill near Mad River

Jennifer Kalt Humboldt Baykeeper

### Toxics Initiative And Enforcement

Last Updated: 02 February 2019



In December, the California Department of Toxic Substances Control issued a stunning announcement: the concrete cap at the former McNamara & Peepe lumber mill in Glendale has failed to contain groundwater contaminated with the highly toxic wood preservative pentachlorophenol. The 1998 Remedial Action Plan has been rescinded, and the agency will now develop a new plan to remediate and/or control the contamination.

The potential for contaminated groundwater to move off-site is especially concerning because of its proximity to the Mad River, which is the source of drinking water supplies for more than 80,000 people in Eureka, Arcata, McKinleyville, Blue Lake, Manila, Glendale, and Fieldbrook. The Mad River is also considered critical and/or essential habitat for salmonids, candlefish, and other aquatic species.

Recent groundwater monitoring has found elevated levels of cadmium, chromium, lead, and pentachlorophenol, a wood preservative used to prevent fungus. This fungicide, known as "penta," was used at the mill until 1984, shortly before it was banned for use on lumber due to its high dioxin content.

DTSC says that the failure of the cap is related to much higher groundwater levels, which are now 15 feet higher than in 2002, when Blue Lake Forest Products closed and stopped pumping from an on-site well. Due to the higher groundwater levels, the contaminated soil has been in contact with groundwater for years.

There is a long history of contamination and regulatory violations at the McNamara & Peepe mill and other nearby mills. In October 1968, a penta spill from the Molalla-Arcata Lumber Mill caused a

massive fish kill in the Mad River. State wildlife biologists reported that more than 10,000 steelhead were killed immediately following the spill. In January 1969, the McNamara & Peepe mill spilled the chemical into the Mad River.

After the second spill, the penta dip tank was dismantled and penta was applied in a building on south of Glendale on the site known as the McNord Lumber Company. In 1985, DTSC issued a Notice of Violation to McNamara & Peepe for improper disposal and storage of hazardous wastes and for operating a hazardous waste site without a permit. The company declared bankruptcy shortly thereafter.

In 1986, the mill was acquired by Blue Lake Forest Products, which declared bankruptcy in 2002, leaving California taxpayers to foot the bill for ongoing monitoring of the site, which had been "capped" with concrete to prevent mobilization of contaminated groundwater toward the Mad River.

It is unclear to what extent soil at the McNamara & Peepe site has been tested for dioxins, a highly toxic compound that was a component of penta-based wood preservatives. Dioxins are an extremely persistent group of chemicals that still may be present in the soil at the site, as they have been found in the soils of many former lumber mill sites in Humboldt County, as well as in Humboldt Bay sediments and creeks downstream from mill sites.

In 2006, Humboldt Baykeeper succeeded in getting formal recognition of dioxin contamination in Humboldt Bay. At that time, development of a recovery plan was scheduled by the North Coast Regional Water Board for 2019 but has been delayed. Several major dioxin sites around the bay have been remediated in the past decade, but we face an uphill battle to get the remaining sites cleaned up, despite the threats they pose to human health and the environment.

In some cases, these former lumber mills are long gone, along with the companies responsible for the contamination left behind. The City of Arcata purchased one such property – formerly Little Lake Industries on South I Street along Butcher's Slough – and is planning soil and groundwater sampling with US EPA Brownfields funding. Unfortunately, the McNamara & Peepe site was removed from the Superfund list in 2007 by the US EPA, which declared that no further action was necessary.

Humboldt Baykeeper advocates for sampling and remediation of these former mill sites wherever possible, whether through commenting on re-development proposals, reviewing sampling plans, or through legal action when necessary. We will review and comment on the DTSC's next steps for ensuring that the McNamara & Peepe site is no longer a threat to the Mad River, its tributaries, and our region's drinking water supplies.

DTSC's mission is "to protect California's people and environment from harmful effects of toxic substances."

More information about these contaminated former mill sites in the Glendale area is available at the [DTSC's EnviroStor website](#)

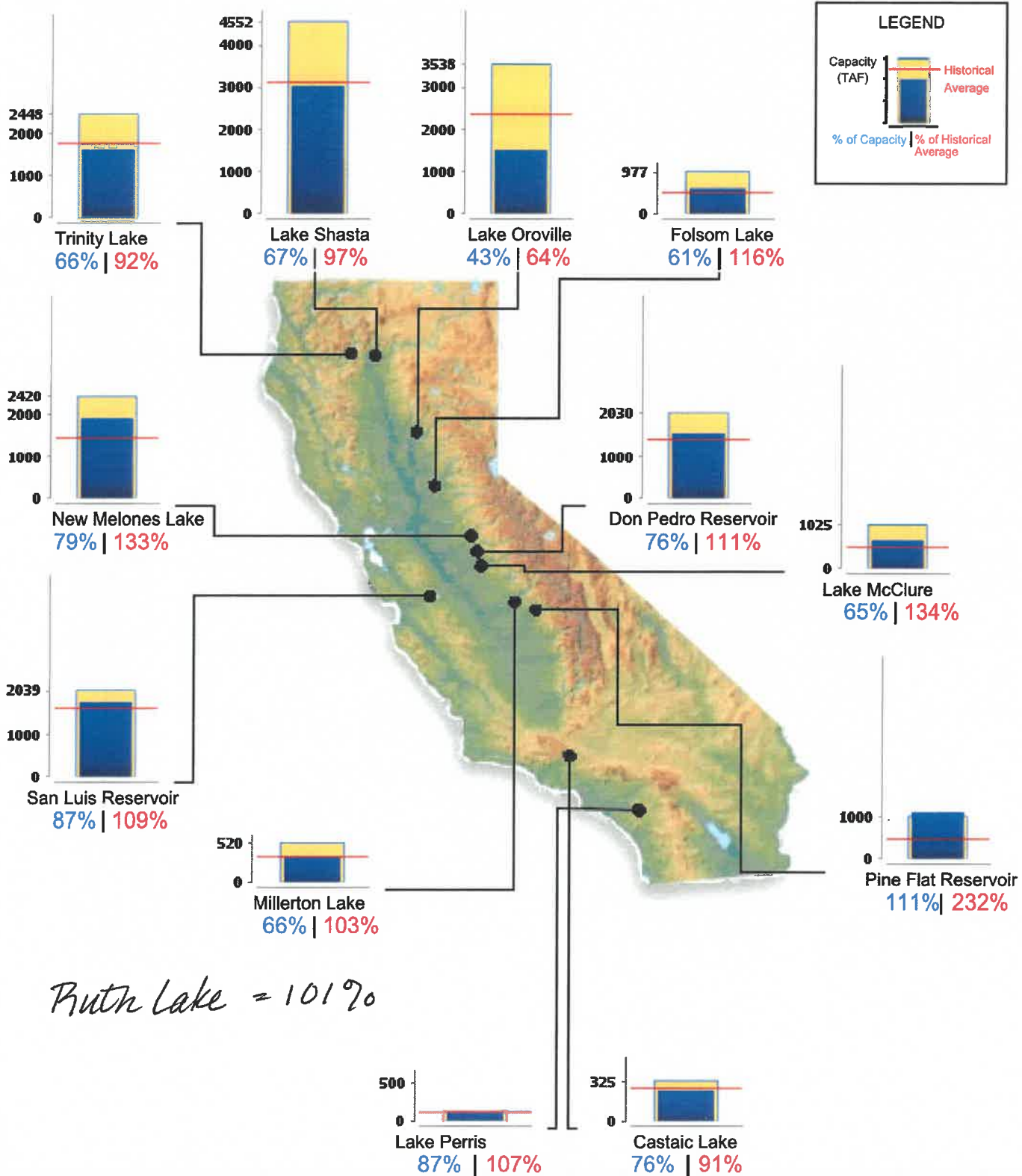
# **CONTINUING BUSINESS**



# Reservoir Conditions

Ending At Midnight - February 5, 2019

## CURRENT RESERVOIR CONDITIONS



**Humboldt Bay Municipal Water District**

To: Board of Directors

From: John Friedenbach

Date: January 29, 2019

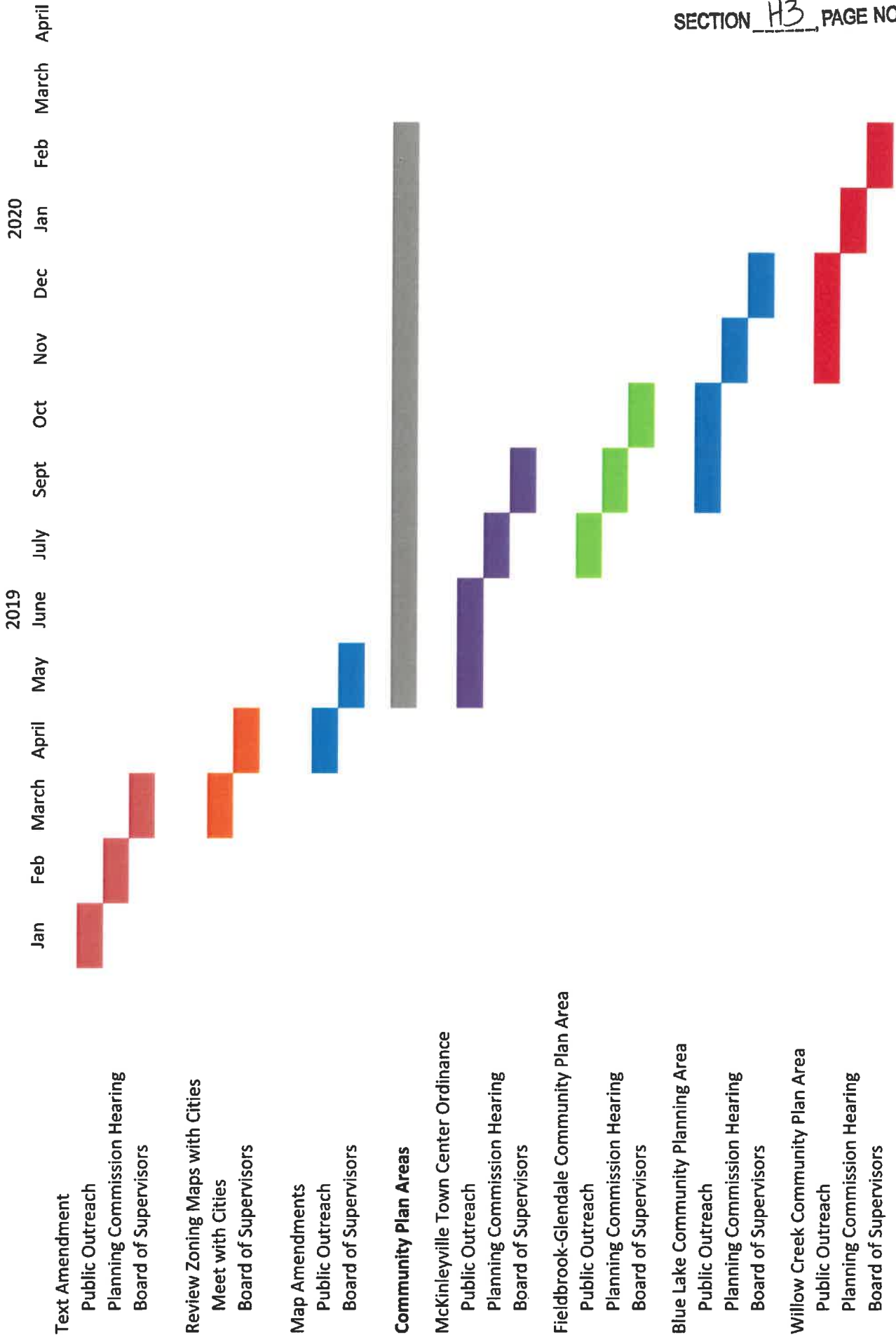
Re: **Planning Department Community Outreach for Mad River Watershed Zoning**

**Discussion**

At the Board of Supervisor's January 15, 2019 meeting, a strategy was adopted to carry out Zoning Text Amendments and Zone Reclassifications to implement the General Plan. See pages H3 Pgs 9; 10. The strategy includes a series of public outreach meetings. See pages H3 Pg 2. The areas of primary concern for our District are included in Step 4 regarding the focused community planning in McKinleyville, Fieldbrook/Glendale, Blue Lake areas. See pages H3 Pg 15 and H3 Pg 15a.

In accordance with Board direction, District staff will attend these meetings as appropriate and will inform the directors accordingly.

# GPU Zoning Amendments -- Schedule





**J. PUBLIC HEARINGS****Planning and Building Department****1. Zoning Text Amendments and Zone Reclassifications to Implement the General Plan****Recommendation:** That the Board of Supervisors:

1. Open the public hearing and receive the staff report and public testimony;
2. Close the public hearing;

3. Approve the strategy to carry out Zoning Text Amendments and Zone Reclassifications to implement the General Plan;

4. Adopt the attached resolution (Resolution 19-\_\_ (Attachment 1)) doing the following:

a. Consider the Environmental Impact Report (EIR) for the Humboldt County General Plan and find that it sufficiently addresses the potential environmental impacts associated with adoption of the Zone Reclassifications for three specific properties to be consistent with the General Plan designation: the Redwood Rural Health Center property in Redway (APN 077-312-016), the Save the Redwoods League parcels in Orick (APNs 519-231-018 and 520-012-013), and the Louis Gosselin property in the Fortuna area (APN 200-031-033); and find that the EIR was prepared in accordance with Section 15168 (c)(2); and no new information has been presented to change the findings of the EIR in accordance with section 15162 of the state California Environmental Quality Act (CEQA) guidelines;

b. Make all of the required findings for approval based on evidence in the staff report and public testimony;

5. Adopt the attached ordinance implementing Zone Reclassifications for three specific properties to be consistent with the General Plan designation: the Redwood Rural Health Center property in Redway (APN 077-312-016), the Save the Redwoods League parcels in Orick (APNs 519-231-018 and 520-012-013), and the Louis Gosselin property in the Fortuna area (APN 200-031-033) (Attachment 2);

6. Direct the Planning and Building Department to file a Notice of Determination with the Humboldt County Recorder's Office, pursuant to the California Environmental Quality Act; and

7. Direct the Clerk of the Board to publish summaries of the ordinance within 15 days after adoption by the Board, along with the names of those Supervisors voting for and against each ordinance (Attachment 4) and to post in the Office of the Clerk of the Board of Supervisors a certified copy of the full text of the adopted ordinance along with the names of those Supervisors voting for and against the ordinance.

*A motion was made by Supervisor Fennell, seconded by Supervisor Bass, to approve staff recommendations with the additional communities and text amendments. The motion carried by the following vote:*

*Aye: 5 - Rex Bohn, Estelle Fennell, Virginia Bass, Mike Wilson, and Steve Madrone*

*A motion was made by Supervisor Wilson, seconded by Supervisor Fennell, to approve staff recommendations for the Redwood Rural Health Center property. The motion carried by the following vote:*

*Aye: 5 - Rex Bohn, Estelle Fennell, Virginia Bass, Mike Wilson, and Steve Madrone*

*A motion was made by Supervisor Wilson, seconded by Supervisor Bass, to approve staff recommendations for the Save the Redwoods League parcels. The motion carried by the following vote:*

*Aye: 5 - Rex Bohn, Estelle Fennell, Virginia Bass, Mike Wilson, and Steve Madrone*

*A motion was made by Supervisor Fennell, seconded by Supervisor Bass, to approve staff recommendations for the Louis Gosselin property. The motion carried by the following vote:*

*Aye: 3 - Rex Bohn, Estelle Fennell, and Virginia Bass*

*Nay: 2 - Mike Wilson, and Steve Madrone*

*A motion was made by Supervisor Fennell, seconded by Supervisor Bass, to adopt the Resolution and Ordinance. The motion carried by the following vote:*

*Aye: 3 - Rex Bohn, Estelle Fennell, and Virginia Bass*

*Nay: 2 - Mike Wilson, and Steve Madrone*

**K. DISCUSSION ITEMS**

**L. CLOSED SESSION**

**M. ADJOURNMENT**

*I, RYAN SHARP, Deputy Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be a full, true, and correct original record of the above entitled meeting of the Humboldt County Board of Supervisors held in Eureka, California.*

*IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.*

**RYAN SHARP**

*Deputy Clerk of the Board of Supervisors of the County of Humboldt, State of California*

*[Handwritten Signature]*  
JANUARY 16 2019

**Attachment 3**

**Strategy for Adoption of Zoning Text Amendments and  
Zone Reclassifications to Implement the General Plan**



---

**STEP 1. CONSIDER AND ADOPT AMENDMENTS TO THE INLAND ZONING REGULATIONS BASED ON THE RECOMMENDATIONS OF THE PLANNING COMMISSION**

Objective: Add Principal and Combining Zones to the Inland Zoning Regulations Plan to ensure consistency of the Zoning Regulations with the 2017 Humboldt County General Plan and Land Use Map.

Scope:

This effort would be to establish the text for the proposed zoning districts. No changes to the Zoning Map would be proposed in this step. This would be to implement the text recommended by the Planning Commission at their November 1, 2018 meeting. The specific text amendments would be as follows:

- Add “MU1” (Urban) and “MU2” (Rural) Mixed Use Zoning Districts to be applied to areas with MU - Mixed Use, VC - Village Center, or RCC - Rural Community Center General Plan designations,
- Add “PR - Public Resource and Recreation” Zoning District to be applied to the publicly owned lands with a “Public Lands” General Plan Land Use designation.
- Add “TE - Timberland Exclusive” Zoning District to be applied to areas with a “T - Timberland” General Plan Land Use designation that are not zoned “TPZ” or AE-B-5-(160) and part of an agricultural preserve.
- Add “TL - Tribal Land” Zoning District to be applied to the areas with a “TL - Tribal Lands” or a “TTL - Tribal Trust Lands” General Plan Land Use designation that are not zoned “TPZ”.
- Add “RR - Railroad” Combining Zoning District to be applied to NCRA railroad rights of way, and along the former Annie and Mary Railroad rail corridor between Arcata and Blue Lake,
- Add “MR - Mineral Resources” Combining Zoning District to be applied to permitted mineral extraction sites and surrounding properties within 1,000 feet to implement MR-P3. Right to Mine, MR-S7. Hearing Notification, and MR-IM4. Combining Zone
- Amend the “B” Special Building Site Combining Zone to change the “B-1” designation from an 8,000 square foot minimum parcel size to a 6,000 square foot minimum parcel size. Currently an asterisk (“\*”) is applied to all residentially zoned property in the Eureka Community Plan Area to indicate that the minimum parcel size is 6,000 square feet instead of the 5,000 square foot parcel size specified for residential zones in the Zoning Ordinance. For clarity, the “B-1” Combining Zone is proposed to be applied to residentially zoned properties in the Eureka Community Plan Area instead of an asterisk to indicate 6,000 square foot minimum parcel size.
- Develop Model Q Zones to be applied to properties being rezoned to ML – Light industrial

and MH - Heavy Industrial that apply industrial performance standards to protect surrounding uses from future industrial uses. The Mercer Fraser mining site in Glendale is not proposed to be rezoned to MH-Q. Those sites may be rezoned at a later date along with the community planning efforts in those areas in Step 4.

#### Outline of Public Review Process and Timeline:

##### 1. **Public Engagement.**

- a. Public Notice will be conducted using the following
  - i. Use County social media.
  - ii. Use existing *General Plan Implementation Projects* web page (<https://humboldt.gov.org/2429/Implementation>).
  - iii. Place binders containing copies of the recommended Zoning Districts in all library branches.
  - iv. Option to include using Civic Platform and/or other web-based community engagement tools in consultation with the County Information Officer.
  - v. Option to expand noticing for public hearings to additional newspapers, including the Two River Times, Mad River Union, Humboldt Independent, and Redwood Times.
- b. Public Meeting will be conducted to allow people to ask questions and discuss proposed text amendments. Public Meetings will be held in February.

2. **Hearings** Hold one or more public hearings beginning in February with the Planning Commission to consider the Q Zone proposal. The Planning Commission recommendation and the results of the Public Meetings will be presented to the Board of Supervisors in March.

#### **STEP 2: REVIEW ZONING MAPS WITH CITIES AND ADOPT ZONING MAPS IN SOI's**

Objective: Receive input from Cities regarding the proposed Zone Reclassifications to Implement the General Plan within the City SOI area.

Scope:

- Arcata Sphere of Influence (SOI), which includes portions of the Arcata Community Planning Area (CPA) and the Jacoby Creek CPA.
- Blue Lake SOI (to be addressed as part of CPA process)
- Eureka SOI, which includes portions of the Eureka CPA, in particular the following areas: lower Humboldt Hill, Rosewood, Ridgewood, Cutten, inner Myrtle town; and the Freshwater CPA: upper Mitchell Heights.
- Fortuna SOI, which includes portions of the Fortuna CPA.
- Rio Dell SOI, which includes portions of the Rio Dell CPA.
- Trinidad SOI, which includes portions of the Trinidad-Westhaven CPA.

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Outline of Public Review Process and Timeline:

1. **Meet with Cities to discuss Zoning proposed in Sphere of Influence.** Initially meet with city staff to present changes. If desired will make presentation to City Council of the proposed Zoning Text Amendments and Zone Reclassifications to Implement the General Plan within the SOI area in March, 2019.
2. **Board of Supervisors Hearings** Hold one or more public hearings beginning in April, 2019 to consider comments from the cities and adopt zoning maps within the SOI's except Blue Lake as noted below in Step 4.

**STEP 3. ADOPT ZONE RECLASSIFICATIONS TO IMPLEMENT THE GENERAL PLAN OUTSIDE THE FOCUSED COMMUNITY PLAN AREAS IN STEP 4**

Objective: Amend Zoning Maps to reflect the application of new and existing Principal and Combining Zones to ensure consistency with the 2017 Humboldt County General Plan Land Use Map outside the focused community plan areas in Step 4.

Scope: Adopt Zoning Reclassifications for properties outside the focused community plan areas in Step 4.

- “MU1” (Urban” and “MU2” (Rural) Mixed Use Zones applied to areas with MU - Mixed Use, VC - Village Center, or RCC - Rural Community Center General Plan designations,
- “PR - Public Resource and Recreation” Zone to apply to the publicly owned lands with a “Public Lands” General Plan Land Use designation.
- “TE - Timberland Exclusive” Zone to apply to areas with a “T - Timberland” General Plan Land Use designation that are not zoned “TPZ” or AE-B-5-(160) and part of an agricultural preserve.
- “TL - Tribal Land” Zone to apply it to the areas with a “TL - Tribal Lands” or a “TTL - Tribal Trust Lands” General Plan Land Use designation.
- “RR - Railroad” Combining Zone to be applied to NCRA railroad rights of way, and along the former Annie and Mary Railroad rail corridor between Arcata and Blue Lake,
- “MR - Mineral Resources” Combining Zone to be applied to parcels with permitted surface mining operations, and
- Apply the existing “WR - Streamside Management Areas and Wetlands” and “AP - Airport Safety Review” Combining Zones to Streamside Management Areas per General Plan Standard BR-S5, Streamside Management Area Defined, and S-IM16, Airport Safety Review Combining Zone, respectively.
- Assign specific zones to all areas currently zoned “U - Unclassified” or with zones not consistent with the General Plan.
- Model Q Zones applied to properties being rezoned to ML – Light industrial and MH - Heavy Industrial that apply industrial performance standards to protect surrounding uses

from future industrial uses.

Outline of Public Review Process and Timeline:

1. **Public Engagement.**
  - a. Public Notice will be conducted using the following
    - i. Use County social media.
    - ii. Use existing *General Plan Implementation Projects* web page (<https://humboldt.gov.org/2429/Implementation>).
    - iii. Place binders containing copies of the recommended Zoning Districts in all library branches.
    - iv. Option to include using Civic Platform and/or other web-based community engagement tools in consultation with the County Information Officer.
    - v. Option to expand noticing for public hearings to additional newspapers, including the Two River Times, Mad River Union, Humboldt Independent, and Redwood Times.
  - b. Public Meeting will be conducted to allow people to ask questions and discuss proposed text amendments. Public Meetings will be held in April.
2. **Hearings** Begin public hearing with the Board of Supervisors in May 2019

**STEP 4. INITIATE FOCUSED COMMUNITY PLANNING IN MCKINLEYVILLE, FIELDBROOK/GLENDALE, BLUE LAKE AND WILLOW CREEK**

Objectives: Engage with community members, community groups, and sponsor or coordinating organizations to initiate focused planning efforts to address community-identified issues.

Scope: The scope of the work is to implement the General Plan in the context of the adopted General Plan. Significant changes to the General Plan would be considered outside the scope of work being considered. Significant changes to the land use element could result in the need to do additional environmental analysis and this is not considered in the scope of this work.

- McKinleyville Town Center Ordinance. Coordinate with the public, McKinleyville Municipal Advisory Committee and the McKinleyville CSD to develop the Town Center ordinance.
- Fieldbrook-Glendale Community Plan Area: (No adopted community plan. Draft Community Plan prepared by Fieldbrook-Glendale CSD in 2006). Coordinate with the public, City of Blue Lake, Fieldbrook-Glendale CSD, and the Blue Lake Rancheria to modify as necessary the draft community plan
- Blue Lake Community Planning Area: (No adopted community plan). Coordinate with the public, City, Fieldbrook-Glendale CSD, and the Blue Lake Rancheria to identify the appropriate scope of the community plan. Potential focus areas: industrial uses and

compatibility; traffic and multi-modal connectivity; municipal services (water and sewer) and watersheds protections; City of Blue Lake annexation plan;

- Willow Creek Community Plan Area: (Community Plan adopted 1986 and incorporated into General Plan Appendix C – Community Area Plans Policy Extract per Resolution 17-95). Coordinate with the public, community groups and the Willow Creek CSD to update the adopted community plan. Potential focus areas: Big Foot Country Club use and zoning, municipal services (water and sewer); and downtown zoning.
- Option to include other Community Planning Areas: individuals in the Jacoby Creek CPA (adopted in 1981) is expressing interest in reviewing proposed zoning change and the zoning of “U” zoned areas; staff at the City of Fortuna suggested it may be appropriate to review the Fortuna Area CPA to update policies relating to water and wastewater service, Urban Development and Expansion Areas, and city/county coordination, and the mayor of the City of Trinidad expressed an interest at the Planning Commission hearings in reviewing watershed issues related to their municipal water collection facility in the Trinidad-Westhaven CPA.

Outline of Public Review Process and Timeline:

1. **Public engagement in addition to the public engagement identified previously in Step 1.** Schedule initial scoping/focus/issues identification meetings with potential sponsor or coordinating organizations (City of Blue Lake, Fieldbrook-Glendale CSD, McKinleyville CSD, McKinleyville Municipal Advisory Committee, Willow Creek CSD) and identified community groups (Blue Lake/Glendale, Willow Creek)
  - a. Identify, as necessary, champions/leaders from each community to serve as managers for community work products and to coordinate ongoing feedback.
  - b. Create email list serves
  - c. Hold meetings and compile input from the community to determine the scope of the community planning effort for the Blue Lake CPA.
  - d. Hold Board of Supervisors hearing(s) to determine the appropriate sequence of community planning efforts in the McKinleyville, Blue Lake Community Planning Area, Fieldbrook-Glendale Community Plan and Willow Creek Community Plan areas.
2. **Hearings** There is a separate schedule for each of these planning areas. Public Hearings will be conducted at the Planning Commission and at the Board of Supervisors between July 2019 and March of 2020.



**COUNTY OF HUMBOLDT**

For the meeting of: 1/15/2019

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**File #:** 18-1684

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**To:** Board of Supervisors  
**From:** Planning and Building Department  
**Agenda Section:** Public Hearing

**SUBJECT:**  
Zoning Text Amendments and Zone Reclassifications to Implement the General Plan

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Open the public hearing and receive the staff report and public testimony;
2. Close the public hearing;
3. Approve the strategy to carry out Zoning Text Amendments and Zone Reclassifications to implement the General Plan;
4. Adopt the attached resolution (Resolution 19-\_\_ (Attachment 1)) doing the following:
  - a. Consider the Environmental Impact Report (EIR) for the Humboldt County General Plan and find that it sufficiently addresses the potential environmental impacts associated with adoption of the Zone Reclassifications for three specific properties to be consistent with the General Plan designation: the Redwood Rural Health Center property in Redway (APN 077-312-016), the Save the Redwoods League parcels in Orick (APNs 519-231-018 and 520-012-013), and the Louis Gosselin property in the Fortuna area (APN 200-031-033); and find that the EIR was prepared in accordance with Section 15168 (c)(2); and no new information has been presented to change the findings of the EIR in accordance with section 15162 of the state California Environmental Quality Act (CEQA) guidelines;
  - b. Make all of the required findings for approval based on evidence in the staff report and public testimony;
5. Adopt the attached ordinance implementing Zone Reclassifications for three specific properties to be consistent with the General Plan designation: the Redwood Rural Health Center property in Redway (APN 077-312-016), the Save the Redwoods League parcels in Orick (APNs 519-231-018 and 520-012-013), and the Louis Gosselin property in the Fortuna area (APN 200-031-033) (Attachment 2);

File #: 18-1684

6. Direct the Planning and Building Department to file a Notice of Determination with the Humboldt County Recorder's Office, pursuant to the California Environmental Quality Act; and
7. Direct the Clerk of the Board to publish summaries of the ordinance within 15 days after adoption by the Board, along with the names of those Supervisors voting for and against each ordinance (Attachment 4) and to post in the Office of the Clerk of the Board of Supervisors a certified copy of the full text of the adopted ordinance along with the names of those Supervisors voting for and against the ordinance.

**SOURCE OF FUNDING:**

The salary funding for this work is included is in the General Fund contribution to the Long Range Planning unit, 1100-282.

**DISCUSSION:**

The ultimate objective of this project is to bring the Zoning Regulations and Maps into consistency with the 2017 Humboldt County General Plan and Land Use Map, which satisfies requirements of California Planning and Land Use Law and is highest priority implementation action identified in the General Plan. Consistency between the General Plan and Zoning Regulations would be achieved by adding Principal and Combining Zones and applying these new zones on the Zoning Maps as well as applying other existing zones to properties as characterized on the General Plan Land Use Map.

At the December 11, 2018, Board of Supervisors hearing, the Board received a staff report that presented the Planning Commission recommendations regarding the Zoning Text Amendments and Zone Reclassifications to Implement the General Plan from their November 1, 2018 meeting. The Board first took public comment and considered two specific rezones that had been the subject of public controversy: the Big Foot Country Club in Willow Creek and the Mercer Fraser Company mineral extraction site in the Essex area near Glendale.

Public comments on the Big Foot Country Club in Willow Creek expressed concern about future uses of the site if the zone were to change, and a strong desire for community outreach to consider any recommended changes. The Board voted to not change the zoning for that site, leaving it as Qualified Residential Suburban with a Recreation Combining Zone (RS-X-Q).

Extensive public comments were made regarding the Mercer Fraser mineral extraction site in Essex, including: concerns about potential hazardous materials spills, potential impacts to water quality; the location of industrial uses within the flood plain; the effect of discharges from industrial uses on the Humboldt Bay Municipal Water District water supply which serves drinking water to 90,000 residents of the county; that the project site is within the zone of capture of the district's water supply wells; concerns about the effects of industrial discharges on fish and other critical habitat; concerns that the Q - Qualified Combining Zone may not provide adequate protections; and the need for additional community outreach, ideally as part of a community planning process. The Board voted to consider the rezoning of the Mercer Fraser Company mineral extraction site in the Essex area at a separately noticed hearing in the future.

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During public comment, many people requested that the county defer action on rezones within the Blue Lake, Fieldbrook-Glendale, McKinleyville, and Willow Creek Community Planning Areas. In response to these public comments, the Board directed staff to bring back a strategy for the Zoning Text Amendments and Zone Reclassifications for separate consideration. That strategy is presented in Attachment 3, and describes a four step process with the last step being initiation of community planning efforts in several focused areas: the McKinleyville Town Center, the Fieldbrook/Glendale/Blue Lake area and Willow Creek in May, 2019. Once initiated, these community planning efforts would become a part of the Advance Planning work program for the 2018-2019 and 2019-2020 fiscal years. .

The four steps include:

1. Review and approval of zoning text changes
2. Review of Zoning Text and Map amendments affecting City Spheres of Influence
3. Zoning Map Amendment
4. Community Plan development.

The Strategy provides for public outreach at each of these stages and staggers consideration of items by the Board of Supervisors so that not all of the proposed changes would be in front of the Board simultaneously. The work program is projected to last 15 months and is limited to implementation of the General Plan (consistent with the Land Use Map.) Most of the time is devoted to development of the Community Plans.

Also at the meeting individual Board members requested staff to bring forward rezones on three specific properties that are not controversial and where the property owner has been waiting for the completion of the General Plan Update process to proceed with a project: the Redwood Rural Health Center property in Redway (APN 077-312-016), the Save the Redwoods League parcels in Orick (APNs 519-231-018 and 520-012-013), and the Louis Gosselin property in the Fortuna area (APN 200-031-033). Staff is recommending that the Board adopt the ordinance in Attachment 2 to rezone these three properties at the January 15, 2019 meeting. For implementation of the Save the Redwoods League parcels near Orick the proposal includes implementing the WR (Streamside Management Areas - Wetlands) and F (Floodplain) overlay zoning districts.

#### FINANCIAL IMPACT:

If so directed by the Board, future community planning efforts in the McKinleyville, Fieldbrook-Glendale/Blue Lake and Willow Creek areas would become part of the budget for the Advance Planning in FY 2019 -2020. Estimated staff, consultant and public outreach costs for this effort would be approximately \$100,000 in the next fiscal year, which will be funded by the General Fund contribution to Advance Planning (Budget Unit 282).

This project fits into the County's Strategic Framework by supporting the Mission Statement,

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providing community appropriate levels of service and safeguarding the public trust by ensuring sustainability of services.

**OTHER AGENCY INVOLVEMENT:**

The proposed Strategy in Attachment 3 identifies many agencies that would be involved in the rezoning program including cities and community services districts.

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

A number of options are presented for the Board's consideration in Attachment 3. These include options to have a more robust public engagement program using and to expand the community planning effort into other areas. Another alternative is to make additional changes to the resource production zones (AE - Agriculture Exclusive and TPZ - Timber Production Zone) to identify performance standards for new development to be consistent with resource protection policies in the General Plan. If this alternative is selected, these changes would need to be reviewed by the Planning Commission prior to Board action.

**ATTACHMENTS:**

NOTE: The attachments supporting this report have been provided to the Board of Supervisors; copies are available for review in the Clerk of the Board's Office.

1. Draft Board of Supervisors Resolution.
2. Draft Board of Supervisors Ordinance to rezone three properties to be consistent with the General Plan designation: the Redwood Rural Health Center property in Redway (APN 077-312-016), the Save the Redwoods League parcels in Orick (APNs 519-231-018 and 520-012-013), and the Louis Gosselin property in the Fortuna area (APN 200-031-033).
3. Strategy for Adoption of Zoning Text Amendments and Zone Reclassifications to Implement the General Plan.
- 3a. Schedule for implementation of Strategy.
4. Post Approval Summary of the Ordinance.
5. Link to the Environmental Impact Report for the 2017 General Plan Update.

**PREVIOUS ACTION/REFERRAL:**

Board Order No.: F2

Meeting of: December 11, 2018

File No.: 18-1604

# **Jacoby Creek & Bayside Community Meeting**

## **To discuss the Humboldt County General Plan Rezones & Community Planning**

**WHERE:** Bayside Community Hall, (2297 Jacoby Creek Road)

**WHEN:** Monday, February 11<sup>th</sup> from 6:30 pm to 8:00 pm

### **Purpose of the Meeting**

- **Discuss the proposed zoning text and zoning map changes to implement the 2017 Humboldt County General Plan,**
- **Review proposed rezones in the Jacoby Creek Community Planning Area,**
- **Gather public input, and**
- **Provide information about the next steps in the rezoning process.**

Please attend a meeting on February 11<sup>th</sup> at the Bayside Community Hall to discuss the zoning changes, review mapping in your community, and help the Board of Supervisors align the County's General Plan with the community's needs and interests.

Background information can be found at the Planning and Building Department at 3015 H Street, Eureka, California, and on the County's website at <https://humboldt.gov.org/2429/Implementation>.

The proposed rezone mapping can be viewed using the Humboldt County webGIS at <http://webgis.co.humboldt.ca.us/HCEGIS2.0/>, (Select "Jurisdictional Boundaries and Land Use > Planning Layers > Draft GPU Zones" from the "Layer List".)

For more information, contact Michael Richardson, Supervising Planner, at (707) 268-3723 or [mrichardson@co.humboldt.ca.us](mailto:mrichardson@co.humboldt.ca.us).

**February 2019**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	01	02
03	04	05 Southern Humboldt & Redway-Garberville Community Meeting to discuss the Humboldt County General Plan Rezones & Community Planning	06 Freshwater Community Meeting to discuss the Humboldt County General Plan Rezones & Community Planning	07 Westhaven/Trinidad Community Meeting to discuss the Humboldt County General Plan Rezones & Community Planning	08	09
10	11 Jacob Creek & Bayside Community Meeting to discuss the Humboldt County General Plan Rezones & Community Planning	12	13 Redwood Creek Community Meeting to discuss the Humboldt County General Plan Rezones & Community Planning	14	15 Willow Creek & Eastern Humboldt Community Meeting to discuss the Humboldt County General Plan Rezones & Community Planning	16
17	18	19	20	21	22	23
24	25	26	27	28	01	02

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## Redwood Creek Community Meeting to discuss the Humboldt County General Plan Rezones & Community Planning

Wednesday, February 13, 2019



The purpose of the Meeting is to discuss the proposed zoning text and zoning map changes to implement the 2017 Humboldt County General Plan; review proposed rezones in the Redwood Creek area; gather public input; and provide information about the next steps in the rezoning process.

Date: February 13, 2019

Time: 6:00 PM - 8:00 PM

Location: Green Point School

Address: 180 Valkensar Lane  
Blue Lake, CA 95525

Contact: 707-268-3781

Email: [John Miller](#)

Link: [Zoning Text Amendments and Zone Reclassifications to Implement the General Plan](#)





MCKINLEYVILLE MUNICIPAL ADVISORY COMMITTEE  
McKinleyville Middle School Conference Center  
2275 Central Ave  
McKinleyville, CA 95519  
January 30, 2019 - 6:00 p.m.

### **Agenda**

Meeting rooms are ADA accessible.

Electronic devices should be turned off during the meetings.

- 1. Salute the flag**
- 2. Roll call**
- 3. Review/Approval of Minutes** – November 28, 2018

**4. Public Comments**

This time is reserved for the general public to address the MMAC on any matter within the Board's jurisdiction, *excluding* those items on the agenda.

**Comments are limited to 3 minutes.**

As to matters on the Agenda, an opportunity will be given to address the Board when the matter is considered. Comments are limited to 3 minutes. Letters should be used for complex issues. The Board Chair may limit the public forum to thirty (30) minutes *initially*, and continue any remaining appearance beyond the thirty minutes at the end of the regularly scheduled agenda items.

**5. Discussion/Information/Action Items**

*Board will hear presentations and take appropriate action as needed.*

- a. Resignation of John Corbett from MMAC
- b. Annual Election of Officers
- c. McKinleyville Community Services District letter to HCAOG regarding RHNEA [Regional Housing Needs Allocation] low and moderate housing 60% weighted towards proximity to work - Greg Orsini
- d. McKinleyville Community Services District request that MMAC provide input to MCSD's Strategic Plan - Greg Orsini



- e. Planning regarding main arterial roads coming into McKinleyville – Tom Matsen, Public Works
- f. General Plan Amendments – Humboldt County Planning Department
- g. McKinleyville Community Pop-Up Museum – McKinleyville Organizing Committee

**6. Event Announcements and Board general comments**

**7. Next Meeting**

**8. Adjournment**

Postings of this agenda are located at McKinleyville branch of Humboldt County Library; office of McKinleyville Community Services District office; electronic agendas are sent to *Mad River Union*, and forwarded to all Board members and interested members of the public. MMAC meetings are scheduled on the fourth Wednesday of every month at 6:00 p.m. [location may vary depending on agenda topic and space availability].

## County to engage public in Willow Creek, Blue Lake rezoning



Fifth District Supervisor Steve Madrone, left, and 3rd District Supervisor Mike Wilson, right, voted against rezoning a Fortuna property on Tuesday, agreeing that the property should have been subjected to the “standard” process. (Shomik Mukherjee — The Times-Standard)

By **SHOMIK MUKHERJEE** | [smukherjee@times-standard.com](mailto:smukherjee@times-standard.com) |

PUBLISHED: January 15, 2019 at 7:13 pm | UPDATED: January 15, 2019 at 7:14 pm

A series of zone reclassifications that would change what kinds of activities are allowed in various Humboldt County areas triggered significant pushback from locals last month, prompting the county Board of Supervisors on Tuesday to push zoning decisions on several areas to May.

“Rezoning” of areas in Willow Creek, Blue Lake, Glendale and McKinleyville will be held for the time-being, partly to allow those individual communities a say in how the land is classified. Among the things at stake is whether land areas with sensitive environmental features should be used for “heavy industrial” activity, which could one day include cannabis oil manufacturing.

The General Plan update process has taken years and proven confusing for locals, who aren’t sure what rezoning will mean for where they live. With the new plan, the county will use social media, print notices in local newspapers and hold public meetings in April to hear from community members about what they want for their areas.

“I really hope that people out there are going to re-engage and recognize this is their chance to speak up for the community and try their best to speak to the things that would benefit their community,” said 5th District Supervisor Steve Madrone.

Second District Supervisor Estelle Fennell agreed, saying a more spread-out schedule for the parcels in question will inform people of how important the zoning issues are for future land use.

Ultimately, the county will develop a “community plan” for each of the parcels, rather than the Board of Supervisors reclassifying them as commercial or industrial zones with a single stroke.

The process of seeking input for a community plan will cost the county \$100,000 from its advance planning budget, according to the county staff report.

Previously, zoning talks for Willow Creek and Glendale resulted in outcry from locals who feared that reclassifying those parcels for industrial use would open the doors to cannabis manufacturing, as well as other facilities that could impact natural resources.

Under pressure from the community, construction company Mercer-Fraser Co. pulled back from plans to build a cannabis facility in Willow Creek. A week later, the supervisors voted to punt the rest of the zoning discussions to January.

At Tuesday's meeting, the board did decide to rezone three properties that county staff deemed "not controversial." These were the Redwood Rural Health Center in Redway; the Save the Redwood Leagues parcels in Orick; and a Fortuna property owned by Louis Goselin.

But 3rd District Supervisor Mike Wilson and 5th District Supervisor Steve Madrone dissented from approving the Goselin property. Wilson said the property had arbitrarily made it to the front of the line, especially when it doesn't involve a public benefit project.

"My concern and issue is really with the timing of putting this before everybody else in the process," Wilson said. "If we approve this, then we'd be opening the door for anyone to just ask a supervisor to put something on the list."

Madrone agreed, saying individual projects need to be subjected to a standard process.

Fennell countered that some landowners have waited for years to see their land reclassified. As the General Plan update has dragged on, their projects have gone on hold, she said. Planning and Building director John Ford said more people have been waiting since before 2006 for the process to be complete than he could estimate.

"Getting to this point, there were many people who came to the Planning Department at least a decade ago, and were told (by previous county staff), 'Just wait 'till we finish the General Plan,'" Fennell said.

She added that she feels comfortable getting people — and their properties — to the finish line.

*Shomik Mukherjee can be reached at 707-441-0504.*



# On the Go-Slow

## Supes turn to community process after zoning outcry

By Elaine Weinreb

newsroom@northcoastjournal.com

**Y**ielding to massive public pressure, the Humboldt County Board of Supervisors backed off from a giant re-zoning effort Jan. 15 and instead adopted a go-slow planning process that could take up to two years to implement.

The previous plan, which involved re-zoning thousands of parcels with minimal notice to the public, had evoked hours of angry public testimony and an implied threat of a lawsuit from the Humboldt Bay Municipal Water District.

In contrast, the new strategy involves a series of community planning meetings, with a special emphasis given to the McKinleyville, Blue Lake, Glendale and Willow Creek areas. The Planning and Building Department will be tasked with publicizing these meetings beforehand, which will include the McKinleyville Municipal Advisory Council, the Blue Lake Rancheria and several community service districts.

"I want to thank the board for taking the time ... and I want to commend the staff for what they've done here," said Fifth District Supervisor Steve Madrone. "I think it's been very responsive to the community's concerns. ... There's a lot of people who have come out to these hear-

ings and asked that they be given a chance to engage. I think you've done that."

The Mercer-Fraser Co. gravel mining site in Glendale — a catalyst for much of the controversy over the zoning changes — will remain as ag land for the time being, to the relief of the many who had expressed concerns about the potential for contamination of the water district's Mad River intake wells, which provide the vast majority of the region's drinking water.

The upcoming planning meetings are slated to be interactive, rather than top-down, involving feedback from community leaders and residents alike. If necessary, portions of the updated General Plan could be changed, according to the staff report produced by the Planning and Building Department.

The planning department will also hold public meetings with the city councils of Blue Lake, Arcata, Eureka, Fortuna, Rio Dell and Trinidad, which have expressed concerns about the proposed changes over the last several months, as well as development in areas just outside their limits, legally defined as being within the cities' "spheres of influence."

The planners are also open to meeting with rural residents who already live within

the boundaries of existing community area plans — most of which are decades old — but outside of incorporated cities, such as those created for Jacoby Creek, Trinidad/Westhaven and locations near Fortuna.

In addition, other, more generally-themed public hearings will occur. The first — planned for next month — will cover the language of the zoning amendments, explaining what terms such as "Timber Exclusive" and "Q-zone" mean. Another such meeting later in the spring will discuss proposed map changes for parcels outside of the focused community area plans.

The new planning strategy seemed to evoke a collective sigh of relief from both the supervisors and the general public, with the words "applaud," "thank" and "support" being frequently said. A few concerns, however, still existed.

Martha Spencer, a former county planner who is now with Food, Fibers and Flowers, an organization that represents small-market farmers, said she supported "slowing down the process."

"We're concerned about the many 'Unclassified' re-zonings that will occur," she told the supervisors earlier this month. "We want people to understand what's



After concerns were raised, a new re-zoning process will take place, include for ag and "Unclassified" land. *File*

happening and what their rights are with their properties."

Spencer noted that open space policies and protecting ag lands were a particular priority, while also stating that neighbors of properties with zoning changes need to be notified because "it can be a concern."

Along similar lines, a Fieldbrook resident was worried that changes in timberland zoning would bring unwanted development to her neighborhood.

"One of the 100-acre parcels that they're looking at, Green Diamond is interested in making it a 5-acre parcel change, and that's my back yard," she said.

Tina Christiansen, representing the Humboldt Association of Realtors, said she thought that the update process had gone on quite long enough.

"I have spent 15 years on this General Plan," she said. "I hear voices from the future and voices from the past that both understand we went through a very intense process. ... To change that process now, I think that we need to look into this, we need to have a voice in this, and we will."

With a brief motion by Second District Supervisor Estelle Fennell, with Third District Supervisor Mike Wilson noting, "I think that just about covers everything," Fourth District Supervisor Virginia Bass seconded the motion, which passed unanimously.

The supervisors then approved three individual re-zoning requests, which were

generally regarded as non-controversial, including one for the Redwoods Rural Health Center and another for the Save the Redwoods League.

Supervisors also selected a new at-large member of the Planning Commission to replace David Edmonds, who had resigned. Melanie McCavour, an environmental consultant and lecturer at Humboldt State University, was selected for the job.

She was competing with a long list of other applicants, including current Fifth District Commissioner Ben Shepherd, who expects to be replaced soon. McCavour is currently on the Arcata Planning Commission, but will resign that post to serve the county.

At the end of the day, McKinleyville resident Twyla Sanchez summed up what many other speakers had said about the decision to slow down the zoning process.

"I was very excited to hear that we were heard at the supervisors' meeting, and the planning commission folks heard the community, because so many times you feel like you're not heard," Sanchez said. "You heard us. Thank you."

*Elaine Weinreb is a freelance journalist. She tries to re-pay the state of California for giving her a degree in environmental studies and planning (Sonoma State University) at a time when tuition was still affordable.*

Mad River  
Union  
1/23/2019

# Rezoning reopens political division

**Daniel Mintz**

**MAD RIVER UNION**

**HUMBOLDT** – Humboldt County's General Plan is still in a state of flux, as implementation of its zoning maps has inflamed division over land use and hinges on the outcomes of public meetings in multiple communities.

The ever-controversial process of approving land use changes took another turn at the Jan. 15 Board of Supervisors meeting. After a long, contentious hearing last month, county planners have developed a new strategy for implementing the General Plan's zoning maps.

Planning Director John Ford said his staff will do extensive outreach to various communities where rezoning is controversial. These include McKinleyville, the Jacoby Creek/Freshwater area, the Fieldbrook/Glendale area, Blue Lake, Willow Creek and county areas that border cities.

The General Plan's content has been reshaped after approvals before. The county's Planning Commission adopted a version of it in 2012 after scores of public meetings were held.

When elections changed the make-up of the Board of Supervisors, groups who favored additional residential development entitlements successfully lobbied for a complete General Plan re-write.

The Humboldt Association of Realtors was one of them, and Tina Christensen, its lead representative, told supervisors that a re-do of the General Plan isn't necessary now.

"To go back and recreate – I hope that is not what we are doing," she said. She noted that "there was a process in place"

**REZONE ♦ A3**

# Rezone | 'Realtors do matter'

## ❖ FROM A1

and suggested that it would be questionable "to change that process now."

She added, "We need to look into this, we need to have a voice in it - and we will."

There is longstanding division between groups with real estate interests and those who lobby for environmental preservation.

Christensen prefaced her comments by saying, "Realtors do matter." Earlier in the meeting, supervisors considered applicants for a Planning Commission seat and Supervisor Mike Wilson said he had doubts about one candidate because his preference isn't "a political person from the real estate industry."

Saying later that "it sounds like Tina may have been slightly offended by my comments related to real estate agents," Wilson said he has no qualms with realtors but he described the Humboldt Association of Realtors as "political body" and added that Christensen had referred to it as a "property rights activist group."

Board Chair Rex Bohn corrected him. "She said 'property rights group,' she didn't say 'activist,'" he said.

"Well they are," Wilson continued.

"I want a clarification," said Bohn.

"I am clarifying what I am saying, thank you," Wilson rejoined.

He said that his comments intended to "clarify that we have a spectrum of voices on this."

Bohn, who is generally viewed as development-friendly, noted the earlier public comment appearance of Tom Wheeler, the executive director of the Environmental Protection Information Center in responding to Wilson's com-

ments.

"Thomas from EPIC, I'm glad you're here," Bohn said, as members of the audience briefly sounded off in response. "I'm just saying, the last thing I want to do is, with the Humboldt [Association of] Realtors having 700 members, I do not want them to think they cannot come to speak because they will be biased against."

He said public commenters "should be able to talk without getting a political backlog on why they're here" and "I just think we need to be careful when we go on our political banter up here."

Wilson said that his comments were merely made for the purpose of clarification.

The need for additional outreach stems from property owner concerns - not about the zoning on their parcels, but the changes mapped for adjoining properties.

A Fieldbrook resident told supervisors that she and her neighbors are concerned about allowing increased residential densities on nearby parcels owned by the Green Diamond timber company.

"That's my back yard," she said, calling the residential entitlements "an enormous gift" to the company that would "change the quality and character of our community if left unchecked."

Ford told supervisors that the public outreach and rezoning hearing processes are expected to extend to the end of 2020.

Supervisors unanimously approved the General Plan outreach and rezoning approval strategy.

A few of the General Plan's rezonings were approved to allow projects to proceed, including the Redway-based Redwoods Rural Health Center's expansion

of medical and dental facilities, and rezoning associated with a Save the Redwoods League project in Orick.

A third rezoning, of a property in the Fortuna area, didn't gain unani-

mous approval. Wilson and Supervisor Steven Madrone voted against it. They said its residential category doesn't promote public interest enough to place it ahead of similar projects in the queue.

SECTION H3, PAGE NO. 24

## Ordinance No. 22

### Establishing Rates, Rules And Regulations

#### For Use of District Lands\* By The

#### Humboldt Bay Municipal Water District

Chapters:

- 22.01 General Provisions.
- 22.02 Visitor Conduct.
- 22.03 Resource Protection.
- 22.04 Vehicle and Traffic Regulations.
- 22.05 Domestic Animal Regulations.
- 22.06 Fishing Regulations.
- 22.07 Fire Regulations.

*\* For statutory provisions authorizing a District to construct, maintain, improve, and operate public recreational facilities appurtenant to any water reservoir contracted to be operated or operated by the District, and to provide by ordinance regulations binding upon all persons to govern the use of such facilities, including regulations imposing reasonable charges for the use thereof, and to punish the violation of any such regulation as a misdemeanor or infraction as specified therein, see Cal. Water Code §71660*



## Chapter 22.01 GENERAL PROVISIONS

### Sections:

- 22.01.01 Scope of this title.
- 22.01.02 Purpose.
- 22.01.03 Authority.
- 22.01.04 Enforcement.
- 22.01.05 Lands open to public.
- 22.01.06 Closure of District lands.
- 22.01.07 Facility Use charges and permits.
- 22.01.08 Misdemeanors and infractions.
- 22.01.09 Separate offenses.
- 22.01.10 Impoundment.
- 22.01.11 Exemptions.

### **22.01.01 Scope of this title.**

The rules and regulations contained in this title shall be known as “Ordinance 22 Rules and Regulations for use of Humboldt Bay Municipal Water District Lands” and may be referred to as such, or as “Ordinance 22” or “land use regulations.” Except as otherwise provided, the provisions of this title shall apply to all District-owned lands including both active watershed lands and contiguous buffer properties.

### **22.01.02 Purpose.**

These land use regulations are adopted to provide for and manage public access on District Lands, to assure effective stewardship, protection and management of District lands and to govern use of said lands in a fashion consistent with the District’s Mission, its Habitat Conservation Plan and Long-Term Streambed Alteration Agreement.

### **22.01.03 Authority.**

The land use Ordinance and Regulations enacted in this title are authorized by the California Water Code Section 71660. District employees shall have the authority to enforce within the District’s boundaries the provisions of this Ordinance, and any amendment or amendments thereto, and the laws of the State of California, including but not limited to, California Water

Code Section 71660, the California Administrative Code Title 14, relating to Fish and Wildlife regulations, and the California State Boating Law.

#### **22.01.04 Enforcement.**

Powers granted under this Ordinance shall be construed to be powers delegated by the Board to the General Manager and redelegated by the General Manager to District Personnel, as deemed appropriate. Designated District employees shall have the authority to enforce these regulations and to revoke the use by any person in violation of these regulations. These regulations may also be enforced by other law enforcement officials. Any person who resists, delays, obstructs, threatens or attempts to intimidate District personnel in the discharge of, or attempted discharge of, their duty shall be subject to criminal prosecution.

#### **22.01.05 Lands open to public.**

Designated District lands may be open to the public for recreational use, in accordance with the provisions of these regulations, during daylight hours only, beginning thirty minutes before sunrise and ending thirty minutes after sunset. Persons using District lands shall have a revocable license to enter upon, use and enjoy District Lands for recreational purposes subject to compliance with all applicable federal, state, county and District laws and regulations.

Those District lands designated for public recreational use are as follows: a) APN 516-271-005 and 504-201-010 [Park 1]; b) APN 516-351-002 [Park 4]; and c) APN 504-142-012 and 516-251-001 [Glendale Public River Access] (hereinafter referred to as "District lands"), excluding any and all District offices, buildings, infrastructure and appurtenances (including, but not limited to, all pipelines, pump stations, and Collectors), whether or not such offices, buildings, infrastructure or appurtenances are fenced or otherwise designated as being restricted areas. The Board reserves the right to add or de-designate District lands for public recreational use in its sole discretion.

#### **22.01.06 Closure of District lands.**

All or any portion of District lands may be closed to the public or have public uses restricted during an emergency or for health, safety, maintenance or watershed management purposes or for any other reason in the District's sole discretion.

#### **22.01.07 Facility Use charges and permits agreements.**

a) Park 1 and Park 4 Facility facility use charges or fees may be charged by the District for permits facility use agreements to use designated areas of or otherwise use District lands. Charges for permits facility use agreements shall be determined by the board of directors from time to time by resolution and are initially set as delineated in attached Exhibit A. Permits Facility use agreements are not transferable and may be revoked for failure to comply with any provision of the permit agreement or applicable portions of these regulations. Permits Facility

use agreements must be carried while on District lands and shown upon request to District personnel or otherwise displayed as directed.

b) Facility Use agreements are required for any group larger than ten (10) people and will be issued on a first come first serve basis.

c) No group larger than 200 individuals will be issued a facility use agreement.

d) Facility Use agreements shall contain standard District insurance and indemnification requirements as may exist at the time of issuing the agreement.

e) Alcohol may be sold in conjunction with a Facility Use Agreement activity, provided the event organizers comply with the District's alcohol concessions requirements and the appropriate Department of Alcoholic Beverage Control license is obtained and provided to the District in advance of the event.

#### **22.01.08 Misdemeanors and infractions.**

Violations of the following land use regulations are misdemeanors punishable by imprisonment in the Humboldt County jail for a period not to exceed six months, or by a fine not to exceed one thousand dollars, or both:

(1) Defacement of District property, in violation of Section 22.02.03;

(2) Use, possession or discharge of firearms, weapons, or fireworks, in violation of Sections 22.02.11 and 22.07.02;

(3) Creation of fire hazards, in violation of Section 22.07.01;

(4) Being under the influence of intoxicating beverages or dangerous drugs, in violation of Section 22.02.19(3);

(5) Dumping of garbage, refuse and trash, in violation of Section 22.02.15; also per California Penal Code Section 374.3.

(6) Remaining on or reentering District lands after an authorized District employee has specifically withdrawn consent for said person to use such lands, in violation of Section 22.02.21; and

(7) Construction, reroute or alteration of a hiking trail without District authorization, pursuant to Section 22.03.06, also per California Penal Code Section 384a.

Violation of any land use regulation of the District not mentioned above is an infraction, unless the violation is also deemed a misdemeanor or felony under any applicable provision of county, state or federal law, in which case the violation may be prosecuted as such under the applicable provision of county, state, and/or federal law.

The enumeration of violations and punishments above is not intended to be exhaustive of all potential violations and punishments. All users of District lands are subject to all applicable provisions of county, state, and federal penal laws.

#### **22.01.09 Separate offenses.**

Any violation of these regulations occurring on more than one calendar day shall constitute a separate offense.

#### **22.01.10 Impoundment.**

The District may impound any animal, property or equipment found to be in violation of these regulations. Items shall be disposed of according to law.

#### **22.01.11 Exemptions.**

These regulations shall not apply to employees of the District engaged in and acting within the scope of their authorized duties. The District, at its sole discretion, may grant written exemption to all or any portion of these land use regulations by special use permit, contract or lease; however, written exemptions shall be limited to uses consistent with the purpose of these regulations and shall not violate any provision of federal, state or county law or regulation.

### **Chapter 22.02 VISITOR CONDUCT**

- 22.02.01 Compliance with all laws, regulations and signs.
- 22.02.02 Closed areas and use restrictions.
- 22.02.03 Care of property and facilities.
- 22.02.04 Group use.
- 22.02.05 Minors.
- 22.02.06 Reserved.
- 22.02.07 Reserved.
- 22.02.08 Camping and possession of camping gear.
- 22.02.09 Running and jogging.
- 22.02.10 Games and other activities.
- 22.02.11 Firearms, traps and other weapons.

- 22.02.12 Audio devices.
- 22.02.13 Sanitation.
- 22.02.14 Littering.
- 22.02.15 Garbage, refuse and trash.
- 22.02.16 Structures.
- 22.02.17 Abandoned and unattended property.
- 22.02.18 Commercial activity.
- 22.02.19 Disorderly conduct.
- 22.02.20 Introduction of organisms.
- 22.02.21 Revocation of privileges.

**22.02.01 Compliance with all laws, regulations and signs.**

No person while on District lands shall violate or fail to comply with any provision of federal, state, county or District laws, regulations or posted signs.

**22.02.02 Closed areas and use restrictions.**

No person shall enter or remain in any area of District lands closed to the public, nor use any area of District lands for an unauthorized or unlawful purpose.

**22.02.03 Care of property and facilities.**

No person shall damage, deface, tamper with or remove any District property or facilities, including but not limited to: dams, buildings, signs, gates, fences, equipment, markers, structures, tables, benches, trash receptacles, barbeques, fireplaces, paving material, utility or water lines.

**22.02.04 Group use.**

No group, school, club or similar organization, whether formally organized or not, shall hold or conduct any picnic, hike or other activity on District lands with twenty-ten or more participants without prior written approval of the District and no person shall take part in any such activity without said prior written approval. Groups will be permitted in designated areas only and are subject to prior reservations, conditions and charges as provided under Section 22.01.07.

**22.02.05 Minors.**

Parents, guardians, and any other adult having custody or accompanying of any minor children shall be responsible for the conduct of their minor children and shall not permit such minor children to do any act on District lands prohibited by the provisions of these regulations. No parent, guardian or any person having the custody of any child under the age of sixteen years shall allow such child to enter or visit District lands unless accompanied by a person at least eighteen years of age.

**22.02.06 Reserved.**

**22.02.07 Reserved.**

**22.02.08 Camping and possession of camping gear.**

No person shall possess camping gear or camp on District lands. Camping gear includes sleeping bags, tents, lean-to materials or any other articles connected with camping as differentiated from picnicking.

**22.02.09 Running and jogging.**

No person shall ~~run or jog on District lands except on protection roads and District trails not signed against such use, nor~~ run or jog in such a way as to endanger hikers, or others using District lands. No school, club or other organization shall hold running, jogging or cross-county meets, events or practice sessions on District lands without prior written approval of the District and no person shall take part in any such activity without said prior written approval.

**22.02.10 Games and other activities.**

a) No person shall engage in games or other activities which interfere with others using District lands or which endanger any person, property, public safety or environmental or cultural resources, except as authorized in sub paragraph "b" herein. Non-permitted activities include but are not limited to:

- (1) Skateboarding, roller skating, in-line skating mountain boarding, operation of any motorized or motor assisted skateboard or other similar type activity;
- (2) Operating a motor-driven model airplane, boat, automobile, drone / quadcopter / single or multi motor copter, or other model craft;
- (3) Throwing, releasing, or discharging missiles, rockets, stones or similar objects;
- (4) Hitting a golf ball;
- (5) Participating in baseball, softball or football;
- (6) Hang-gliding, parachuting, or parasailing;
- (7) Metal detecting or the collection or disturbance of cultural or archeological artifacts; and

(8) Any activity or operation of any device in such fashion as to interfere with others using District lands or to endanger property, public safety or environmental or cultural resources.

Any equipment used in violation of this section may be impounded.

b) The District, under a license agreement, has authorized the use of its Park 4 located on Warren Creek Road by Par Infinity Disc Golf Club, Inc., a California not-for-profit corporation for its use as a Disc Golf course. Use of Park 4 for these purposes as enumerated under such agreement are allowed under this Ordinance. The District may terminate its authorization as provided under the license agreement.

#### **22.02.11 Firearms, traps and other weapons.**

No person shall possess, use, carry, discharge or cause to be discharged any firearm or weapon while on District lands, including any air rifle, spring gun, paint ball gun, bow and arrow, sling, animal trap, knife with blade over five inches long, explosive or any other form of weapon potentially dangerous to wildlife or human safety. No person shall discharge or cause to be discharged any firearm or weapon onto or across District lands from outside the boundary of District lands.

#### **22.02.12 Audio devices.**

No person shall operate any audio equipment, public address system, amplified musical instrument or other noise producing or transmitting device on District lands whether fixed, portable or vehicle/mounted in excess of 70 decibels without prior written authorization by District.

#### **22.02.13 Sanitation.**

No person using District lands shall do any of the following:

- (1) Urinate or defecate other than at restrooms provided;
- (2) Fail to cooperate in maintaining rest-rooms in a neat and sanitary condition; and
- ~~(3) Use restrooms set apart for the opposite sex.~~

#### **22.02.14 Littering.**

No person shall throw, drop, place or deposit any object, including, but not limited to, paper, food scraps, fish remains, cigarette butts, bottles, bottle caps or cans in District streams or reservoirs or elsewhere on District lands, except in trash receptacles. Where trash receptacles are not provided or are full, all such matter shall be carried away from District lands by the person responsible for its presence and properly disposed of elsewhere.

#### **22.02.15 Garbage, refuse and trash.**

No person shall bring garbage, refuse, trash or yard clippings onto District lands, nor dump or deposit such garbage, refuse, trash or yard clippings on District lands or in any District trash receptacle.

#### **22.02.16 Structures.**

No person shall erect any temporary or permanent structure, monument or facility on District lands. Any such structure may be demolished by the District and its contents impounded.

#### **22.02.17 Abandoned and unattended property.**

No person shall abandon or leave any personal property unattended on District lands for longer than twelve hours. Any such property may be impounded.

#### **22.02.18 Commercial activity.**

No person shall do any of the following on District lands without prior written approval from the District:

- (1) Sell or offer to sell goods, merchandise or services;
- (2) Station or place any stand, cart or vehicle for display of goods, merchandise or services;
- (3) Distribute, circulate or post any handbill, pamphlet or other advertisement regarding sale of goods, merchandise or services;
- (4) Conduct any commercial photography or activity related to commercial photography; and
- (5) Conduct any activity of a commercial nature.

#### **22.02.19 Disorderly conduct.**

No person shall do any of the following on District lands:

- (1) Accost another person for the purpose of begging or soliciting;
- (2) Loiter in or about any restroom;
- (3) Be under the influence of intoxicating liquor or dangerous drug in such a condition that the individual is unable to exercise care for their own safety or the safety of others;
- (4) Engage in loud or disturbing conduct or any act tending to a breach of the peace; and
- (5) Appear in a state of dress or undress in which the pubic hair, genitals, buttocks or any portion of the female breast below the top of the areola are exposed.

#### **22.02.20 Introduction of organisms.**



No person shall introduce, cause to be introduced or otherwise disperse on District lands any organism, living or dead, including cremated human remains, native or nonnative plants, animals, fish, insects or bacteria, aquatic invasive species including but not limited to mollusks, crustaceans and algae except as permitted in Section 22.06.03.

California Department of Fish and Wildlife rules and procedures for decontamination of all fishing gear, boats, and clothing shall be followed prior to entering and immediately following the use of the Mad River.

#### **22.02.21 Revocation of privileges.**

No person may remain on or reenter District lands after an authorized District employee has specifically withdrawn consent for said person to use such lands.

### **Chapter 22.03 RESOURCE PROTECTION**

22.03.01 Water supply.

22.03.02 Botanical resources.

22.03.03 Wildlife and animal resources.

22.03.04 Geological resources.

22.03.05 Archeological and historical resources.

22.03.06 Cultural and recreational resources.

#### **22.03.01 Water supply.**

No person shall do any of the following while on District lands:

- (1) Pollute or in any manner contaminate any reservoir, stream, channel, spring or other water sources or water supply;
- (2) Possess or apply any pesticide, herbicide, fungicide or other poison; and
- (3) Impede the quantity or quality of water.

#### **22.03.02 Botanical resources.**

No person shall do any of the following while on District lands, unless authorized in advance in writing by the District. The Board delegates this authorization authority to the General Manager:

(1) Damage, cut, carve, transplant, or remove any vegetation, living or dead, including any tree, plant, foliage, seed, bark, turf, leaf, mold, fungus, grass or wood, except Himalaya black berries or Tribal vegetation uses that support the cultural, spiritual, ceremonial, or traditional rights or Lifeways of California Native American Tribes;

(2) Attach any rope, wire or other object to any tree or plant, ~~except as provided in Section 22.05.02(3);~~ and

(3) Damage or otherwise disturb the natural environment.

#### **22.03.03 Wildlife and animal resources.**

No person shall take, hunt, trap, harass or otherwise harm any kind of animal or the eggs of any animal, whether living or dead, or remove, destroy or in any manner disturb the natural habitat of any animal. Fishing or taking of fish is permitted as regulated in Chapter 22.06.

#### **22.03.04 Geological resources.**

No person shall damage, injure, collect or remove soil, earth, rocks, sand, gravel, fossils, minerals or any article of geological interest or value.

#### **22.03.05 Archeological and historical resources.**

No person shall damage, injure, collect or remove any object of paleontological, archeological or historical interest or value.

#### **22.03.06 Cultural and recreational resources.**

No person shall add to, alter or modify any watershed facility or cultural resource including but not limited to construction, rerouting or alteration of any hiking trail. Possession of trail construction or excavation tools including, but not limited to, a mcloud, polaski, shovel, rake or other similar tool by any unauthorized person is prohibited.

### **Chapter 22.04 VEHICLE AND TRAFFIC REGULATIONS**

22.04.01 Motor vehicles.

22.04.02 Bicycles.

22.04.03 Speed limits.

22.04.04 Parking and vehicle removal.

22.04.05 California Vehicle Code.

**22.04.01 Motor vehicles.**

No person shall operate any motor vehicle, including, but not limited to, cars, trucks, motorcycles, motor-driven cycle, motorized bicycle, motorized scooter, self-balancing motorized personal transportation vehicle or similar vehicles on District lands except upon public roads or parking lots.

**22.04.02 Bicycles.**

(a) No person shall ~~possess or~~ operate any bicycle or similar vehicle on District lands except upon public roads, parking lots or protection roads not signed against such use. Use may be restricted or prohibited on any or all roads at the District's discretion.

(b) No bicycle or similar vehicle shall be operated in a manner to endanger or frighten hikers, or others using District lands. Any bicycle or similar vehicle used in violation of these regulations may be impounded.

(c) A person under 18 years of age shall not operate a bicycle or ride as a passenger on a bicycle upon District lands unless wearing a bicycle helmet which is properly fitted and fastened.

**22.04.03 Speed limits.**

Maximum speed limit for all motor vehicles and bicycles is fifteen miles per hour, unless otherwise posted; however, speeds shall be reduced as conditions warrant. Bicycles are required to slow to five miles per hour when passing others using District lands or approaching blind turns. In no case shall a person operate any motor vehicle, or bicycle, at a speed greater than is reasonable or prudent for safe operation or to protect the safety of others using District lands.

**22.04.04 Parking and vehicle removal.**

No person shall park any motor vehicle on District lands in the following locations:

- (1) Within the traveled portion of any road;
- (2) On any protection road or trail;

- (3) In front of any gate;
- (4) On any hillside;
- (5) In areas designated for disabled or handicapped persons without appropriate authorization;
- (6) In more than one parking space per vehicle;
- (7) Within posted "no parking" areas; and
- (8) In any manner obstructing the free flow of traffic.

No person shall park any motor vehicle for more than twelve consecutive hours, nor earlier than thirty minutes before sunrise, nor later than thirty minutes after sunset, on any day. Any law enforcement officer mentioned in Vehicle Code Section 22650 - 22856 is authorized to remove any vehicle parked on District property in violation of this section.

#### **22.04.05 California Vehicle Code.**

Except as otherwise provided in these regulations, the provisions of the California Vehicle Code shall be applicable to the operation of motor vehicles on District roads maintained for public use.

### **Chapter 22.05 DOMESTIC ANIMAL REGULATIONS**

- 22.05.01 Dogs and other animals.
- 22.05.02 Horses.
- 22.05.03 Animals at large.
- 22.05.04 Animal removal and impoundment.

#### **22.05.01 Dogs and other animals.**

Dogs and other domestic animals are permitted on District land only when under the control of the owner ~~and or~~ while fastened to and restrained by a chain or leash not exceeding six feet in length or confined in a vehicle. No person shall do any of the following on District lands:

- (1) Bring or keep a dog five months of age or more without proof that the dog has a valid rabies inoculation or a valid license;

(2) Bring or keep a noisy, vicious or dangerous dog or animal or one which is disturbing to other persons;

(3) Allow any dog or other animal to hunt, pursue or harass any animal;

(4) Fail to promptly remove from District lands any dog or other animal after being ordered by District personnel to do so;

~~(5) Permit a dog or other animal to enter, wade or swim in any stream or reservoir or enter within the high water mark of any reservoir;~~

(6) Bring or keep a dog or other animal onto any area which is closed to animals; and

(7) Fail to promptly pick up and properly dispose of dog or other animal feces.

#### **22.05.02 Horses.**

Horses are not permitted on District lands. As used in these regulations, "horse" includes all saddle animals.

#### **22.05.03 Animals at large.**

No person shall permit any horse, cow, pig, sheep, goat or other animal of any kind to graze or run at large. No person shall bring onto or keep on District lands any living thing that constitutes a safety hazard or detriment to the public enjoyment of the area.

#### **22.05.04 Animal removal and impoundment.**

Any animal found at large on District lands may be impounded. The District may destroy any animal which is injured, diseased or endangering other animals or humans. Carcasses or unlawfully taken wildlife may be confiscated.

### **Chapter 22.06 FISHING REGULATIONS**

22.06.01 Fishing regulations and enforcement.

22.06.02 Cleaning of fish.

22.06.03 Bait.

22.06.04 Health and safety regulations.

**22.06.01 Fishing regulations and enforcement.**

All fishing on District lands is subject to the California Fish and Wildlife Code, the rules and regulations of the State Department of Fish and Wildlife and these regulations. District employees, fish and game officials and other law enforcement personnel are authorized to issue citations for violations, confiscate fish and impound fishing gear upon violation of regulations.

**22.06.02 Cleaning of fish.**

No person shall clean, gut or scale any fish in any District reservoir or stream, nor dispose of dead fish or fish parts in any District reservoir or stream, nor on District lands, except in District trash receptacles.

**22.06.03 Bait.**

No person shall use or possess for use as bait or otherwise, any live aquatic life, ~~living or dead, with the exception of salmon eggs and worms~~ contrary to California Department of Fish and Wildlife regulations, nor take any action which may result in introduction of any invasive fish or other aquatic organism into reservoirs or streams.

**22.06.04 Health and safety regulations.**

No person fishing on or otherwise using District lands shall do any of the following:

~~(1) Stand or wade, with or without waders, in any reservoir; and,~~

~~(2) Fish from dams or in other areas which are posted closed to fishing~~ or any District structure.

**Chapter 22.07 FIRE REGULATIONS**

22.07.01 Fires.

22.07.02 Fireworks.

22.07.03 Smoking.

22.07.04 Extreme fire hazard.

**22.07.01 Fires.**

a) No person shall light, build or maintain a fire of any nature on District lands, except in permanent fixed barbecues, or fireplaces established by the District. The use of portable barbecues and camp stoves is prohibited.

b) No person shall leave any fire unattended or fail to put out a fire prior to departure, or to leave a fire burning unattended.

**22.07.02 Fireworks.**

No person shall possess, bring onto, set-off or otherwise cause to explode on District lands any firecrackers, skyrockets or other fireworks or explosives.

**22.07.03 Smoking.**

a) No person shall smoke on District lands at any time.

b) No person shall smoke or ingest cannabis or cannabis products in District parks or public access areas.

c) "Smoke" means to inhale, exhale, burn, or carry any lighted or heated device or pipe, or any other lighted or heated tobacco, cannabis or cannabis product intended for inhalation, whether natural or synthetic, in any manner or in any form. "Smoke" includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking in a place.

**22.07.04 Extreme fire hazard.**

During extreme fire hazard conditions, the District may prohibit fires on all or designated portions of District watershed lands and may close all or designated portions of District watershed lands to public entry.

This ordinance shall become effective thirty (30) days following the date of its adoption.

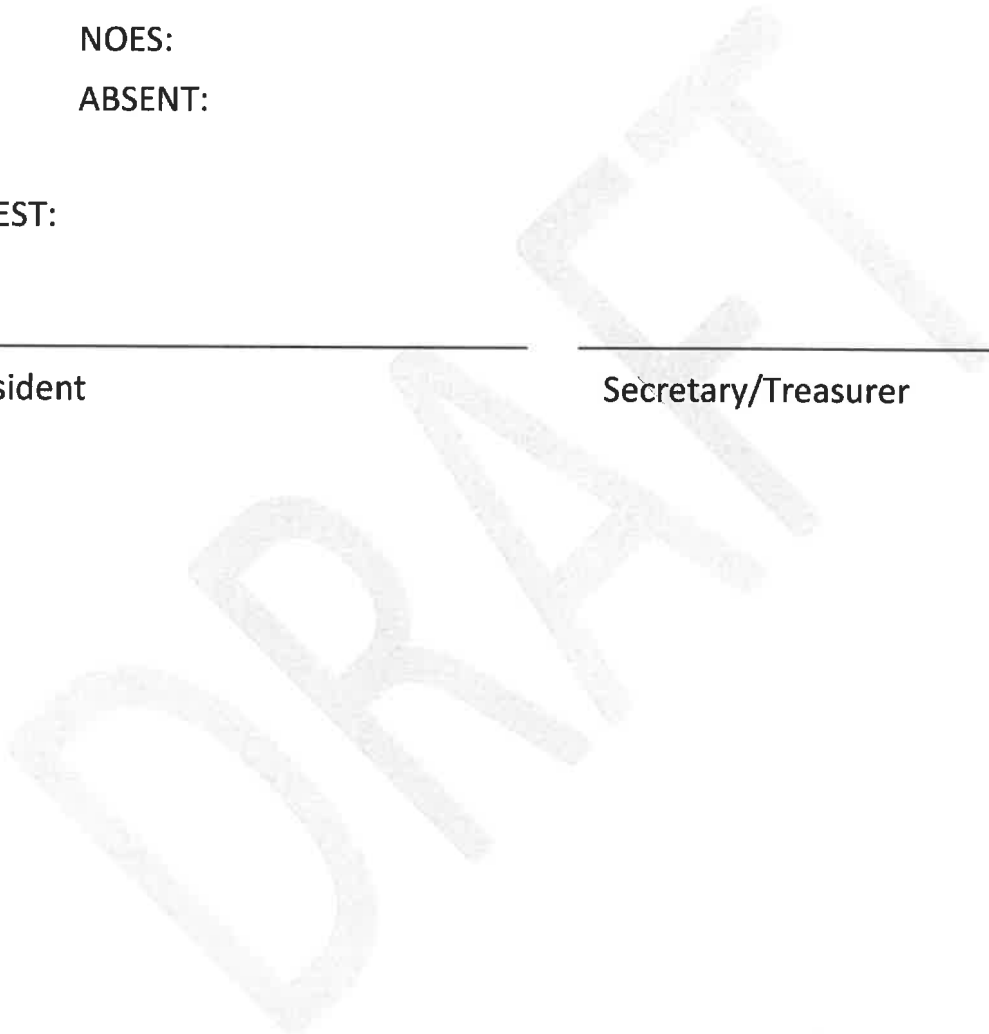
PASSED, APPROVED AND ADOPTED this 12<sup>th</sup> day of February, 2019 by the following vote:

- AYES:
- NOES:
- ABSENT:

ATTEST:

---

President Secretary/Treasurer





Effective Date: February 12, 2019

Page 1 of 1

**Humboldt Bay Municipal Water District****PROCEDURE****Ordinance 22 Enforcement by Employees**

Cancels:

See Also: Ordinance 22

Approved By: Board of Directors

The following procedure applies to District employees and their interactions with the public to enforce rules and regulations under Ordinance 22 – Use of District Lands.

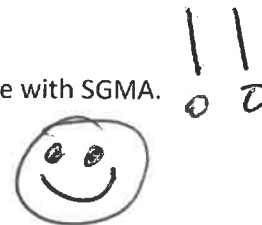
1. **Employee Safety:** Employee safety, health and wellbeing is of utmost importance when enforcing any rules and regulations under Ordinance 22 regarding interactions with the public. At all times, employees should act to ensure their own personal safety when choosing to interact or choosing not to interact with the general public.
2. **Enforcement:** Completing an employee's primary job duties in accordance with their job descriptions is the first priority. Should employees become aware of violations to the rules and regulations within Ordinance 22, the followings steps are recommended:
  - a. Interact with the public from a safe distance to verbally request that they cease the prohibited activity.
  - b. Remove themselves from any interaction that is or appears to be heading towards confrontation.
  - c. Contact appropriate law enforcement to request response to the situation, if necessary. i.e. Humboldt County Sheriff; California CHP; California Fish & Wildlife.
  - d. Cellphone pictures or video documentation of violations is recommended.
3. **Communication:** If an interaction with the public occurs to enforce provisions of Ordinance 22, the employee should inform their supervisor in a timely manner on the day of occurrence. The supervisor should then notify the general manager of the incident the same day.

**John Friedenbach**

**From:** Seemann, Hank <HSeemann@co.humboldt.ca.us>  
**Sent:** Friday, January 04, 2019 3:38 PM  
**To:** Mark Andre; John Friedenbach; Gregory P Orsini; 'Pat Kaspari'  
**Subject:** FW: SGMO News: DWR Finalizes Basin Prioritizations under SGMA

The Mad River groundwater basin went down to very low priority, so no mandatory compliance with SGMA.

-----  
Hank Seemann  
Deputy Director - Environmental Services  
Humboldt County Public Works Department  
1106 Second Street  
Eureka, CA 95501  
707-268-2680



**From:** Emard, Joyia@DWR [mailto:Joyia.Emard@WATER.CA.GOV]  
**Sent:** Friday, January 04, 2019 2:05 PM  
**To:** DWR\_SGMP@LISTSERVICE.CNRA.CA.GOV  
**Subject:** SGMO News: DWR Finalizes Basin Prioritizations under SGMA



## CALIFORNIA DEPARTMENT OF WATER RESOURCES SUSTAINABLE GROUNDWATER MANAGEMENT OFFICE

### DWR Finalizes Basin Prioritizations under SGMA

The California Department of Water Resources (DWR) today announced Final Basin Prioritization for the majority of groundwater basins in the state as required under the Sustainable Groundwater Management Act (SGMA).

Today's announcement finalizes the prioritization for 458 basins, identifying 56 basins that are required to create groundwater sustainability plans under SGMA. For most basins, the results are a confirmation of prioritizations established in 2015. Fifty-nine basins remain under review with final prioritization expected in late spring.

SGMA requires local agencies throughout the state to sustainably manage groundwater basins. Basins identified as high- or medium-priority are required to adopt groundwater sustainability plans beginning in 2020. DWR is required to reassess groundwater basin prioritizations any time it updates basin boundaries. This prioritization for 458 basins incorporates the basin boundary modifications finalized in 2016. Prioritization is based on factors such as population, irrigated acreage, and the number of wells in the basin. Changes in prioritization generally reflect changed conditions or new information about existing conditions.

Today's prioritization reflects updates based on new requirements under SGMA, including adverse impacts to habitat and streamflow, adjudicated areas, critically over-drafted basins and groundwater related transfers.

Twenty-one basins were changed to 'very low' because they are covered by adjudicated areas with existing governance and oversight in place. Adjudicated areas are not required to prepare groundwater sustainability plans and are instead required to submit annual reports to DWR on their groundwater management and monitoring.

Draft prioritizations were announced in May 2018. These finalizations come after a 94-day public comment period and four public meetings that resulted in 500 individual comments and related datasets leading to some revisions in basin prioritization.

[View Final Basin Prioritization for unmodified basins here.](#)

[View updated Frequently Asked Questions on basin prioritization here.](#)

For questions, email [sgmps@DWR.ca.gov](mailto:sgmps@DWR.ca.gov).

# New Business

To: Board of Directors  
From: John Friedenbach  
Date: February 7, 2019  
Subject: District's Safety Program

Once again it is time for our annual employee recognition regarding workplace safety. Dale and I will provide an overview of our program and accomplishments at our Board meeting next week. This memo provides a brief introduction.

### **PRIORITY AND PLACE**

Achieving employee safety and public safety is a top priority for the District. I am pleased to work for an organization that values this objective and takes safety seriously.

The Board has adopted five goals which support our District Mission. Goal Number 1 is Safety and Public Health. It reads:

- Employ safe work practices to ensure worker and public safety at all times. Strive for no on-the-job reportable injuries each year.
- Operate the regional water system in accordance with state and federal safe drinking water laws and regulations at all times to protect public health.

The District has a "safety philosophy" as well as a strong safety program. The Board has consistently supported our safety philosophy and program.

### **COMPONENTS OF THE PROGRAM**

Important components of the District's safety program are as follows:

- 1) Buy-in and support *from* Management. We need to set the standard and "walk the talk."
- 2) Buy-in and involvement *by* the employees.
- 3) A meaningful Injury, Illness and Prevention Plan (this is a regulatory requirement).
- 4) An active Safety Committee that is listened to and supported. Our committee is comprised of the Superintendent, one Supervisor, and two employees (one from the Maintenance Department and one from Operations). Membership on the committee rotates each year. Attached for your information are minutes from the last safety committee meeting for you to see the issues that are addressed.
  - a. A meaningful training program. The District has an extensive training program which supports not only employee safety, but ongoing operations, and emergency response activities too. We use ACWA/JPIA's extensive "lending library" for training resources (such as DVDs, videos, manuals), and we also use the North Coast Safety Consortium for local classroom training. Attached is this year's safety training program which lists the training topic as well as the instructor.

- 5) Properly fitted and maintained Personal Protective Equipment (PPE) which is suited to the job. The District provides employees with the necessary PPE such as hardhats, safety glasses, hearing protection, respirators, self-contained breathing apparatus, and protective electrical gear. The District trains in its proper use and care. As a matter of policy, the District also reimburses employees for the cost of safety shoes appropriate to the position and provides District safety attire.
- 6) Other Resources – Safety Manual. The District has developed and maintains a comprehensive safety manual to guide work practices, as well as meet various regulatory requirements. The Table of Contents of our Safety Manual is attached for your information. We will have one copy available at the meeting next week for you to see.
- 7) Recognition – The District instituted a safety incentive/reward program for full-time regular employees. The District pays \$200 incentive to each current employee who has been employed for at least six months and meets the criteria listed below. The District also awards one grand prize of \$500, based on a drawing of all eligible employees. This year, Samantha Ryan is the grand prize winner.

**Criteria to be eligible for incentive award:**

1. Participate in at least seventy five percent (75%) of monthly safety meetings during the calendar year. For newly hired employees that meet the eligibility requirements, percentage applies to eligible monthly safety meetings.
  2. Wear appropriate PPE when required on the job.
  3. 3a. Provide one safety awareness or preventative suggestion to supervisor and have it documented at a safety meeting or with the Safety Committee.
- One of  
3 per  
calendar  
year
- 3b. Report an incident or near miss incident or unsafe conditions.
  - 3c. Receive a “satisfactory” rating on annual performance evaluation under the “Safe Practices” category.

I am proud of the “safety culture” developed at the organization, and the results we have achieved. We have employees who “think about” safety and routinely employ safe work practices. As a result, we have had very few on-the-job injuries. Additionally, the District participates in ACWA/JPIA’s Commitment to Excellence Program (see attached) and continues to strive for implementation of best practices to prevent injuries and claims.

I would also like to acknowledge that Dale Davidsen, our Superintendent, and Chris Merz our Assistant Maintenance Supervisor who are instrumental in the continuation of the safety culture that exists within the organization today along with all of our employees who work safely every day. Both individuals continue to promote and grow this safety awareness.

Once again, Dale and I wish to thank the Board for your support in this area. Your support truly makes a difference.

**Attachments:**

2019 Safety Training Program Topics and minutes from last meeting  
 Table of Contents from Safety Manual  
 ACWA/JPIA Commitment to Excellence  
 ACWA/JPIA H. R. LaBounty Safety Award Spring 2018 and Fall 2018

## Safety/Training Program 2019

This is the Safety and Training schedule for 2019. Meetings will be scheduled well in advance to prepare all personnel in order to attain maximum participation. These classes will be scheduled in the planner for 2019 for everyone's reference.

<p><b>JAN Code of Safe Practices (WIIP):</b> Annual Reference Material: HBMWD Policy Class Time: 1 hour</p>	Dale
<p><b>EAP Overview-Dam Safety Plan:</b> Annual Reference Material: HBMWD Policy and procedure Class Time: ½ hour</p>	Dale
<p><b>Generator Air Quality Permit Requirement:</b> Annual Reference Material: AQMD Permits Class Time: ½ hour</p>	Mario/Larry
<p><b>FEB Chlorine Leak Response/Cl<sub>2</sub> Leak 'B' Kit:</b> Annual Reference Material: HBMWD Policy and procedures. PowerPoint presentation on system &amp; equipment. Class Time: 2 hours</p>	Chris/Ryan/Mario/Larry
<p><b>Hearing &amp; Respiratory Exams:</b> Annual Class Time: 1 hour</p>	Becky/M.R.O.H.
<p><b>MAR Rigging Safety:</b> Annual Reference Material: NCCCO Crane operator training handbook/PowerPoint presentation Class Time: 1 hour</p>	Keith/Russell
<p><b>Asbestos &amp; Silica Handling:</b> Annual Reference Material: Review of HBMWD safety manual policy, procedures &amp; exposure control plan. Training video also. Class Time: 1 hour</p>	Chris

**APR Confined Space/Gas Detectors: Annual**

Ryan/Paul/Dave

Reference Material: Review of HBMWD policy,  
& a powerpoint presentation.

Class Time: 1 hour

**Heat Illness Prevention Program: Annual**

Chris

Reference Material: Review of HBMWD policy  
& precautions. JPIA training video

Class Time: 1 hour

**May Traffic Control: Annual**

Ryan

Reference Material: Cal Trans Reference Book,  
powerpoint presentation and review of District equipment

Class Time: 1.5 hrs.

**Slips Trips & Falls: 3yrs**

Chris

Reference Material: Review of Districts code of safe work  
practices. Powerpoint presentation on material and sort video.

Class Time: 1 hour

**JUN Forklift Safety: Annual**

Chris

Reference Material: Powerpoint presentation on forklift function,  
review of operations manual and drive test of training course.

Class Time: 2.5 hours

**JUL Respirator Safety/Fit Testing: Annual**

Mario/Larry

Reference Material: District Safety Manual & JPIA video.

Fit test for each employee.

Class Time: 2 hours

**Aug Lockout Tagout: Annual**

Paul/Dave

Reference Material: Review of HBMWD safety procedures.

Powerpoint presentation on subject along with sort video.

Class Time: 1 hour

**Electrical Safety: 3yrs**

Paul/Dave

Reference Material: Review of practices & safety procedures  
to avoid exposure. NTT training manuals. Brief video on subject.

Class Time: 1 hour



**SEP Trench and Excavation Safety: Annual**

Ryan/Chris

Reference Material: PowerPoint presentation on safe practices and procedures. Review of HBMWD shoring equipment.

Class Time: 2 hours

**OCT Fall Protection, Scaffolding & Manbasket: 2yrs**

Chris

Reference Material: District Safety manual. Powerpoint presentation and sort video.

Class Time: 1.5 hours

**NOV S.D.S./Right to Know/Spill Prevention: Annual**

Chris

Reference Materials: District safety manual & Powerpoint presentation on subject matter.

Class Time: 1 hour

**Sexual Harassment Training: 2yrs**

Mario/Larry

Reference Materials: Review of District policy. JPIA training video on subject matter.

Class Time: 1 hour

**DEC ISI/Sperian SCBA Training: Annual**

Mario/Larry

Reference Material: Powerpoint presentation on subject matter and review of District safety policy & user's manuals.

Class Time: 2 hours

**NOTE: Defensive driver training is due this year. Typically JPIA has provided training on this subject. I have contacted them through email and discussed the matters with Carol Barake. She had to report that our District will be assigned a new advisor in January of 2019 and we could plan to schedule training sometime after March. We can discuss when to fit this training into the 2019 schedule. - CM**

HUMBOLDT BAY MUNICIPAL WATER DISTRICT  
Workplace Illness and Injury Prevention Program  
Safety Committee Meeting

## Minutes

Date: January 16, 2019

1. **Meeting** called to order at 1405hrs.
2. **Members Attending:**
  - Dale Davidsen
  - Russell Roberts
  - Bill Wardrip
  - Chris Merz
3. **Minutes** were approved from Meeting 18\_4 on October10, 2018. M/S/C Wardrip/Merz.

**Old Business:**

- A. It has been noted that after the remodel of Line Shed #5 there are two old 55 gallon drums of Alum located at the TRF sitting in the carport. The chemical is old and needs to be disposed of properly. Along with this, the Caustic Soda solution could also be disposed. We will look into methods and cost of disposal. *(Contents of tank have now been removed and the tank has been cleaned. Still waiting on removal of 8 barrels of caustic hazardous waste by World Oil to be complete. NLT ~~10-11-18~~, 11-16-18)-(Complete-remove)*
- B. It has been brought to attention that our eyewash stations might not be in compliance with supplied water temperature according to ANSI standards. We will look into Cal/OSHA regulations and discuss options. *(Through research it has been discovered that Cal/OSHA does not regulate to the ANSI standard, regarding supplied water temperature. This means we meet all regulatory standards. Secondary eyewash stations have been purchased and received. Installation of one unit still needs to be completed in the Maintenance Shop. Still waiting on final remodel of installation site. NLT ~~10-11-18~~, 1-9-19)-(Complete-remove)*
- C. A suggestion has been made to purchase and install a flammable cabinet in the Electrical Shop. This cabinet would be used to store common used chemicals, which would reduce the chance of a chemical exposure. *(Dave Corral is in the process of ordering a cabinet and will install it himself when it is acquired. NLT ~~10-11-18~~, 1-9-19)-(Complete-remove)*

- D. A question has been raised of how we can incorporate safety evaluations at our Eureka and Ruth facilities into our District safety program? *(Through conversations between committee members, it has been decided upon that this would be a good idea. An inspection form has been created for this purpose. Inspections of the Eureka Office, Ruth Hydro have been completed, with minimal deficiencies noted. Upon further discussion, it has been decided that inspections of various Essex facilities and the TRF will become part of this annual evaluation process. These additional inspections will be performed by committee members Dave Corral & Seth Stone. NLT-~~10-11-18~~, 1-9-18)-(Complete-remove. An additional column will be added to inspection sheet to note the date of any repair or follow-up needed.)*
- E. It has been brought to attention that the District's "Contractor's Agreement" could be updated to reflect more current safety policies and safe work practices. *(Dale will evaluate what content shall be altered and create a site orientation form for outside contractors to review before starting work on District property. NLT-~~10-11-18~~, ~~1-9-18~~, 4-10-19)*
- F. Upon recent use of the electrical boom truck (Unit #4), it has been noted that the backup camera has been intermittently working and the camera lens is hard to see through making it a potential safety hazard. A suggestion has been made of purchasing a new camera and relocating the camera in a more central location on the rear of the vehicle. *(A new replacement camera system has been proposed and Dale has approved purchase. Awaiting delivery of camera and will install A.S.A.P. NLT ~~1-9-19~~, 4-10-19)*
- G. A suggestion has been made that all individuals using cable cars communicate by radio to Essex Control what collectors they are traveling to. In addition to this, cable car users will also notify Essex Control when they have completed use. *(Bill Wardrip will create a memo to address communication procedures in using Collector cable cars. Dale will review memo and procedures before being implemented. NLT ~~1-9-19~~, 4-10-19)*
- H. It has been observed that some of the District's Safety Manual policies and procedures on various topics could be revised or updated. A list of these policies and procedures will be created by the Safety Committee. *(These revisions will be assigned to committee members to complete as time allows. The process of how these revisions will be done has been discussed among committee members. NLT-Until all necessary changes are met.)*

**New Business:**

- A. It has been proposed that the precautionary warning tags located on chlorine one ton cylinder fusible plugs could be relocated on tanks upon receiving, to mitigate the concern that the tags could cause interference during an emergency repair if there was a leak on one of the plugs. *(Operations Department will contact the supplier to investigate the necessity of having these tags mounted in the current location upon receiving. NLT-4-10-19)*
  
- B. Upon a recent inspection of Collector #1, it was noted that there is no current phone located on the collector starter deck. *(Investigation of available phone networking will be done. NLT-4-10-19)*

- 4. **Meeting adjourned: 1515hrs.**
  
- 5. **Next meeting scheduled for April 10, 2019.**

Prepared by: Chris Merz

Copy: General Manager  
Superintendent  
Maintenance Supervisor  
Operations Supervisor  
Bulletin board and file

## TABLE OF CONTENTS

### **General Policies/Plans**

1. Workplace Illness & Injury Prevention Program
2. Code of Safe Practices
3. General Emergency Action Plan for Each Facility (including fire protection component)
4. OSHA Inspection Procedures

### **Hazardous Materials/Chemicals Plans**

5. Hazard Communications Program
6. Chemical Hygiene Plan
7. Chlorine Emergency Procedures
8. Process Safety Management (for chlorine system)
9. Risk Management Plan (for accidental release of chlorine)

### **Safe Work Practices and Procedures**

10. Respiratory Protection Program
11. Confined Spaces Policy & Procedures
12. Energy (Lockout) Policy
13. Hot Work Permit
14. Heat Illness Prevention Program



ASSOCIATION OF CALIFORNIA WATER AGENCIES

# JOINT POWERS INSURANCE AUTHORITY

## Commitment to Excellence

### **HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

and the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) in mutual support for ensuring the most consistent, cost effective, and broadest possible affordable insurance coverage and related services, and in partnership with all ACWA/JPIA members, and in the interest of reducing **Humboldt Bay Municipal Water District's** insurance costs, commit to a program of excellence that, through the implementation of "best practices" reduces the potential and frequency of:

- **Vehicle Losses**
- **Infrastructure Related Losses**
- **Construction Related Losses**
- **Employment Practices Claims**
- **Ergonomic (Musculoskeletal) and Fall Injuries**

Walt "Andy" Sells (CEO, ACWA/JPIA)  
Signature

Carol Riesel (General Manager)  
Signature

[Signature] (Board Member)  
Signature

[Signature] (Board Member)  
Signature

[Signature] (Board Member)  
Signature

[Signature] (Board Member)  
Signature

[Signature] (Board Member)  
Signature

H.R. LaBounty Safety Award Winners – Spring 2018

David Diaz	American River FCD
Erich Quiring	American River FCD
Jose Ramirez, Jr.	American River FCD
Ross Kawamura	American River FCD
Scott Mehring	Byron-Bethany ID
Tony Papini	Byron-Bethany ID
Jason Cary	Cucamonga Valley WD
Robbie Victorino	Cucamonga Valley WD
Bryan Cooper	El Dorado ID
Carl Certiberi	El Dorado ID
Enrique Robles	El Dorado ID
Ryan Rothwell	El Dorado ID
Jose Martinez	Elsinore Valley MWD
David Reagan	Helix WD
Jeremy Boone	Helix WD
Kyle James	Helix WD
Larry Lyford	Helix WD
Michelle Berens	Helix WD
Milica Schipper	Helix WD
Maintenance Department	Humboldt Bay MWD
Aaron Gonzalez	Moulton Niguel WD
Alex Perez	Moulton Niguel WD
Dan Martinez	Moulton Niguel WD
Humberto Ramos	Moulton Niguel WD
Malachi Berard	Moulton Niguel WD
Marco Lazaro	Moulton Niguel WD
Bob Phillips	Orange CWD
Jimmy Pennella	Orange CWD
Pat Lewis	Orange CWD
Rae Krause	Orange CWD
Merissa Liskey	Orchard Dale WD
Troy Henry	Ramona MWD
Lora Rich	Rincon del Diablo MWD
Matthew Debrito	Scotts Valley WD
Chad Wodarczyk	South Coast WD
Dale Moses	South Coast WD

Name	District
Ross Kawamura	American River Flood Control District
Mark Swift	Central Coast Water Authority
Alex Sandoval	Crescenta Valley Water District
Skip Haskell	Eldorado Irrigation District
Humboldt Bay MWD Staff	Humboldt Bay Municipal Water District
Hydro Division Staff	Kings River Conservation District
Dale Snooks	La Habra Heights County Water District
Karina Butler	Merced Irrigation District
Eric Couture	Merced Irrigation District
Tom Rogers	Merced Irrigation District
"Skip" Sturtevant	Merced Irrigation District
Kirk Trombley	Merced Irrigation District
Dustin Burnside	Mesa Water District
Stephen Hershey	Mesa Water District
Darryl Hopkins	Mesa Water District
Stryder Huff	Mesa Water District
Tyler Jernigan	Mesa Water District
Bob Mitchell	Mesa Water District
Mark Pelka	Mesa Water District
Todd Novacek	Moulton Niguel Water District
Alex Adams	Orange County Water District
Pedro Alvaro	Orange County Water District
Quan Kha	Orange County Water District
Elizabeth Mosher	Orange County Water District
Elder Turcios	Orange County Water District
Chris Ahlgren	Ramona Municipal Water District
Robert Huff	San Luis & Delta-Mendota Water Authority
Richard Martin	San Luis & Delta-Mendota Water Authority
Ben Brown	Sweetwater Authority



Effective Date: February 12, 2019

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# Humboldt Bay Municipal Water District

## POLICY

### Legislative Advocacy and Priorities

Cancels:

See Also: Legislative Advocacy Procedures

Approved By: Board of Directors

#### Purpose

The purpose of the policy is to guide Humboldt Bay Municipal Water District officials and staff in considering legislative or regulatory proposals that are likely to have an impact on Humboldt Bay Municipal Water District, and to allow for a timely response to important legislative issues. Although the expenditure of public funds for the purpose of supporting or opposing a ballot measure or candidate is prohibited,<sup>1</sup> the expenditure of public funds is allowed to advocate for or against proposed legislation or regulatory actions which will affect the public agency expending the funds.<sup>2</sup>

The Advocacy Priorities will provide the Humboldt Bay Municipal Water District General Manager, or other designee, discretion to advocate in Humboldt Bay Municipal Water District's best interests in a manner consistent with the goals and priorities adopted by the Board of Directors. This policy is intended to be manageable, consistent, and tailored to the specific needs and culture of Humboldt Bay Municipal Water District.

#### Policy Goals

- Advocate the Humboldt Bay Municipal Water District legislative interests at the County, State, and Federal levels.
- Inform and provide information to the Board of Directors and district staff on the legislative process and key issues and legislation that could have a potential impact on the District.
- Serve as an active participant with other local governments, the Association of California Water Agencies, California Special Districts Association, and local government associations on legislative and regulatory issues that are important to the District and the region.
- Seek grant and funding assistance for Humboldt Bay Municipal Water District projects, services, and programs to enhance services for the community.

#### Policy Principles

The Board of Directors recognizes the need to protect Humboldt Bay Municipal Water District interests and local control, and to identify various avenues to implement its strategic and long-term goals. It is the policy of Humboldt Bay Municipal Water District to proactively monitor and advocate for legislation as directed by the Advocacy Priorities and by the specific direction of the Board of Directors.

This policy provides Humboldt Bay Municipal Water District General Manager, or other designee, the flexibility to adopt positions on legislation in a timely manner, while allowing the Board of

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<sup>1</sup> Cal. Gov. Code § 54964.

<sup>2</sup> Cal. Gov. Code § 53060.5; Stanson v. Mott (1976) 17 Cal. 3d 206.

Directors to set Advocacy Priorities to provide policy guidance. The Board of Directors have established various Advocacy Priorities and, so long as the position fits within the Advocacy Priorities, staff is authorized to take a position without board approval.

Whenever an applicable Advocacy Priority does not exist pertaining to legislation affecting the Humboldt Bay Municipal Water District, the matter shall be brought before the Board of Directors at a regularly scheduled board meeting for formal direction from the Board of Directors.

The Board of Directors will establish a standing committee of two Directors, the General Manager and the Business Manager, known as the "Legislative Advocacy Committee", with the authority to adopt a position when consideration by the full Board of Directors is not feasible within the time-constraints of the legislative process.

Generally, the Humboldt Bay Municipal Water District will not address matters that are not pertinent to the District's local government services, such as social issues or international relations issues.

### **Advocacy Priorities**

#### **Revenue, Finances, and Taxation**

Ensure adequate funding for Humboldt Bay Municipal Water Districts' safe and reliable core local service delivery. Protect Humboldt Bay Municipal Water Districts' resources from the shift or diversion of revenues without the consent of the Humboldt Bay Municipal Water District's Board of Directors. Promote the financial independence of Humboldt Bay Municipal Water District and afford it access to revenue opportunities equal to that of other types of local agencies. Protect and preserve special district's property tax allocations and local flexibility with revenue and diversify local revenue sources.

Support opportunities that allow the district to compete for its fair share of regional, state, and federal funding, and that maintain funding streams. Opportunities may include competitive grant and funding programs. Opportunities may also include dedicated funding streams at the regional, state, or federal levels that allow the district to maximize local revenues, offset and leverage capital expenditures, and maintain Humboldt Bay Municipal Water District goals and standards.

#### **Governance and Accountability**

Enhance special districts' ability to govern as independent, local government bodies in an open and accessible manner. Encourage best practices that avoid burdensome, costly, redundant or one-size-fits all approaches. Protect meaningful public participation in local agency formations, dissolutions, and reorganizations, and ensure local services meet the unique needs, priorities, and preferences of each community.

Oppose additional public meeting and records requirements that unnecessarily increase the burden on public resources without effectively fostering public engagement and enhancing accountability of government agencies.

Promote local-level solutions, decision-making, and management concerning service delivery and governance structures while upholding voter control and maintaining LAFCO authority over local government jurisdictional reorganizations and/or consolidations.

**Human Resources and Personnel**

Promote policies related to hiring, management, and benefits and retirement that afford flexibility, contain costs, and enhance the ability to recruit and retain highly qualified, career-minded employees to public service. As public agency employers, support policies that foster productive relationships between management and employees.

Maintain special districts' ability to exercise local flexibility by minimizing state mandated contract requirements. Oppose any measure that would hinder the ability of Humboldt Bay Municipal Water District to maximize local resources and efficiencies through the use of contracted services.

**Infrastructure, Innovation, and Investment**

Encourage prudent planning for investment and maintenance of innovative long-term infrastructure. Support the contracting flexibility and fiscal tools and incentives needed to help special districts meet California's changing demands. Promote the efficient, effective, and sustainable delivery of core local services.

Prevent restrictive one-size-fits-all public works requirements that increase costs to ratepayers and reduce local flexibility.

Effective Date: February 12, 2019

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## Humboldt Bay Municipal Water District

### PROCEDURES

### Legislative Advocacy

Cancels:

See Also: Legislative Advocacy and  
Priorities Policy

Approved By: Board of Directors

#### Purpose

The purpose for identifying Legislative Advocacy Procedures and Priorities is to provide clear direction to Humboldt Bay Municipal Water District staff with regard to monitoring and acting upon bills during state and federal legislative sessions. Adherence to Legislative Advocacy Procedures and Priorities will ensure that legislative inquiries and responses will be administered consistently with “one voice” as to the identified Advocacy Priorities adopted by the Board of Directors. The Legislative Advocacy Procedures and Advocacy Priorities will provide the Humboldt Bay Municipal Water District General Manager, or other designee, discretion to advocate in Humboldt Bay Municipal Water District’s best interests in a manner consistent with the goals and priorities adopted by the Board of Directors. This procedure is intended to be manageable, consistent, and tailored to the specific needs and culture of Humboldt Bay Municipal Water District.

#### Legislative Advocacy Procedures

It is the policy of Humboldt Bay Municipal Water District to proactively monitor and advocate for legislation as directed by the Advocacy Priorities and by the specific direction of the Board of Directors. This process involves interaction with local, state, and federal government entities both in regard to specific items of legislation and to promote positive intergovernmental relationships. Accordingly, involvement and participation in regional, state, and national organizations is encouraged and supported by the Humboldt Bay Municipal Water District.

Monitoring legislation is a shared function of the Board of Directors and General Manager or designated staff. The Legislative Advocacy Procedures are the process by which staff will track and respond to legislative issues in a timely and consistent manner. The General Manager, or other designee, will act on legislation utilizing the following procedures:

1. The General Manager or other designee shall review requests that the Humboldt Bay Municipal Water District take a position on legislative issues to determine if the legislation aligns with the District’s current approved Advocacy Priorities.
2. The General Manager or other designee will conduct a review of positions and analysis completed by the Association of California Water Agencies, California Special Districts Association and other local government associations or coalitions when formulating positions.

3. If the matter aligns with the approved priorities, Humboldt Bay Municipal Water District's response shall be supplied in the form of a letter to the legislative body reviewing the bill or measure. Advocacy methods utilized on behalf of the District, including but not limited to letters, phone calls, emails, and prepared forms, will be communicated through the General Manager or designee. The General Manager or designee shall advise staff to administer the form of advocacy, typically via letters signed by the General Manager, or designee, on behalf of the Board of Directors.
4. All draft legislative position letters initiated by the General Manager or designee shall state whether the District is requesting "support", "support if amended", "oppose", or "oppose unless amended" action on the issue, and shall include adequate justification for the recommended action. If possible, the letter should include examples of how a bill would specifically affect the District, e.g. "the funding the District will lose due to this bill could pay for X capital improvements."
  - a. Support – legislation in this area advances the District's goals and priorities.
  - b. Oppose – legislation in this area could potentially harm, negatively impact or undo positive momentum for the District, or does not advance the District's goals and priorities.
5. The General Manager may also provide a letter of concern or interest regarding a legislative issue without taking a formal position on a piece of legislation. Letters of concern or interest are to be administered through the General Manager or designee.
6. When a letter is sent to a state or federal legislative body, the appropriate federal or state legislators representing the Humboldt Bay Municipal Water District shall be included as a copy or "cc" on the letter. The appropriate contacts at the Association of California Water Agencies, California Special Districts Association and other local government associations, if applicable, shall be included as a cc on legislative letters.
7. A position may be adopted by the General Manager or designee if any of the following criteria is met:
  - a. The position is consistent with the adopted Advocacy Priorities;
  - b. The position is consistent with that of organizations to which the District is a member, such as the Association of California Water Agencies, California Special Districts Association; or
  - c. The position is approved by the Board of Directors [or the Legislative Advocacy Committee].
8. All legislative positions adopted via a process outside of a regularly scheduled Board Meeting shall be communicated to the Board of Directors at the next regularly scheduled Board Meeting. When appropriate, the General Manager or other designee will submit a report (either written or verbal) summarizing activity on legislative measures to the Board of Directors.

## Humboldt Bay Municipal Water District

### Legislative Advocacy Committee

#### Purpose Statement

#### COMPOSITION

The Legislative Advocacy Committee is an ad-hoc advisory committee composed of the following representatives:

- a. i. The Board President and one additional Board member who is nominated by the President and approved by the Board, OR
  - ii. Two Board members approved by the Board
- AND
- b. the General Manager AND Business Manager

#### PURPOSE

When an applicable Advocacy Priority does not exist pertaining to legislation affecting the District and there is insufficient time to bring the matter before the full Board of Directors for consideration at a regularly scheduled meeting, the Legislative Advocacy committee has the authority to adopt a position.

#### ACTIVITIES

Typical activities the Legislative Advocacy Committee may be involved in include:

1. Conducting research on proposed legislation.
2. Attending committee meetings to determine whether or not to adopt a legislative position that is not on the Advocacy Priority list.
3. Confer with District membership entities such as ACWA or CSDA.
4. Confer with other relevant coalitions.

<b>Other Assignments/Appointments</b>		
ACWA Region 1 Board Member	NA	
ACWA-JPIA Board Member	J. Bruce Rupp (regular) John Friedenbach (alternate) Barbara Hecathorn (alternate)	Until new appointment by Board
JPIA Employee Benefits Committee	J. Bruce Rupp	Until new appointment
JPIA Executive Committee	J. Bruce Rupp	Until new appointment
ACWA Finance Committee, Vice Chair	J. Bruce Rupp	Until new appointment
RREDC Board Member	Neal Latt (regular) Barbara Hecathorn (alternate)	Until new appointment by Board
RCEA Board Member	Sheri Woo (regular) Barbara Hecathorn (alternate)	Until new appointment by Board
Countywide RDA Oversight Board Member	J. Bruce Rupp	Until Next Election Cycle
<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
<b>Committee Assignments (Con't) (Charters Attached)</b>		
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) and Ruth Lake CSD  HBMWD Members: President Sheri Woo and GM Alternate: Neal Latt	Until new appointment
Water Resource Planning Advisory Committee	Bruce Rupp and Sheri Woo	Until new appointment
Committee to Support and Advance Local Water Sales and Advance Consideration of "Transport" Option	J. Bruce Rupp and Neal Latt	Until new appointment

Committee to Support Consideration of an Instream Flow Dedication in the Mad River	Sheri Woo and Michelle Fuller	Until new appointment
Board Policy & Evaluations Committee	President and J. Bruce Rupp	Until new appointment
Education and Outreach Committee	Barbara Hecathorn and Michelle Fuller	Until new appointment
District Website Social Media Ad-Hoc Committee	Sheri Woo and Michelle Fuller, Business Manager	Until new appointment
Mad River Policy Committee	Board President and Director Fuller	Until new appointment



**Humboldt Bay Municipal Water District**

To: Board of Directors

From: John Friedenbach

Date: January 30, 2019

Re: **Hydro ReMAT Contract – PG&E Bankruptcy filing**

**Discussion**

The District entered into a Renewable Market Adjusting Tariff (ReMAT) Power Purchase Agreement (PPA) with PG&E for sale of our electrical power from the Gosselin Hydro Electric Power Plant at Ruth. This is a twenty-year contract with an initial commercial operation date of May 15, 2017. Therefore, the contract sunsets in May of 2037.

As announced in the news this week, PG&E has filed for bankruptcy. Section 14 of the PPA entitled Events of Default and Termination provides in subsection 14.2 the various Events of Default.

“14.2.1 With respect to either Party:  
14.2.1.1 A Party becomes Bankrupt;...”

Section 14.5 Calculation of Settlement Amount and subsection 14.5.1 define how a settlement amount is calculated. It states:

“If either Party exercises a termination right under Section 14 after the Commercial Operation Date, the non-defaulting Party shall calculate a settlement amount (“Settlement Amount”) equal to the amount of the non-defaulting Party’s aggregate Losses and Costs less any Gains, determined as of the Early Termination Date. ...”

The District has not been notified by PG&E that they have or intend to exercise this termination option. It is too early in the bankruptcy process to evaluate if the District should exercise this default option. It is uncertain if another more favorable purchase rate would be offered by PG&E than the existing PPA. Therefore, staff recommends that the PG&E bankruptcy proceedings be monitored as they relate to ReMAT contracts and communicate our concerns with our area state representatives.

To: Board of Directors

From: John Friedenbach

Date: January 30, 2019

Subject: Policy Change to Holiday Section of Employee Handbook

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**Background:**

The District's Employee Handbook was last updated in January 2018. While implementing the updated employee handbook during this past calendar year, a request was made by our Operations staff for a minor change.

Section 4001.2 Holidays in part states:

“When a paid holiday falls on a Saturday, the District will recognize the preceding Friday as the holiday. When a paid holiday falls on a Sunday, the District will recognize the following Monday as the holiday.

Should a paid holiday fall on your regular day off, your Floating Holiday Bank balance will be increased by 8 hours. Floating Holiday banked hours are *always* use/lose, (cannot be accrued or cashed in, see 4001.3 for details) with the exception of the additions made for the Christmas Eve or Christmas Day holidays. Floating Holiday Bank hours granted for either of those two holidays will expire February 28<sup>th</sup> of the following year. “

In practice, this provision only applies to operations staff who are required to work 24/7/365. Prior to the 2018 update, if a paid holiday landed on an employee's regular day off, they were provided an additional eight hours of vacation. The 2018 update changed this from receiving additional vacation hours to receiving an additional eight hours of floating holiday. The floating holidays are always use/lose by the end of calendar year. An exception was made for the Christmas Eve and Christmas floating holiday expiration since there is only one week after Christmas until the end of the calendar year. Floating holiday bank hours granted for these two holidays are allowed to expire on February 28<sup>th</sup> of the following year. Thus, providing approximately two months within which use them without creating a burden on operations.

**Current:**

Operations Staff is requesting that Floating Holiday hours banked for Thanksgiving and the Day after Thanksgiving also be allowed to expire on February 28<sup>th</sup> of the new year. It has become apparent that given the short time frame between Thanksgiving and Christmas, requests for vacations during this time and the coverage needed to staff all shifts, it is difficult to provide the floating holiday time off banked at Thanksgiving prior to the end of the calendar year. This will not result in any additional costs to the District. Benefits of this modified policy will be fewer scheduling challenges at the end of the calendar year and happier employees with overall improved morale.

**Staff Recommendation:**

Staff recommends the Board update the Employee Handbook Section 4001.2 Holidays to include Thanksgiving Day and the Day after Thanksgiving listed as exceptions to use/lose by end of the year, expiring instead on February 28<sup>th</sup> of the following year. This change will only affect limited number of operations employees.

**Attachment:**

Employee handbook page 42 Section 4001.2 Holidays red-lined changes.

Vacation days in excess of the above will be paid out by the District at the end of the calendar year in which the accumulation limit is exceeded. In extenuating circumstances, the General Manager may make an exception.

Employees, at their discretion, will be allowed to cash-in up to five days of earned vacation in any one calendar year. This will be paid at their regular base salary.

**4001.2 Holidays** - Full-time employees are entitled to the following eleven paid regular holidays:

1. New Year's Day	January 1
2. Martin Luther King Day	3 <sup>rd</sup> Monday in January
3. Presidents' Day	3 <sup>rd</sup> Monday in February
4. Memorial Day	Last Monday in May
5. Independence Day	July 4 <sup>th</sup>
6. Labor Day	1 <sup>st</sup> Monday in September
7. Veterans' Day	November 11
8. Thanksgiving	4 <sup>th</sup> Thursday in November
9. Day after Thanksgiving	4 <sup>th</sup> Friday in November
10. Christmas Eve	December 24 <sup>th</sup>
11. Christmas	December 25 <sup>th</sup>

When a paid holiday falls on a Saturday, the District will recognize the preceding Friday as the holiday. When a paid holiday falls on a Sunday, the District will recognize the following Monday as the holiday.

Should a paid holiday fall on your regular day off, your Floating Holiday Bank balance will be increased by 8 hours. Floating Holiday banked hours are *always* use/lose, (cannot be accrued or cashed in, see 4001.3 for details) with the exception of additions made for Thanksgiving, the Day after Thanksgiving, the Christmas Eve or Christmas Day holidays. Floating Holiday Bank hours granted for either any of those ~~two~~ four holidays will expire February 28<sup>th</sup> of the following year.

**4001.3 Floating Holiday Bank** - Full-time employees are granted three Floating Holidays (24 hours) per year. At the beginning of each calendar year employees will receive 24 hours posted to their Floating Holiday Bank. New hires are granted one (1) hour for the first pay period in which they started work (regardless of the start date) and one (1) hour per pay period through the end of the calendar year. These hours will be calculated and posted to their Floating Holiday Bank within the first month of hire. Floating Holiday hours cannot be accrued or cashed-in. Employees are encouraged to use them prior to the calendar year-end. The *only* exception is regarding banked hours related to regular paid holidays (see 4001.2 for details). The use of Floating Holiday hours must be scheduled and approved in advance with your supervisor. These requests will

**Engineering**



January 23, 2019

Reference No. 11182085

Mr. John Friedenbach  
Humboldt Bay Municipal Water District  
828 Seventh Street  
Eureka, CA 95501

**Re: Submittal of Mad River Cross Sections for 2018**

Dear John:

We have enclosed two hardcopies of the 2018 survey of the Mad River Cross Sections at Essex. We have also enclosed a CD with an electronic copy of the drawings in PDF and AutoCAD format.

In the past few years of this annual cross section monitoring process, the channel against the north bank at Sections 2 and 3 has been the one area of concern with regard to District operations with the observed changes to the cross sections. The channel on the north bank at Section 3 (between Pump Station 1 and Pump Station 6) and at Section 2 (downstream of Pump Station 6) had generally deepened over the past few years prior to this year's iteration. The deepening of the north bank channel suggested that the weir placed just downstream of Section 3 to divert flows back toward Pump Station 6 (PS-6) is losing its effectiveness. Failure of the weir, or movement of the main channel thalweg to the north, would prevent the effective operation of the surface water intake at PS-6, which is located on the south bank of the river between Sections 2 and 3. The situation did not necessarily worsen between 2017 and 2018, but it is still an area of concern. The northern channel at Section 2 filled in slightly. The main channel narrowed some toward the north, while the northern bank of the channel held relatively constant. The main channel at Section 3 did not change significantly, though the very northern end did fill in slightly. As recommended last year, if the Industrial System remains idle in 2019, dredging activities are likely not required. However, if a customer is identified for the Industrial System, it is recommended that the southern channel be deepened by dredging to ensure the effective operation of PS-6. Additionally, the District and GHD have begun working toward initiating the design process for reinforcing the rock jetty on the right bank of the river. The design will also potentially add new elements to improve the effectiveness of the jetty and weir to ensure that the main channel of the river continues to run past the intake for PS-6. Additionally, erosion along the left bank near PS-4 is becoming a concern, as noted in the discussion on Section 7 below.

The other sections do not indicate any areas of concern. The southern channel at Section 1, the farthest section downstream of Essex, aggraded or filled in slightly from 2017 to 2018, and the southern bank of the northern channel aggraded slightly as well. However, the overall cross section profile was generally very similar to the 2016 and 2017 profiles.

Sections 2 (downstream of PS-6) and 3 (between PS-1 and PS-6) have changed slightly as noted above. The changes that have occurred in these sections over the last few years warrant some design and construction work to ensure that the main channel of the river runs past the PS-6 intake.



The channel on the north bank of Section 4 (between PS-1 and PS-2) has filled in since 2016. It had deepened over 2.5 feet between 2014 and 2016, so it is not surprising that it aggraded some after that. The southern end of the northern channel deepened slightly from 2017 to 2018, but the cross section generally did not change much from last year.

The southern portion of the Section 5 channel (just upstream of PS-2) deepened some since last year, and the northern portion of the channel aggraded some. The profile at this section has changed very little in the past several years.

There have been some minor changes at Section 6, just downstream of PS-3. It has deepened slightly in some areas and filled in slightly in others. A hump of sediment has been deposited in the middle of the cross section, creating two distinct channels. This should not affect District operations.

The main channel at Section 7, immediately downstream of PS-4, has seen the channel move away from the north bank and towards the center of the channel over the last few years. The area of the sand bar built up around PS-4 had largely washed away between 2015 and 2016 and further eroded over the last couple years. This is not of major concern for the operation of the pump station, but the area will have to be built up again if the boom truck or a crane are required to perform maintenance on the pump station. It should also be noted that the erosion along the left bank is deepening and worsening. This change was apparent between 2016 and 2017 but was not as noticeable from 2017 to 2018. However, the river has come up since the 2018 survey occurred, and Dale Davidsen has recently noticed a serious amount of erosion upstream of PS-4. This has become a safety hazard for the public, and HBMWD is going to install construction fencing to close off the upper end of the parking lot at Park 4. When the river level drops, this area should be evaluated to determine if it would be prudent to armor the bank.

Similar to the time period between 2016 and 2017, there has been a fairly dramatic change in the channel cross section at Section 8 (just downstream of PS-5) between 2017 and 2018. Between 2016 and 2017, the main channel moved away from the south bank towards the central part of the section. The main channel has continued to shift northward since 2017. The area along the central channel has filled in, and the channel has moved to the north, where the 2017 northern bank of the central channel has deepened by approximately 4 feet. Additionally, the northernmost auxiliary channel has aggraded approximately 8 feet since 2017. This portion of the section looks more like it did in 2016. While significant changes have occurred in this section, none of the changes should affect District operations.



As always, we appreciate the opportunity to assist you on this project. Please do not hesitate to call me if you have any questions.

Sincerely,

GHD

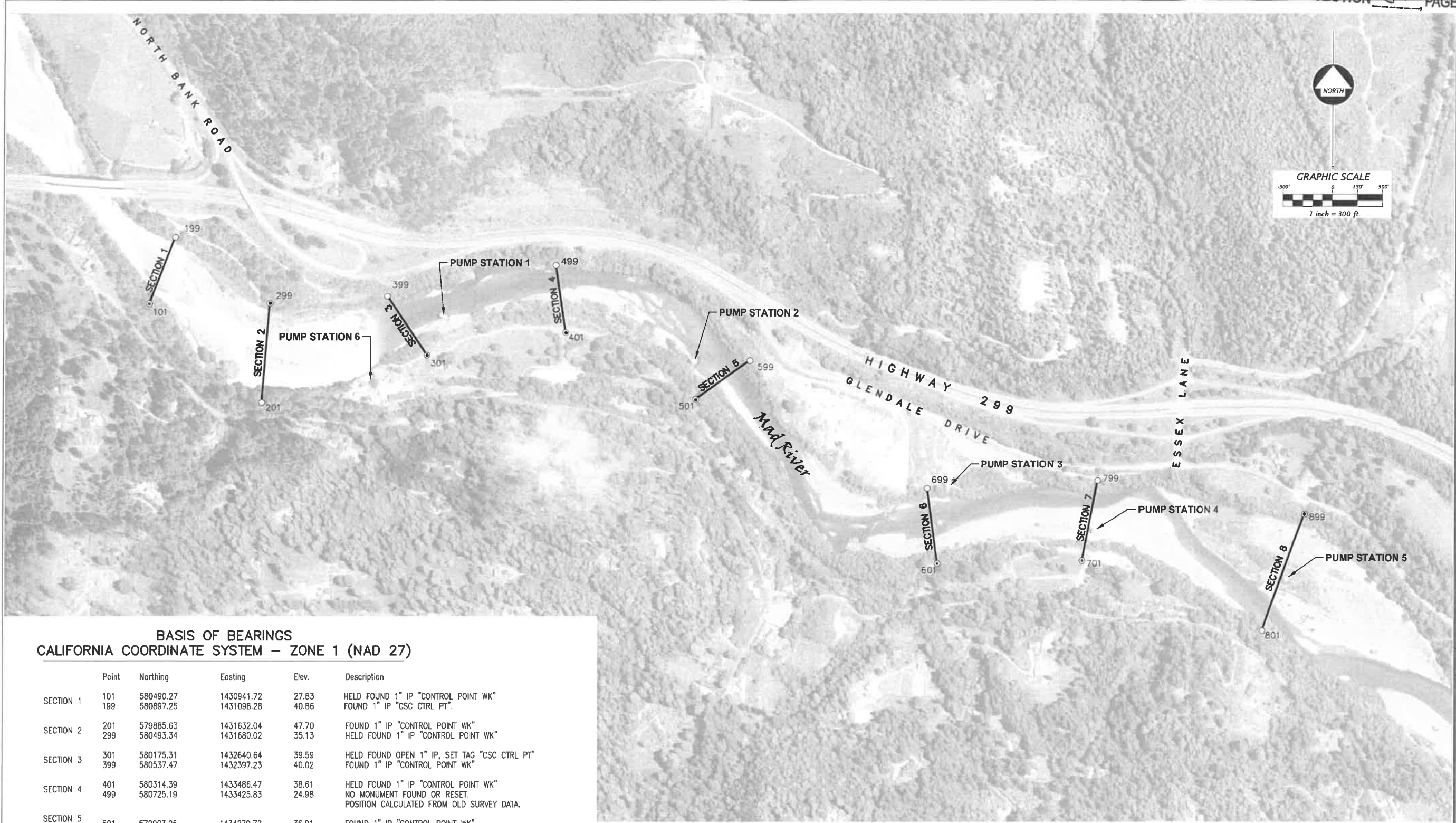
A handwritten signature in black ink, appearing to be "PK", written over a light grey circular stamp.

Patrick Kaspari, PE  
District Engineer

Encl.: 2018 Survey of the Mad River Cross Sections at Essex

cc: Dale Davidsen, Superintendent, HBMWD





**BASIS OF BEARINGS  
CALIFORNIA COORDINATE SYSTEM – ZONE 1 (NAD 27)**

	Point	Northing	Easting	Elev.	Description
SECTION 1	101	580490.27	1430941.72	27.83	HELD FOUND 1" IP "CONTROL POINT WK"
	199	580697.25	1431098.28	40.86	FOUND 1" IP "CSC CTRL PT"
SECTION 2	201	579885.63	1431632.04	47.70	FOUND 1" IP "CONTROL POINT WK"
	299	580493.34	1431680.02	35.13	HELD FOUND 1" IP "CONTROL POINT WK"
SECTION 3	301	580175.31	1432640.64	39.59	HELD FOUND OPEN 1" IP, SET TAG "CSC CTRL PT"
	399	580537.47	1432397.23	40.02	FOUND 1" IP "CONTROL POINT WK"
SECTION 4	401	580314.39	1433486.47	38.61	HELD FOUND 1" IP "CONTROL POINT WK"
	499	580725.19	1433425.83	24.98	NO MONUMENT FOUND OR RESET. POSITION CALCULATED FROM OLD SURVEY DATA.
SECTION 5	501	579903.95	1434279.72	36.01	FOUND 1" IP "CONTROL POINT WK"
	599	580140.54	1434614.96	64.48	HELD 1" IP "CONTROL POINT WK"
SECTION 6	601	578898.74	1435765.94	40.73	HELD FOUND 1" IP "CONTROL POINT WK"
	699	579359.22	1435702.74	48.29	FOUND 1" IP "CONTROL POINT WK"
SECTION 7	701	578916.78	1436643.30	47.77	HELD 1" IP TAGGED "CSC CONTROL"
	799	579406.72	1436739.01	60.81	FOUND 1" IP "CONTROL POINT WK"
SECTION 8	801	578486.94	1437754.23	68.50	FOUND 1" IP "CONTROL POINT WK"
	899	579199.47	1438012.41	67.02	HELD FOUND 1" IP "CONTROL POINT WK"

RECORD POSITIONS ARE SHOWN WHERE THEY AGREE WITHIN 1' HORIZONTALLY AND 0.1' VERTICALLY--  
MEAS. DISTANCES AND ELEVATIONS ARE SHOWN IN DESCRIPTION IF FOUND TO BE OUT OF THIS TOLERANCE.

SECTIONS ON ATTACHED SHEETS FACE WESTERLY (DOWNSTREAM VIEW).

**LEGEND**

- ⊙ FOUND RECORD SURVEY MONUMENT, HELD FOR POSITION
- FOUND RECORD MONUMENT AS NOTED

ORTHOPHOTO IS FOR GENERAL INFORMATION ONLY AND DOES NOT INDICATE WATER/GRAVEL CONDITIONS AT TIME OF SURVEY.

SUBCONSULTANT  
**POINTS WEST SURVEYING CO.**  
5701 Carlton Park Dr., Suite 3  
Livermore, CA 94551  
707-840-9510 - Phone 707-840-9542 - Fax

**GHD Inc.**  
718 Third Street, Eureka California 95501 USA  
T 707 443 8828 F 707 444 8330  
W www.ghd.com

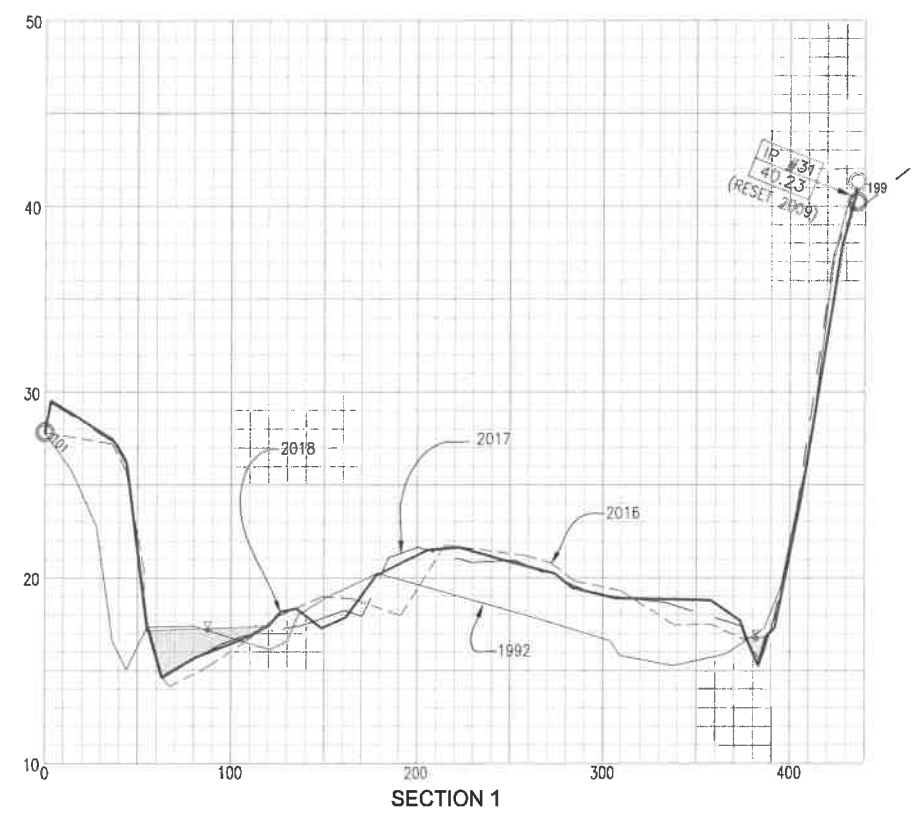


BAR IS ONE INCH ON ORIGINAL DRAWING  
0 1"

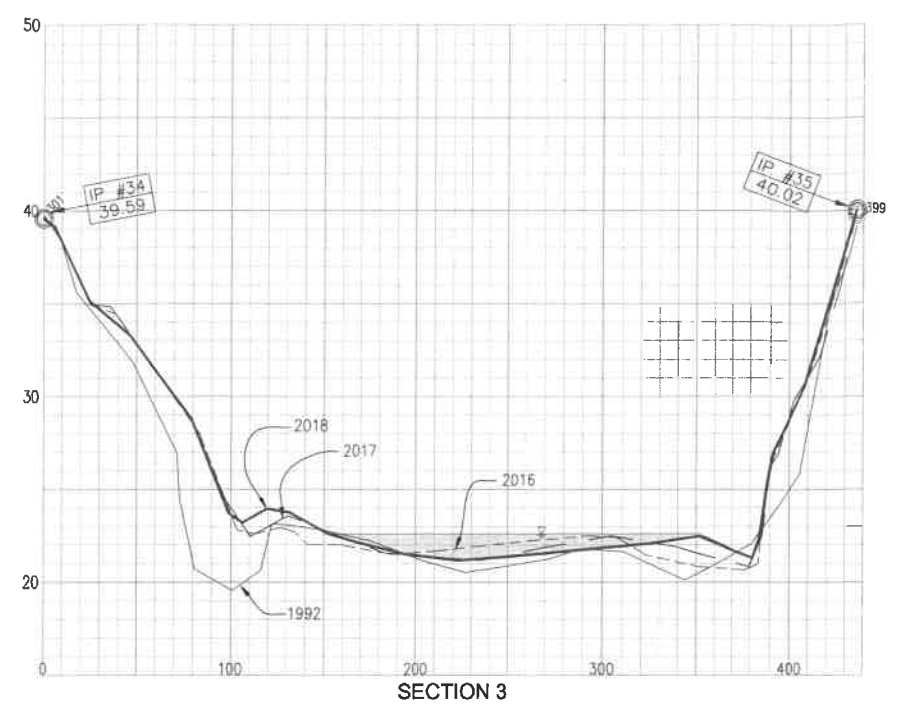
MARK	DATE	DESCRIPTION	ISSUE

HUMBOLDT BAY MUNICIPAL WATER DISTRICT  
SURVEY DATE: SEPTEMBER 5 & 12, 2018  
**MAD RIVER ESSEX - 2018**  
**CROSS SECTION INDEX**

PROJ NO: 11182085  
DRWN: WJP CHKD: DAC



SECTION 1



SECTION 3

**LEGEND**

1992 \_\_\_\_\_

1994\* - - - - -

2016 - - - - -

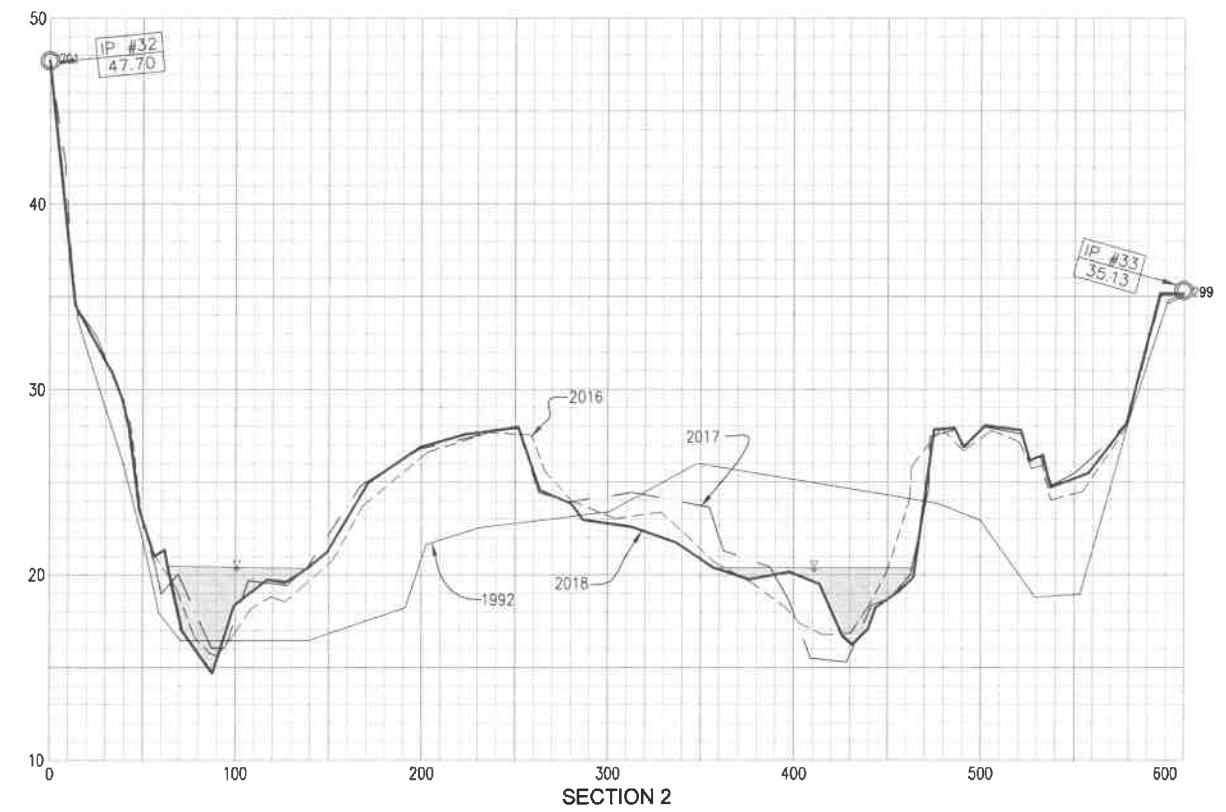
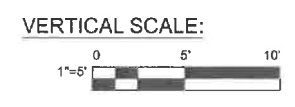
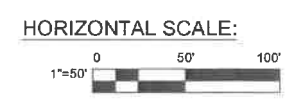
2017 - - - - -

2018 \_\_\_\_\_

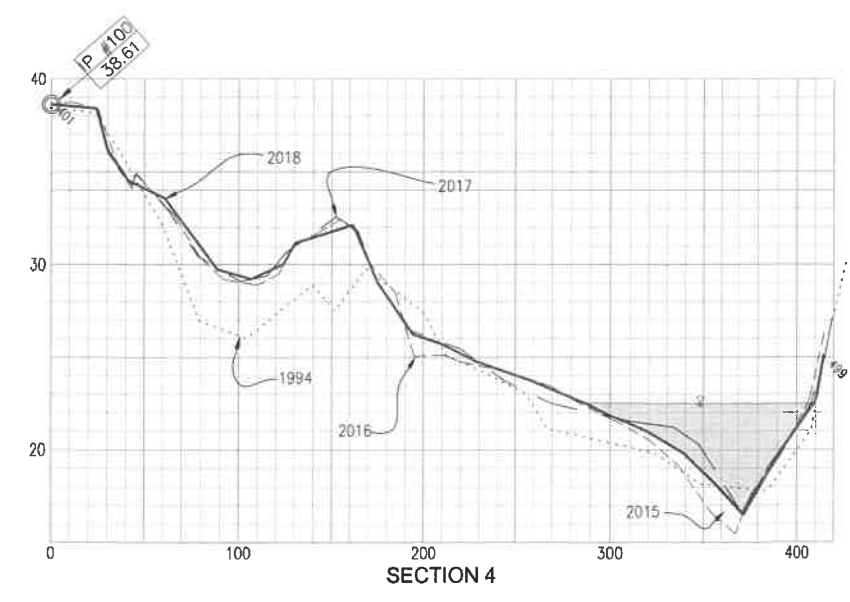
WATER SURFACE ON SEPTEMBER 5 & 12, 2018

SURVEY CONTROL POINT IDENTIFICATION & ELEVATION (FEET)

\* Section 4 only



SECTION 2



SECTION 4

SUBCONSULTANT

**POINTS WEST SURVEYING CO.**  
 5201 Carlton Park Dr., Suite 3  
 Eureka, CA 95521  
 707-840-9510 Phone 707-840-9542 Fax

**GHD Inc.**  
 718 Third Street Eureka California 96501 USA  
 T 707-443-8826 F 707-444-6330  
 W www.ghd.com



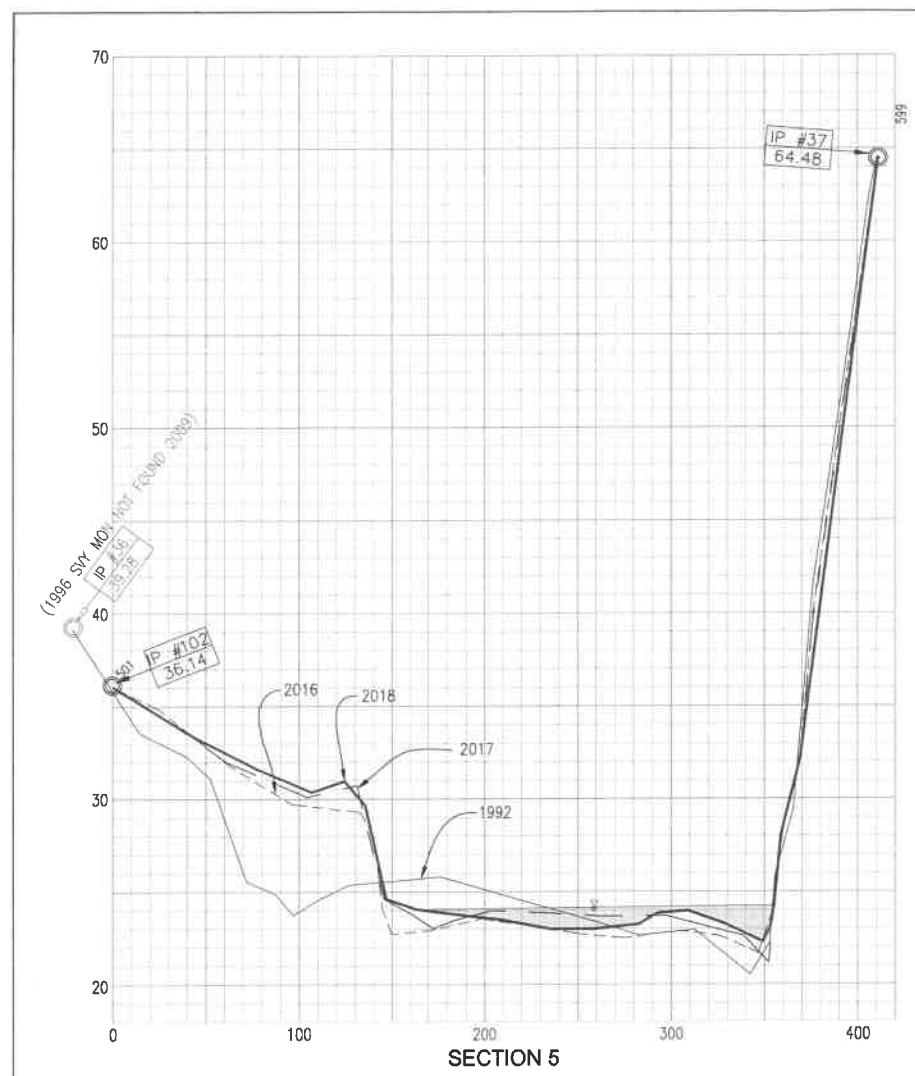
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1"

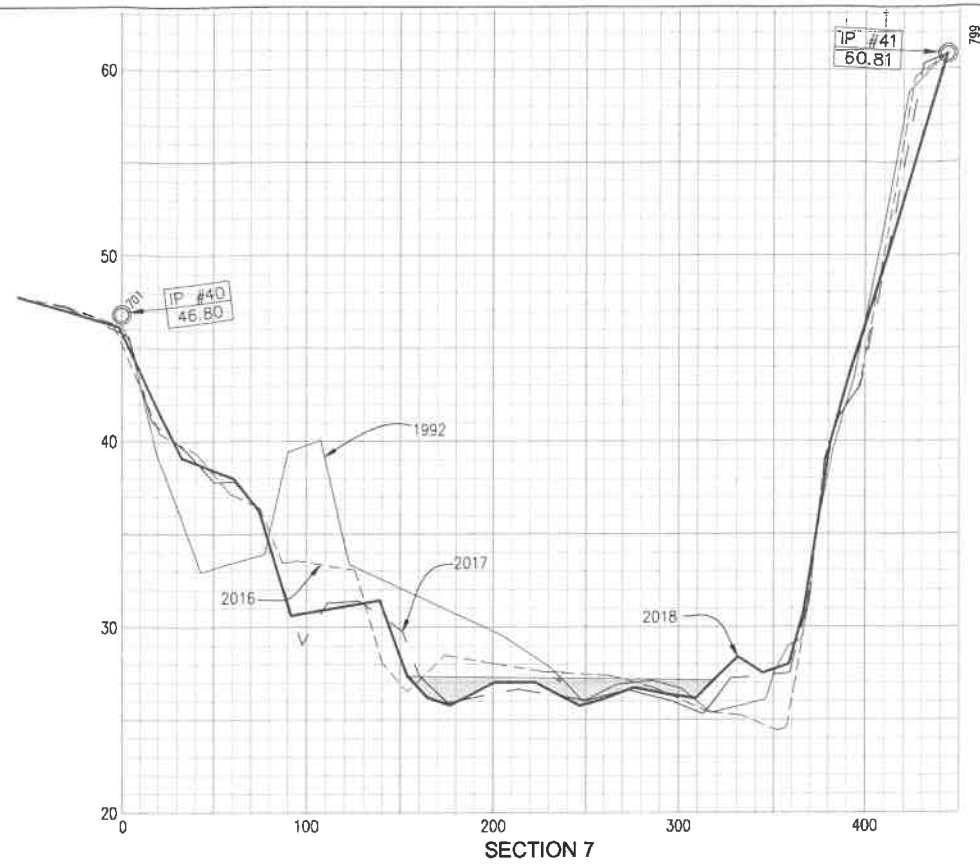
MARK	DATE	DESCRIPTION	ISSUE

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**  
 SURVEY DATE: SEPTEMBER 5 & 12, 2018  
**MAD RIVER ESSEX - 2018**  
**CROSS SECTIONS 1 - 4**

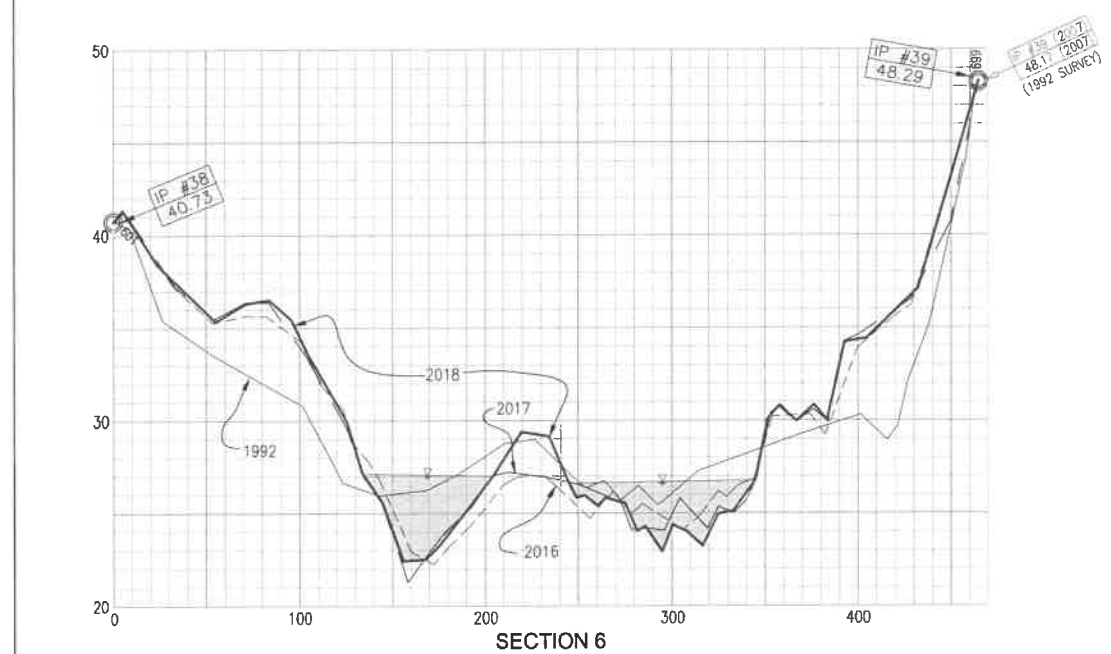
PROJ NO: 11182085  
 DRWN: WJP/SJD CHKD: DAC  
 SHEET 2 OF 3



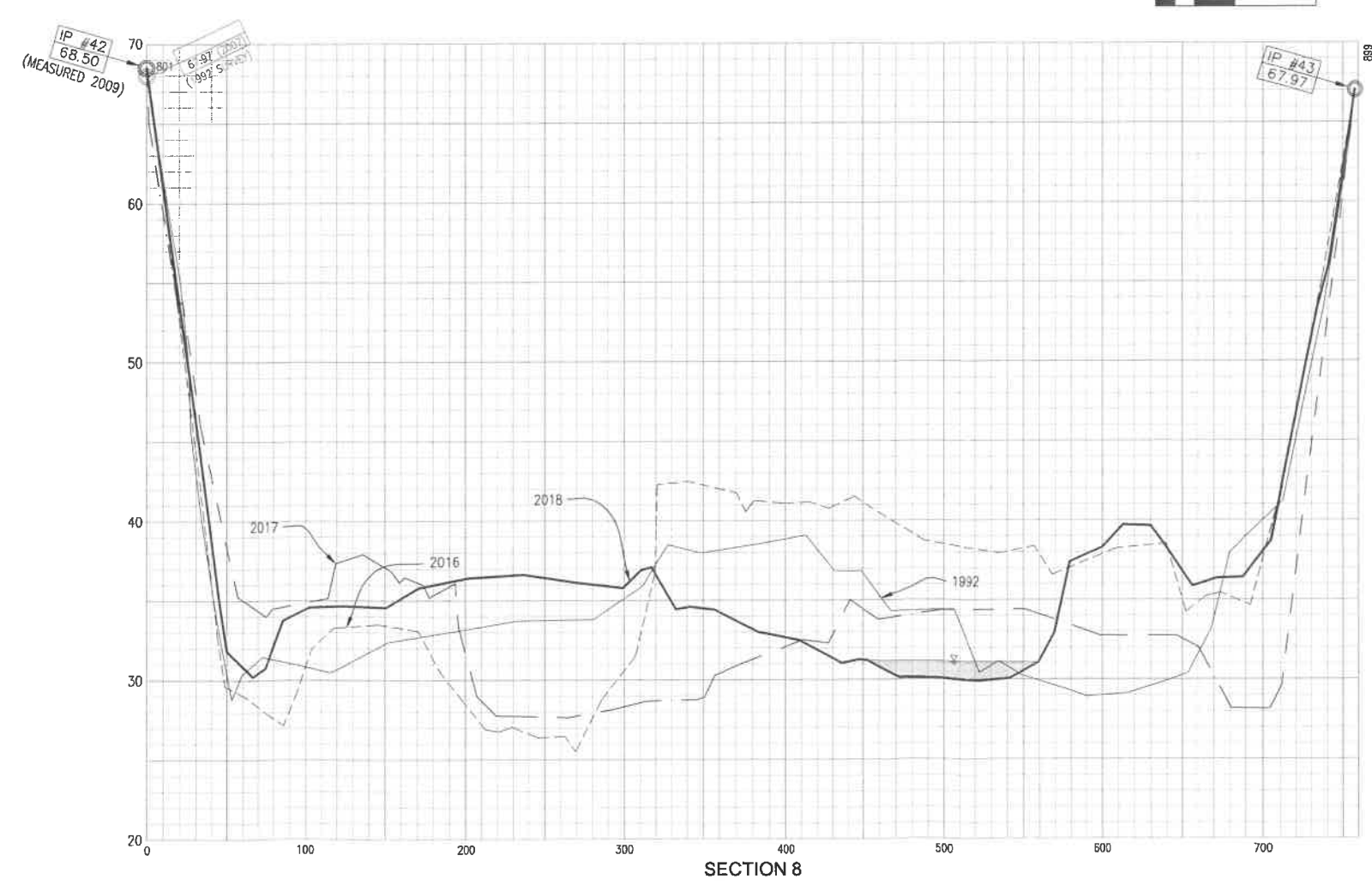
SECTION 5



SECTION 7



SECTION 6



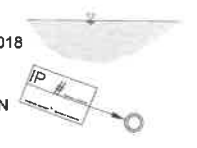
SECTION 8

**LEGEND**

- 1992
- 2016
- 2017
- 2018

WATER SURFACE ON  
SEPTEMBER 5 & 12, 2018

SURVEY CONTROL  
POINT IDENTIFICATION  
& ELEVATION (FEET)



HORIZONTAL SCALE:



VERTICAL SCALE:



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**GHD Inc.**  
718 Third Street, Eureka California 95501 USA  
T 1 707 443 8326 F 1 707 444 8330  
W www.ghd.com



BAR IS ONE INCH ON  
ORIGINAL DRAWING

MARK	DATE	DESCRIPTION	ISSUE

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**  
SURVEY DATE: SEPTEMBER 5 & 12, 2018  
**MAD RIVER ESSEX - 2018**  
**CROSS SECTIONS 5 - 8**

PROJ NO: 11182085  
DRWN: WJP/SJD CHKD: DAC

**FINANCIAL**

**Humboldt Bay Municipal Water District**

Memo to: Board of Directors

From: Chris Harris, Business Manager  
Becky Moyle, Accounting & Human Resources Specialist

Date: February 6, 2019

Subject: Financial Report for January 2019

The Financial Report for January 2019 has not been completed for the BlueBook. We are still learning the new Accounting Software and setting up new Financial Reports.

Attached are the Monthly Expense by Vendor Detail and the Monthly Overtime Reports.

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--  
Report dates: 1/1/2019-1/31/2019Page: 1  
Feb 06, 2019 09:04AM

Vendor Name	Date Paid	Description	Amount Paid	GL Account Number
<b>101Netlink</b>				
101Netlink	01/09/2019	<i>Ruth Data Link/Internet</i>	160.00	500-40-58-5060-58200
Total 101Netlink:			160.00	
<b>ACWA/JPIA</b>				
ACWA/JPIA	01/30/2019	<i>MEDICAL INSURANCE</i>	1,509.48	500-20-51-5030-54110
ACWA/JPIA	01/30/2019	<i>MEDICAL INSURANCE</i>	9,778.59	500-20-52-5030-54110
ACWA/JPIA	01/30/2019	<i>MEDICAL INSURANCE</i>	513.33	500-20-53-5030-54110
ACWA/JPIA	01/30/2019	<i>MEDICAL INSURANCE</i>	9,153.45	500-20-54-5030-54110
ACWA/JPIA	01/30/2019	<i>MEDICAL INSURANCE</i>	5,753.31	500-20-57-5030-54110
ACWA/JPIA	01/30/2019	<i>MEDICAL INSURANCE</i>	4,284.49	700-20-55-5030-54110
ACWA/JPIA	01/30/2019	<i>MEDICAL INSURANCE</i>	16,858.40	500-20-56-5030-54110
ACWA/JPIA	01/30/2019	<i>MEDICAL INSURANCE</i>	2,973.22	500-20-58-5030-54110
ACWA/JPIA	01/30/2019	<i>VISON INSURANCE</i>	14.88	500-20-51-5030-54130
ACWA/JPIA	01/30/2019	<i>VISON INSURANCE</i>	96.42	500-20-52-5030-54130
ACWA/JPIA	01/30/2019	<i>VISON INSURANCE</i>	5.06	500-20-53-5030-54130
ACWA/JPIA	01/30/2019	<i>VISON INSURANCE</i>	90.25	500-20-54-5030-54130
ACWA/JPIA	01/30/2019	<i>VISON INSURANCE</i>	56.73	500-20-57-5030-54130
ACWA/JPIA	01/30/2019	<i>VISON INSURANCE</i>	42.24	700-20-55-5030-54130
ACWA/JPIA	01/30/2019	<i>VISON INSURANCE</i>	259.02	500-20-56-5030-54130
ACWA/JPIA	01/30/2019	<i>VISON INSURANCE</i>	29.32	500-20-58-5030-54130
ACWA/JPIA	01/30/2019	<i>EE PAY DEDUCTIONS</i>	1,027.60	100-10-10-2145-22800
ACWA/JPIA	01/30/2019	<i>DENTAL INSURANCE</i>	66.77	500-20-51-5030-54120
ACWA/JPIA	01/30/2019	<i>DENTAL INSURANCE</i>	432.57	500-20-52-5030-54120
ACWA/JPIA	01/30/2019	<i>DENTAL INSURANCE</i>	22.71	500-20-53-5030-54120
ACWA/JPIA	01/30/2019	<i>DENTAL INSURANCE</i>	404.92	500-20-54-5030-54120
ACWA/JPIA	01/30/2019	<i>DENTAL INSURANCE</i>	254.51	500-20-57-5030-54120
ACWA/JPIA	01/30/2019	<i>DENTAL INSURANCE</i>	189.53	700-20-55-5030-54120
ACWA/JPIA	01/30/2019	<i>DENTAL INSURANCE</i>	1,163.03	500-20-56-5030-54120
ACWA/JPIA	01/30/2019	<i>DENTAL INSURANCE</i>	131.52	500-20-58-5030-54120
ACWA/JPIA	01/30/2019	<i>EAP</i>	1.88	500-20-51-5045-57120
ACWA/JPIA	01/30/2019	<i>EAP</i>	12.21	500-20-52-5045-57120
ACWA/JPIA	01/30/2019	<i>EAP</i>	.64	500-20-53-5045-57120
ACWA/JPIA	01/30/2019	<i>EAP</i>	11.43	500-20-54-5045-57120
ACWA/JPIA	01/30/2019	<i>EAP</i>	7.18	500-20-57-5045-57120
ACWA/JPIA	01/30/2019	<i>EAP</i>	5.35	700-20-55-5045-57120
ACWA/JPIA	01/30/2019	<i>EAP</i>	32.80	500-20-56-5045-57120
ACWA/JPIA	01/30/2019	<i>EAP</i>	3.71	500-20-58-5045-57120
ACWA/JPIA	01/30/2019	<i>RETIREE MEDICAL</i>	11,353.02	500-20-56-5033-55110
ACWA/JPIA	01/30/2019	<i>COBRA Vision</i>	55.68	500-20-56-5033-55140
ACWA/JPIA	01/30/2019	<i>COBRA Dental</i>	164.12	500-20-56-5033-55120
ACWA/JPIA	01/31/2019	<i>Workers Compensation Program Oct-De</i>	589.55	500-20-51-5035-56110
ACWA/JPIA	01/31/2019	<i>Workers Compensation Program Oct-De</i>	3,819.20	500-20-52-5035-56110
ACWA/JPIA	01/31/2019	<i>Workers Compensation Program Oct-De</i>	200.49	500-20-53-5035-56110
ACWA/JPIA	01/31/2019	<i>Workers Compensation Program Oct-De</i>	3,575.04	500-20-54-5035-56110
ACWA/JPIA	01/31/2019	<i>Workers Compensation Program Oct-De</i>	2,247.05	500-20-57-5035-56110
ACWA/JPIA	01/31/2019	<i>Workers Compensation Program Oct-De</i>	1,673.38	700-20-55-5035-56110
ACWA/JPIA	01/31/2019	<i>Workers Compensation Program Oct-De</i>	6,584.34	500-20-56-5035-56110
ACWA/JPIA	01/31/2019	<i>Workers Compensation Program Oct-De</i>	1,161.24	500-20-58-5035-56110
Total ACWA/JPIA:			86,609.66	
<b>Advanced Security Systems</b>				
Advanced Security Systems	01/31/2019	<i>Ruth Hydro Quarterly Alarm System Mo</i>	76.50	500-30-58-5120-58400

Vendor Name	Date Paid	Description	Amount Paid	GL Account Number
Total Advanced Security Systems:			76.50	
<b>Almquist Lumber</b>				
Almquist Lumber	01/25/2019	Superintendent Office Remodel	12.79	190-10-10-1230-11220
Almquist Lumber	01/31/2019	Electrical shop work table	19.96	500-30-54-5120-58400
Almquist Lumber	01/31/2019	Superintendent Office Remodel	101.16	190-10-10-1230-11220
Almquist Lumber	01/31/2019	Essex Server Room Window Trim	40.16	500-40-54-5170-58910
Total Almquist Lumber:			174.07	
<b>Altec Industries, Inc</b>				
Altec Industries, Inc	01/31/2019	Unit 4 maintenance	586.57	500-30-54-5120-58420
Total Altec Industries, Inc:			586.57	
<b>Arcata Stationers</b>				
Arcata Stationers	01/09/2019	Essex office supplies	229.05	500-40-54-5170-58900
Arcata Stationers	01/31/2019	Replace Essex Operations chairs	518.63	190-10-10-1230-11220
Total Arcata Stationers:			747.68	
<b>AT &amp; T</b>				
AT & T	01/25/2019	Samoa/Essex LandLine	239.21	500-40-52-5060-58200
AT & T	01/25/2019	Eureka/Essex LandLine	39.26	500-40-54-5060-58200
AT & T	01/25/2019	Arcata/Essex LandLine	39.26	500-40-54-5060-58200
AT & T	01/25/2019	Blue Lake Meter Signal Line	64.73	500-40-52-5060-58200
AT & T	01/25/2019	Eureka Office Modem Line	178.06	500-40-56-5060-58200
AT & T	01/25/2019	Eureka Office Alarm Line	104.84	500-40-56-5060-58200
AT & T	01/25/2019	Samoa Booster Pump Station	102.83	500-40-52-5060-58200
AT & T	01/25/2019	Vavle Building Samoa	177.01	500-40-52-5060-58200
AT & T	01/25/2019	Eureka office	409.95	500-40-56-5060-58200
AT & T	01/25/2019	Essex office	990.14	500-40-54-5060-58200
AT & T	01/25/2019	TRF	171.82	500-40-57-5060-58200
AT & T	01/25/2019	Ruth Hydro/Dataline	171.77	500-40-58-5060-58200
AT & T	01/11/2019	Eueka Office Long Distance	183.71	500-40-56-5060-58200
Total AT & T:			2,872.59	
<b>AT&amp;T Advertising Solutions</b>				
AT&T Advertising Solutio	01/31/2019	white page listing	21.00	500-40-56-5170-58900
Total AT&T Advertising Solutions:			21.00	
<b>AT&amp;T Long Distance</b>				
AT&T Long Distance	01/25/2019	Essex Control Long Distance	105.88	500-40-52-5060-58200
AT&T Long Distance	01/25/2019	TRF Long Distance	8.56	500-40-57-5060-58200
AT&T Long Distance	01/25/2019	Essex Office Long Distance	410.51	500-40-54-5060-58200
AT&T Long Distance	01/25/2019	Eureka Office Long Distance	6.70	500-40-56-5060-58200
AT&T Long Distance	01/25/2019	Ruth Hydro/Dataline Long Distance	165.86	500-40-58-5060-58200
Total AT&T Long Distance:			697.51	
<b>ATS Communications</b>				
ATS Communications	01/09/2019	Configure TRF Suddenlink Router	50.00	500-40-57-5060-58210
ATS Communications	01/09/2019	Configure Blue Lake Suddenlink Router	50.00	500-40-54-5060-58210
ATS Communications	01/09/2019	Configure Fieldbrook-Glendale CSD Sud	75.00	900-40-55-5060-58210

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ATS Communications	01/09/2019	<i>Configure Fieldbrook-Glendale CSD Sud</i>	75.00	900-40-55-5060-58210
ATS Communications	01/31/2019	<i>Collector Communication</i>	770.00	500-30-52-5120-58400
Total ATS Communications:			1,020.00	
<b>B&amp;B Portable Toilets</b>				
B&B Portable Toilets	01/31/2019	<i>Portable toilet rental for Park 1</i>	75.50	500-30-54-5120-58400
Total B&B Portable Toilets:			75.50	
<b>Chris Merz</b>				
Chris Merz	01/25/2019	<i>Expense Reimbursement Safety Boots</i>	271.24	500-30-54-5135-58500
Total Chris Merz:			271.24	
<b>City of Eureka</b>				
City of Eureka	01/09/2019	<i>Eureka office water/sewer</i>	73.88	500-40-56-5170-58900
Total City of Eureka:			73.88	
<b>Coast Central Credit Union</b>				
Coast Central Credit Union	01/04/2019	0	400.00	100-10-10-2145-22845
Total Coast Central Credit Union:			400.00	
<b>Coastal Business Systems Inc.</b>				
Coastal Business Systems I	01/11/2019	<i>Eureka office copy and fax machine</i>	940.53	500-40-56-5170-58900
Coastal Business Systems I	01/11/2019	<i>Over Maintenance Agreement Allocation</i>	800.67	500-40-56-5170-58900
Total Coastal Business Systems Inc.:			1,741.20	
<b>Corey Borghino</b>				
Corey Borghino	01/11/2019	<i>auto mileage reimbursement</i>	55.26	500-30-56-5120-58420
Total Corey Borghino:			55.26	
<b>Cummins Pacific LLC</b>				
Cummins Pacific LLC	01/31/2019	<i>Emergency Generator for Communicatio</i>	3,676.26	190-10-10-1230-11220
Total Cummins Pacific LLC:			3,676.26	
<b>Dave Perkins</b>				
Dave Perkins	01/31/2019	<i>auto mileage reimbursement</i>	185.66	500-30-58-5120-58420
Dave Perkins	01/02/2019	<i>auto mileage reimbursement</i>	253.75	500-30-58-5120-58420
Total Dave Perkins:			439.41	
<b>Employment Develop.Dept</b>				
Employment Develop.Dept	01/04/2019	499-0345-3	928.97	100-10-10-2135-22740
Employment Develop.Dept	01/04/2019	499-0345-3	2,786.86	100-10-10-2135-22750
Employment Develop.Dept	01/04/2019	499-0345-3	3,986.26	100-10-10-2135-22725
Total Employment Develop.Dept:			7,702.09	
<b>Eureka Oxygen</b>				
Eureka Oxygen	01/09/2019	<i>cylinder rental</i>	111.64	500-30-54-5120-58410



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Vendor Name	Date Paid	Description	Amount Paid	GL Account Number
Total Eureka Oxygen:			111.64	
<b>FEDEX</b>				
FEDEX	01/31/2019	ship FERC EAP	17.22	500-40-51-5170-58900
FEDEX	01/31/2019	ship FERC EAP	16.95	500-40-58-5170-58900
FEDEX	01/31/2019	return TRF part (wrong part)	11.32	500-40-57-5170-58900
Total FEDEX:			45.49	
<b>Ferguson Waterworks</b>				
Ferguson Waterworks	01/25/2019	Fieldbrook-Glendale CSD Radio Read M	2,433.10	900-30-55-5120-58400
Total Ferguson Waterworks:			2,433.10	
<b>FleetPride</b>				
FleetPride	01/31/2019	Air Ride Seat Unit 5-Boom Truck	725.83	190-10-10-1230-11220
FleetPride	01/31/2019	Air Ride Seat Unit 5-Boom Truck	28.20	190-10-10-1230-11220
Total FleetPride:			754.03	
<b>Fortuna Iron Corporation</b>				
Fortuna Iron Corporation	01/31/2019	TRF Chemical Storage	134.69	500-30-57-5120-58400
Total Fortuna Iron Corporation:			134.69	
<b>Found.Cross-Connection</b>				
Found.Cross-Connection	01/09/2019	Backflow prevention Annual Membership	88.80	900-40-56-5150-58700
Found.Cross-Connection	01/09/2019	Backflow Prevention Annual Membershi	31.20	700-40-56-5150-58700
Total Found.Cross-Connection:			120.00	
<b>Frontier Communications</b>				
Frontier Communications	01/31/2019	Ruth HQ Phone	51.36	500-40-51-5060-58200
Frontier Communications	01/31/2019	Ruth Hydro/Ruth Dataline	162.53	500-40-58-5060-58200
Total Frontier Communications:			213.89	
<b>GEI Consultants, Inc</b>				
GEI Consultants, Inc	01/31/2019	FERC Dam Safety Engineer	137.50	500-40-58-5180-59030
Total GEI Consultants, Inc:			137.50	
<b>Genesis Computer Systems, Inc</b>				
Genesis Computer Systems,	01/31/2019	Replace Essex Control System Computer	1,033.01	190-10-10-1230-11220
Total Genesis Computer Systems, Inc:			1,033.01	
<b>GHD</b>				
GHD	01/31/2019	Surge Tower Replacement	5,771.25	190-10-10-1230-11210
GHD	01/31/2019	Blue Lake-Fieldbrook CSD River Crossi	6,790.75	190-10-10-1230-11210
GHD	01/31/2019	Collector 3 Monitoring Well Destruction	244.50	500-30-52-5180-59000
GHD	01/31/2019	General Engineering	1,706.00	500-30-54-5180-59000
GHD	01/31/2019	General Engineering	527.50	500-30-56-5180-59000
GHD	01/31/2019	Mad River Cross Section Survey	211.00	500-30-54-5180-59000
GHD	01/31/2019	Wildlife Conservation Brd SRP Streambe	6,107.00	500-30-54-5180-59000
GHD	01/31/2019	12KV Switchgear Replacement	6,994.00	190-10-10-1230-11210

Vendor Name	Date Paid	Description	Amount Paid	GL Account Number
GHD	01/31/2019	Grant - Essex Chlorine Scrubber	107.50	500-30-54-5180-59000
GHD	01/31/2019	Dam Break Inundation Mapping Update	107.50	500-30-51-5180-59000
GHD	01/31/2019	Blue Lake-Fieldbrook CSD River Crossi	2,095.88	190-10-10-1230-11210
Total GHD:			30,662.88	
<b>H.T. Harvey &amp; Associates</b>				
H.T. Harvey & Associates	01/11/2019	Assistance with Streambed Flow Enhanc	7,972.25	500-40-56-5180-59030
H.T. Harvey & Associates	01/31/2019	Assistance with Streambed Flow Enhanc	5,172.75	500-30-54-5180-59000
Total H.T. Harvey & Associates:			13,145.00	
<b>Harbor Freight Tools</b>				
Harbor Freight Tools	01/31/2019	equipment storage	17.61	500-30-54-5120-58400
Total Harbor Freight Tools:			17.61	
<b>Health Equity Inc</b>				
Health Equity Inc	01/09/2019	January Administrative Fees	32.45	500-20-56-5030-54115
Health Equity Inc	01/04/2019	District HSA Contributions 9 employees	4,500.00	500-20-54-5030-54115
Health Equity Inc	01/04/2019	District HSA Contributions - 2 employee	1,000.00	500-20-56-5030-54115
Health Equity Inc	01/23/2019	Employee HSA Contribution	1,533.68	100-10-10-2145-22830
Health Equity Inc	01/23/2019	District HSA Contribution	2,680.48	500-20-56-5030-54115
Health Equity Inc	01/23/2019	District HSA Contribution	9,869.04	500-20-54-5030-54115
Total Health Equity Inc:			19,615.65	
<b>Hensel Hardware</b>				
Hensel Hardware	01/09/2019	Pump Station 2 Inspection Cover Mainte	27.83	500-30-52-5120-58400
Hensel Hardware	01/31/2019	park restroom maintenance	16.06	500-30-54-5120-58400
Hensel Hardware	01/31/2019	TRF eyewash repair	38.88	500-30-53-5135-58500
Hensel Hardware	01/31/2019	maintenance supplies	17.34	500-30-54-5120-58410
Hensel Hardware	01/31/2019	maintenance supplies	23.31	500-30-54-5120-58410
Hensel Hardware	01/31/2019	Essex maintenance supplies	8.12	500-30-54-5120-58400
Hensel Hardware	01/31/2019	Collectors 1 & 4 bug zappers	99.79	500-30-52-5120-58400
Hensel Hardware	01/31/2019	Essex tool storage	20.60	500-30-54-5120-58400
Total Hensel Hardware:			251.93	
<b>Henwood Associates, Inc</b>				
Henwood Associates, Inc	01/31/2019	Consultant Services Agreement	455.04	100-10-56-5180-59040
Henwood Associates, Inc	01/09/2019	Consultant Services Agreement	408.43	100-10-58-5180-59040
Total Henwood Associates, Inc:			863.47	
<b>Hopkins Technical Products, Inc</b>				
Hopkins Technical Product	01/09/2019	TRF N-Poly Pump Repair	387.70	500-30-57-5120-58400
Total Hopkins Technical Products, Inc:			387.70	
<b>Humboldt County Treasurer</b>				
Humboldt County Treasure	02/01/2019	Fund No 2712 Account 800870	.00	100-10-10-1160-12310
Humboldt County Treasure	02/01/2019	PF1 Municipalities SRF Payment Fund 3	.00	500-10-10-1160-12360
Humboldt County Treasure	01/09/2019	Fund No 2712 Account 800870	8,866.25	100-10-10-1160-12310
Total Humboldt County Treasurer:			8,866.25	

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<b>Humboldt Redwood Company, LLC</b>				
Humboldt Redwood Compa	01/31/2019	<i>Mt Pierce Lease site</i>	294.08	500-40-54-5060-58250
Total Humboldt Redwood Company, LLC:			294.08	
<b>Industrial Electric</b>				
Industrial Electric	01/31/2019	<i>Essex Electrical outlets-Maint Shop</i>	104.96	500-30-54-5120-58400
Industrial Electric	01/31/2019	<i>Replace Essex Server Cabinet</i>	194.30	190-10-10-1230-11220
Total Industrial Electric:			299.26	
<b>Instrument Technology Corporation</b>				
Instrument Technology Cor	01/09/2019	<i>Utility Line Locator</i>	6,249.50	190-10-10-1230-11220
Total Instrument Technology Corporation:			6,249.50	
<b>IRS</b>				
IRS	01/04/2019	<i>94-6050067</i>	9,257.00	100-10-10-2135-22720
IRS	01/04/2019	<i>94-6050067</i>	1,335.86	100-10-10-2135-22735
IRS	01/04/2019	<i>94-6050067</i>	1,335.86	100-10-10-2135-22735
IRS	01/04/2019	<i>94-6050067</i>	5,711.91	100-10-10-2135-22730
IRS	01/04/2019	<i>94-6050067</i>	5,711.91	100-10-10-2135-22730
Total IRS:			23,352.54	
<b>JTN Energy, LLC</b>				
JTN Energy, LLC	01/31/2019	<i>Consultant Services Agreement</i>	455.04	100-10-56-5180-59040
JTN Energy, LLC	01/09/2019	<i>Consultant Services Agreement</i>	408.43	100-10-58-5180-59040
Total JTN Energy, LLC:			863.47	
<b>Keith Daggs</b>				
Keith Daggs	01/25/2019	<i>Expense Reimbursement - Safety Boots</i>	271.24	500-30-54-5135-58500
Total Keith Daggs:			271.24	
<b>Mario Palmero</b>				
Mario Palmero	01/09/2019	<i>Keys for Picketts Peak</i>	30.38	500-40-54-5060-58250
Mario Palmero	01/09/2019	<i>Vehicle Fuel</i>	10.00	500-30-54-5120-58420
Mario Palmero	01/09/2019	<i>Essex office supplies</i>	27.39	500-40-54-5170-58900
Mario Palmero	01/09/2019	<i>Postage for Parts Return</i>	3.50	500-40-54-5170-58900
Mario Palmero	01/09/2019	<i>Customer Service Supplies</i>	3.76	700-30-55-5120-58410
Mario Palmero	01/09/2019	<i>Essex Safety Meeting</i>	29.72	500-30-54-5135-58500
Mario Palmero	01/09/2019	<i>Holiday Celebration</i>	24.87	500-40-54-5160-58800
Mario Palmero	01/09/2019	<i>TRF Repair</i>	9.75	500-30-57-5120-58400
Mario Palmero	01/09/2019	<i>Work Gloves</i>	11.99	500-30-54-5120-58410
Total Mario Palmero:			151.36	
<b>McMaster-Carr Supply</b>				
McMaster-Carr Supply	01/31/2019	<i>TRF chemical system maint</i>	188.88	500-30-57-5120-58400
McMaster-Carr Supply	01/31/2019	<i>Credit for Parts Return -TRF chemical sy</i>	102.66	500-30-57-5120-58400
McMaster-Carr Supply	01/31/2019	<i>Essex maint shop supplies</i>	191.58	500-30-54-5120-58410
Total McMaster-Carr Supply:			277.80	

Vendor Name	Date Paid	Description	Amount Paid	GL Account Number
Mercer-Fraser Company				
Mercer-Fraser Company	01/09/2019	Blue Lake/Fieldbrook-Glendale CSD Riv	51,147.68	190-10-10-1230-11210
Total Mercer-Fraser Company:			51,147.68	
<b>Miller Farms Nursery</b>				
Miller Farms Nursery	01/31/2019	equipment maintenance	48.91	500-30-54-5120-58400
Miller Farms Nursery	01/31/2019	equipment maintenance	106.21	500-30-54-5120-58400
Miller Farms Nursery	01/31/2019	chainsaw maintenance	22.89	500-30-54-5120-58400
Miller Farms Nursery	01/31/2019	safety supplies	150.83	500-30-54-5135-58500
Total Miller Farms Nursery:			328.84	
<b>Mission Linen</b>				
Mission Linen	01/09/2019	Uniform Rental	114.32	500-30-54-5120-58410
Mission Linen	01/09/2019	maintenance supplies	23.00	500-30-54-5120-58410
Mission Linen	01/09/2019	Uniform Rental	111.25	500-30-54-5120-58410
Mission Linen	01/09/2019	Uniform Rental	119.01	500-30-54-5120-58410
Mission Linen	01/09/2019	maintenance supplies	23.00	500-30-54-5120-58410
Mission Linen	01/09/2019	Uniform Rental	120.61	500-30-54-5120-58410
Total Mission Linen:			511.19	
<b>Mitchell, Brisso, Delaney &amp; Vrieze</b>				
Mitchell, Brisso, Delaney &	01/09/2019	Legal services - December 2018	816.00	500-40-56-5180-59020
Total Mitchell, Brisso, Delaney & Vrieze:			816.00	
<b>Napa Auto Parts</b>				
Napa Auto Parts	01/09/2019	6" Generac Pump brake conversion	42.99	500-30-54-5120-58400
Napa Auto Parts	01/31/2019	Unit 4 service	122.83	500-30-54-5120-58420
Napa Auto Parts	01/31/2019	Equipment maintenance	15.63	500-30-54-5120-58400
Napa Auto Parts	01/31/2019	Essex maintenance supplies	18.17	500-30-54-5120-58410
Napa Auto Parts	01/31/2019	Essex maintenance supplies	52.66	500-30-54-5120-58410
Napa Auto Parts	01/31/2019	Unit 5 battery	341.65	500-30-54-5120-58420
Napa Auto Parts	01/31/2019	Unit 5 battery - core deposit refund	58.59	500-30-54-5120-58420
Napa Auto Parts	01/31/2019	TRF Lab heater	13.95	500-30-57-5120-58400
Napa Auto Parts	01/31/2019	Unit 5 repair	12.25	500-30-54-5120-58420
Napa Auto Parts	01/31/2019	Unit 4 backup camera	166.65	500-30-54-5135-58500
Total Napa Auto Parts:			728.19	
<b>NEAC</b>				
NEAC	01/31/2019	Annual Membership	40.00	500-40-56-5150-58700
Total NEAC:			40.00	
<b>Network Management Services</b>				
Network Management Serv	01/31/2019	Essential Care Computer Service for Eur	1,086.19	500-40-56-5170-58920
Network Management Serv	01/31/2019	Eureka office computer assistance	443.65	500-40-56-5170-58920
Total Network Management Services:			1,529.84	
<b>North Coast Laboratories</b>				
North Coast Laboratories	01/09/2019	lab tests	820.00	500-30-53-5140-58600

Vendor Name	Date Paid	Description	Amount Paid	GL Account Number
Total North Coast Laboratories:			820.00	
<b>North Valley Labor Compliance</b>				
North Valley Labor Compli	01/31/2019	Blue Lake/Fieldbrook-Glendale CSD riv	825.00	190-10-10-1230-11210
Total North Valley Labor Compliance:			825.00	
<b>Northern California Safety Consortium</b>				
Northern California Safety	01/09/2019	Biennial Inspection of Terminal Forms	24.24	500-30-54-5135-58500
Northern California Safety	01/31/2019	monthly membership fee	50.00	500-30-54-5135-58500
Total Northern California Safety Consortium:			74.24	
<b>NTU Technologies, Inc</b>				
NTU Technologies, Inc	01/25/2019	TRF chemical supplies	1,746.00	500-30-57-5120-58410
Total NTU Technologies, Inc:			1,746.00	
<b>O&amp;M Industries</b>				
O&M Industries	01/25/2019	Ductwork for Collector 4 Transformer	189.88	500-30-52-5120-58400
Total O&M Industries:			189.88	
<b>Pacific Gas &amp; Electric Co.</b>				
Pacific Gas & Electric Co.	01/25/2019	Ruth Bunkhouse	38.90	500-30-51-5260-59300
Pacific Gas & Electric Co.	01/25/2019	Eureka Office	449.60	500-30-56-5260-59300
Pacific Gas & Electric Co.	01/25/2019	Jackson Ranch Rectifier	14.94	500-30-52-5260-59300
Pacific Gas & Electric Co.	01/25/2019	299 Rectifier	83.28	500-30-52-5260-59300
Pacific Gas & Electric Co.	01/25/2019	West End Road Rectifier	112.35	500-30-52-5260-59300
Pacific Gas & Electric Co.	01/25/2019	TRF	7,393.87	500-30-53-5260-59300
Pacific Gas & Electric Co.	01/25/2019	Ruth Hydro Valve Control	24.50	500-30-58-5260-59300
Pacific Gas & Electric Co.	01/25/2019	Ruth Hydro	19.71	500-30-58-5260-59300
Pacific Gas & Electric Co.	01/25/2019	Samoa Booster Pump Station	291.39	500-30-52-5260-59300
Pacific Gas & Electric Co.	01/25/2019	Samoa Dial Station	56.23	500-30-52-5260-59300
Pacific Gas & Electric Co.	01/25/2019	Essex Pumping 12/1 - 12/31/2018	45,856.32	500-30-52-5260-59300
Total Pacific Gas & Electric Co.:			54,341.09	
<b>Pacific Paper Co.</b>				
Pacific Paper Co.	01/31/2019	Eureka office supplies	97.73	500-40-56-5170-58900
Pacific Paper Co.	01/31/2019	Eureka office supplies	35.82	500-40-56-5170-58900
Pacific Paper Co.	01/31/2019	Eureka office supplies	101.96	900-40-55-5170-58900
Total Pacific Paper Co.:			235.51	
<b>Picky, Picky, Picky, Inc</b>				
Picky, Picky, Picky, Inc	01/31/2019	Safety rubber boots	131.82	500-30-54-5135-58500
Total Picky, Picky, Picky, Inc:			131.82	
<b>Pitney Bowes</b>				
Pitney Bowes	01/25/2019	refill postage meter	500.00	500-40-56-5170-58900
Pitney Bowes	01/25/2019	postage meter supplies	63.90	500-40-56-5170-58900
Total Pitney Bowes:			563.90	

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--  
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Vendor Name	Date Paid	Description	Amount Paid	GL Account Number
PitStop Cleaning` PitStop Cleaning`	01/31/2019	Eureka office cleaning	160.00	500-40-56-5170-58910
Total PitStop Cleaning`:			160.00	
<b>Price Paige &amp; Company</b> Price Paige & Company	01/31/2019	GASB 68 Calculations and Supplementar	2,140.00	500-40-56-5180-59010
Total Price Paige & Company:			2,140.00	
<b>Rebecca J. Moyle</b> Rebecca J. Moyle	01/11/2019	Auto Mileage Reimbursement	40.66	500-30-56-5120-58420
Rebecca J. Moyle	01/31/2019	Eureka petty cash	2.00	500-40-56-5180-59020
Rebecca J. Moyle	01/31/2019	Eureka petty cash	37.96	500-40-56-5170-58910
Rebecca J. Moyle	01/31/2019	Eureka petty cash	12.68	500-30-52-5120-58400
Rebecca J. Moyle	01/31/2019	Eureka petty cash	50.00	190-10-10-1230-11210
Rebecca J. Moyle	01/31/2019	Eureka office petty cash	13.99	500-40-56-5170-58900
Total Rebecca J. Moyle:			157.29	
<b>Recology Arcata</b> Recology Arcata	01/25/2019	Essex Garbage Service	421.05	500-40-54-5170-58910
Total Recology Arcata:			421.05	
<b>Recology Humboldt County</b> Recology Humboldt Count	01/09/2019	Eureka office garbage/recycling service	90.72	500-40-56-5170-58900
Total Recology Humboldt County:			90.72	
<b>Renner Petroleum</b> Renner Petroleum	01/09/2019	cardlock fuel - pumping & control	186.25	500-30-52-5120-58420
Renner Petroleum	01/09/2019	cardlock fuel - water quality	186.25	500-30-53-5120-58420
Renner Petroleum	01/09/2019	cardlock fuel - maintenance	186.25	500-30-54-5120-58420
Renner Petroleum	01/09/2019	cardlock fuel - customer service	186.25	700-30-55-5120-58420
Total Renner Petroleum:			745.00	
<b>Reynolds RV</b> Reynolds RV	01/09/2019	6" Generac Pump Brank Conversion	210.19	500-30-54-5120-58400
Total Reynolds RV:			210.19	
<b>Ruth Lake C.S.D.</b> Ruth Lake C.S.D.	01/25/2019	Quagga Grant expense reimbursement	1,024.92	500-40-51-5160-58800
Total Ruth Lake C.S.D.:			1,024.92	
<b>Sitestar Nationwide Internet</b> Sitestar Nationwide Internet	01/25/2019	Essex Internet	105.80	500-40-54-5060-58210
Total Sitestar Nationwide Internet:			105.80	
<b>Six Rivers Communications</b> Six Rivers Communications	01/31/2019	Ruth Radio Repairs	354.90	500-40-51-5060-58250
Six Rivers Communications	01/31/2019	Ruth Radio Repairs	354.90	500-40-58-5060-58250

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--

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Vendor Name	Date Paid	Description	Amount Paid	GL Account Number
Total Six Rivers Communications:			709.80	
<b>Springville Safety/Supply</b>				
Springville Safety/Supply	01/25/2019	Restock Emergency Operation Center su	24.90	500-30-54-5135-58500
Springville Safety/Supply	01/31/2019	First Aid supplies for District vehicles	183.58	500-30-54-5135-58500
Springville Safety/Supply	01/31/2019	Essex First Aid Supplies	107.74	500-30-54-5135-58500
Total Springville Safety/Supply:			316.22	
<b>Staples</b>				
Staples	01/31/2019	Eureka office supplies	12.69	500-40-56-5170-58900
Staples	01/31/2019	Eureka office supplies	36.12	900-40-55-5170-58900
Staples	01/31/2019	Eureka office supplies	174.29	500-40-56-5170-58900
Total Staples:			223.10	
<b>Stillwater Sciences</b>				
Stillwater Sciences	01/31/2019	professional assistance -Streambed Flow	1,774.25	500-40-54-5180-59030
Total Stillwater Sciences:			1,774.25	
<b>Streamline</b>				
Streamline	01/31/2019	Website maintenance membership fee	450.00	500-40-56-5170-58920
Total Streamline:			450.00	
<b>Sudden Link</b>				
Sudden Link	01/09/2019	TRF Internet	107.33	500-40-57-5060-58200
Sudden Link	01/09/2019	Eureka office Internet	206.94	500-40-56-5060-58200
Sudden Link	01/25/2019	Fieldbrook-Glendale CSD Internet	276.99	500-40-54-5060-58200
Sudden Link	01/31/2019	Essex internet	126.94	500-40-54-5060-58210
Total Sudden Link:			718.20	
<b>SWRCB</b>				
SWRCB	01/09/2019	Annual Permit Fee Ruth HQ	1,638.00	500-40-51-5340-59710
SWRCB	01/09/2019	Annual Permit Fee Essex	1,638.00	500-40-54-5340-59710
Total SWRCB:			3,276.00	
<b>SWRCB-DWOCP</b>				
SWRCB-DWOCP	01/11/2019	T4 Water Treatment Operator Certificati	105.00	500-40-53-5135-58530
Total SWRCB-DWOCP:			105.00	
<b>T.P. Tire Service, Inc</b>				
T.P. Tire Service, Inc	01/31/2019	Unit 13 tires	229.13	500-30-54-5120-58420
Total T.P. Tire Service, Inc:			229.13	
<b>Telstar Instruments, Inc</b>				
Telstar Instruments, Inc	01/31/2019	Chlorine system maintenance	2,522.78	500-30-53-5120-58400
Telstar Instruments, Inc	01/31/2019	Chlorine system maintenance	2,148.37	500-30-53-5120-58400
Telstar Instruments, Inc	01/31/2019	Chlorine system maintenance	7,513.83	500-30-53-5120-58400

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--  
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Vendor Name	Date Paid	Description	Amount Paid	GL Account Number
Total Telstar Instruments, Inc:			12,184.98	
<b>Thatcher Company, Inc</b>				
Thatcher Company, Inc	01/25/2019	replenish TRF chemicals	6,799.38	500-30-57-5120-58410
Total Thatcher Company, Inc:			6,799.38	
<b>The Mill Yard</b>				
The Mill Yard	01/31/2019	Collector 4 weather proofing	93.26	500-30-52-5120-58400
The Mill Yard	01/31/2019	Essex shop tools storage	36.31	500-30-54-5120-58400
The Mill Yard	01/31/2019	Replace Essex Control Server cabinet	52.19	190-10-10-1230-11220
The Mill Yard	01/31/2019	Essex server room maintenance	13.66	500-40-54-5170-58910
The Mill Yard	01/31/2019	Replace Essex Control Server cabinet	36.23	190-10-10-1230-11220
The Mill Yard	01/31/2019	Essex shop tools storage	28.84	500-30-54-5120-58400
Total The Mill Yard:			260.49	
<b>Thrifty Supply</b>				
Thrifty Supply	01/31/2019	Fieldbrook-Glendale CSD Meter Manifold	568.10	900-30-55-5120-58400
Thrifty Supply	01/31/2019	Essex maintenance supplies	45.74	500-30-54-5120-58410
Total Thrifty Supply:			613.84	
<b>Trinity County General Services</b>				
Trinity County General Ser	01/31/2019	Pickett Peak site lease	250.00	500-40-54-5060-58250
Total Trinity County General Services:			250.00	
<b>Trinity County Solid Waste</b>				
Trinity County Solid Waste	01/25/2019	Ruth HQ dump fees	3.35	500-40-51-5170-58900
Trinity County Solid Waste	01/25/2019	Ruth Hydro dump fees	3.35	500-40-58-5170-58900
Total Trinity County Solid Waste:			6.70	
<b>True North Constructors, Inc</b>				
True North Constructors, In	01/31/2019	Ruth Bunkhouse Remodel - Progress Pay	51,490.00	190-10-10-1230-11210
Total True North Constructors, Inc:			51,490.00	
<b>U.S. Bank Corporate Payment System</b>				
U.S. Bank Corporate Paym	01/31/2019	TRF spill prevention supplies cabinet	214.28	500-30-57-5135-58500
U.S. Bank Corporate Paym	01/31/2019	Replace expired Emergency Operations	248.84	500-30-54-5120-58400
U.S. Bank Corporate Paym	01/31/2019	Product indentifier labels for chemicals	72.98	500-30-54-5135-58500
U.S. Bank Corporate Paym	01/31/2019	Superintendent Office Remodel	59.35	190-10-10-1230-11210
U.S. Bank Corporate Paym	01/31/2019	Replace Printer/Fax Machine at Ruth Hy	267.91	500-40-58-5170-58900
U.S. Bank Corporate Paym	01/31/2019	ACWA Fall Conference	43.07	500-40-56-5250-59200
U.S. Bank Corporate Paym	01/31/2019	ACWA Fall Conference	1,102.65	500-40-56-5250-59200
U.S. Bank Corporate Paym	01/31/2019	ACWA Fall Conference	22.80	500-40-56-5250-59200
U.S. Bank Corporate Paym	01/31/2019	ACWA Fall Conference	128.87	500-40-56-5250-59200
U.S. Bank Corporate Paym	01/31/2019	ACWA Fall Conference	66.00	500-40-56-5250-59200
U.S. Bank Corporate Paym	01/31/2019	Meeting regarding Zoning Changes	61.20	500-40-56-5160-58800
U.S. Bank Corporate Paym	01/31/2019	Unit 3 repairs	68.81	500-30-54-5120-58420
U.S. Bank Corporate Paym	01/31/2019	Collector Oiler System	240.00	190-10-10-1230-11220
U.S. Bank Corporate Paym	01/31/2019	Replace Hard Hats	90.73	500-30-54-5135-58500
U.S. Bank Corporate Paym	01/31/2019	electrical Shop tools per SB198	486.75	500-30-54-5135-58500
U.S. Bank Corporate Paym	01/31/2019	TRF NPoly System Cleaning supplies	10.90	500-30-57-5120-58410



Vendor Name	Date Paid	Description	Amount Paid	GL Account Number
U.S. Bank Corporate Paym	01/31/2019	<i>Essex office supplies</i>	57.26	500-40-54-5170-58900
U.S. Bank Corporate Paym	01/31/2019	<i>Essex Office Supplies</i>	14.09	500-40-54-5170-58900
U.S. Bank Corporate Paym	01/31/2019	<i>Essex Office Supplies</i>	126.66	500-40-54-5170-58900
U.S. Bank Corporate Paym	01/31/2019	<i>Purchasing System Software</i>	39.95	500-40-56-5170-58900
U.S. Bank Corporate Paym	01/31/2019	<i>Eureka office supplies</i>	69.59	500-40-56-5170-58900
U.S. Bank Corporate Paym	01/31/2019	<i>Eureka office supplies</i>	205.76	900-40-55-5170-58900
U.S. Bank Corporate Paym	01/31/2019	<i>Eureka office supplies</i>	271.81	190-10-10-1230-11220
U.S. Bank Corporate Paym	01/31/2019	<i>Eureka office supplies</i>	145.67	500-40-56-5170-58900
U.S. Bank Corporate Paym	01/31/2019	<i>Eureka office supplies</i>	5.62	900-40-55-5170-58900
U.S. Bank Corporate Paym	01/31/2019	<i>Eureka office supplies</i>	4.23	500-40-56-5170-58900
U.S. Bank Corporate Paym	01/31/2019	<i>Eureka office supplies</i>	12.03	900-40-55-5170-58900
U.S. Bank Corporate Paym	01/31/2019	<i>Eureka Office supplies</i>	38.99	500-40-56-5170-58900
U.S. Bank Corporate Paym	01/31/2019	<i>Accounting System Upgrade</i>	12.99	190-10-10-1230-11220
Total U.S. Bank Corporate Payment System:			4,189.79	
<b>United Way</b>				
United Way	01/04/2019	0	20.00	100-10-10-2145-22850
Total United Way:			20.00	
<b>Unum Life Insurance Company of America</b>				
Unum Life Insurance Comp	01/29/2019	<i>LIFE INSURANCE</i>	13.11	500-20-51-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LIFE INSURANCE</i>	84.94	500-20-52-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LIFE INSURANCE</i>	4.46	500-20-53-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LIFE INSURANCE</i>	79.51	500-20-54-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LIFE INSURANCE</i>	49.97	500-20-57-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LIFE INSURANCE</i>	37.22	700-20-55-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LIFE INSURANCE</i>	146.43	500-20-56-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LIFE INSURANCE</i>	25.83	500-20-58-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LTD Insurance</i>	42.17	500-20-51-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LTD Insurance</i>	273.19	500-20-52-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LTD Insurance</i>	14.34	500-20-53-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LTD Insurance</i>	255.73	500-20-54-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LTD Insurance</i>	160.73	500-20-57-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LTD Insurance</i>	119.70	700-20-55-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LTD Insurance</i>	470.99	500-20-56-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>LTD Insurance</i>	83.07	500-20-58-5030-54110
Unum Life Insurance Comp	01/29/2019	<i>VOLUNTARY LIFE INSURANCE</i>	361.54	100-10-10-2145-22825
Total Unum Life Insurance Company of America:			2,222.93	
<b>USTI, Inc</b>				
USTI, Inc	01/09/2019	<i>ebill charges Humboldt Bay retail</i>	3.92	500-40-56-5170-58900
USTI, Inc	01/09/2019	<i>bill cards</i>	31.98	700-40-55-5170-58900
USTI, Inc	01/09/2019	<i>bill cards</i>	91.02	900-40-55-5170-58900
USTI, Inc	01/31/2019	<i>Humboldt Bay retail eBills</i>	4.00	500-40-56-5170-58900
USTI, Inc	01/31/2019	<i>Fieldbrook-Glendale CSD eBills</i>	8.40	900-40-55-5170-58900
Total USTI, Inc:			139.32	
<b>VALIC</b>				
VALIC	01/23/2019	<i>District Deferred Comp Contribution</i>	2,600.00	100-10-10-2145-22840
VALIC	01/23/2019	<i>Employee Deferred Compensation Contr</i>	8,350.65	100-10-10-2145-22840
Total VALIC:			10,950.65	

Vendor Name	Date Paid	Description	Amount Paid	GL Account Number
<b>Valley Pacific Petroleum Servi, Inc</b>				
Valley Pacific Petroleum Se	01/31/2019	<i>Essex Bulk Fuel</i>	865.84	500-30-54-5120-58420
Total Valley Pacific Petroleum Servi, Inc:			865.84	
<b>Verizon Wireless</b>				
Verizon Wireless	01/25/2019	<i>General Manager</i>	38.19	500-40-56-5060-58200
Verizon Wireless	01/25/2019	<i>Customer Service</i>	45.15	500-40-54-5060-58200
Verizon Wireless	01/25/2019	<i>Operations 2</i>	.25	500-40-54-5060-58200
Verizon Wireless	01/25/2019	<i>Electrician</i>	.18	500-40-54-5060-58200
Verizon Wireless	01/25/2019	<i>Ruth HQ</i>	53.52	500-40-51-5060-58200
Verizon Wireless	01/25/2019	<i>Ruth Hydro</i>	53.52	500-40-58-5060-58200
Verizon Wireless	01/25/2019	<i>Operations 1</i>	.18	500-40-54-5060-58200
Total Verizon Wireless:			190.99	
<b>William B. Newell</b>				
William B. Newell	01/09/2019	<i>Expense Reimbursement - Building Main</i>	4.98	500-40-51-5170-58910
William B. Newell	01/09/2019	<i>Expense Reimbursement - Building Main</i>	4.98	500-40-58-5170-58910
William B. Newell	01/09/2019	<i>Expense Reimbursement - Mairing Hydro</i>	26.15	500-30-58-5120-58400
Total William B. Newell:			36.11	
Grand Totals:			435,060.38	

Humboldt Bay Municipal Water District

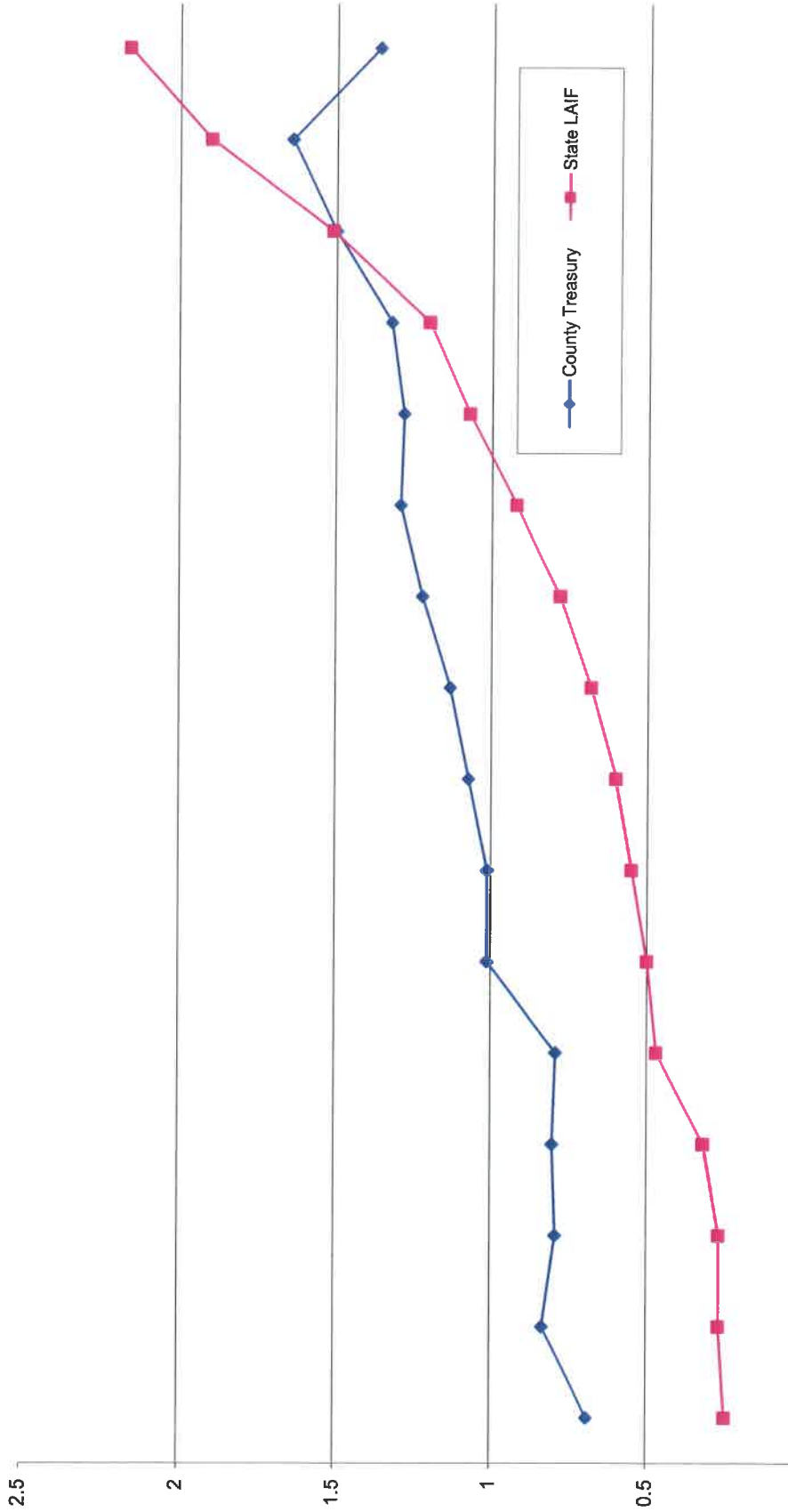
--Monthly Overtime Report--  
Pay period dates: 1/1/2019 - 1/31/2019

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Position Title	2-01 Overtime Emp Hrs	2-01 Overtime Emp Amt	2-02 Doubletime Emp Hrs	2-02 Doubletime Emp Amt
Customer Srvc	15.29	\$433	.00	\$0
Actg/HR Spec	22.96	\$1,546	.00	\$0
Actg/HR Assit	2.00	\$59	.00	\$0
Total ADMIN:	40.25	\$2,038	.00	\$0
Maint Worker	1.00	\$28	.00	\$0
Elec & Ins Tech	1.00	\$50	.00	\$0
Elec & Ins Tech	2.00	\$113	.00	\$0
Oper & Mnt Tech	8.00	\$456	.00	\$0
Total ESSEX:	12.00	\$647	.00	\$0
Hydro Oper Ruth	1.00	\$59	.00	\$0
Total RUTH:	1.00	\$59	.00	\$0
Grand Totals:	53.25	\$2,744	.00	\$0

Comparison of County Treasury and State LAIF Investment Earning Rates  
October 2014 - September 2018



	Oct - Dec 2014	Jan - Mar 2015	Apr - Jun 2015	July - Sept 2015	Oct - Dec 2015	Jan - Mar 2016	Apr - Jun 2016	Jul - Sep 2016	Oct - Dec 2016	Jan - Mar 2017	Apr - Jun 2017	Jul - Sept 2017	Oct - Dec 2017	Jan - Mar 2018	Apr - Jun 2018	Jul - Sep 2018
County Treasury	0.69	0.83	0.79	0.80	0.79	1.01	1.01	1.07	1.13	1.22	1.29	1.28	1.32	1.5	1.64	1.36
State LAIF	0.25	0.27	0.27	0.32	0.47	0.5	0.55	0.6	0.68	0.78	0.92	1.07	1.2	1.51	1.9	2.16



## 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

January 15, 2019

Honorable Board Members,

Your fund balances in the County Treasury from July through September 2018 (Fiscal 18/19 1<sup>st</sup> Quarter) earned an annualized interest rate of 1.36%. For comparison purposes, the LAIF (Local Agency Investment Fund) rate was 2.16%.

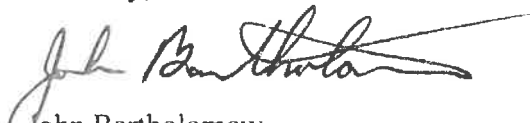
The County decided to prefund the \$19 million (MM) dollar CalPERS annual pension payment in July rather than making installments throughout the year as has always been done previously because it saves more than \$680,000 in interest payments. However that large a payment significantly lowered liquidity and investable funds during the quarter resulting in this less than satisfactory Q1 apportionment rate. The pool balance is always at its lowest level during the summer when no tax revenue is coming in and expenditures are seasonally elevated.

Yes, LAIF did again pay out at a higher interest rate than the county pool and as much as it pains us to see that result it is not surprising because LAIF is comprised primarily of securities with maturities of less than 6 months and it is those short term securities that benefit the most as the FEDS raise short term rates. Unfortunately the 19 MM CalPERS payment greatly reduced the county's liquid funds so we were unable to capitalize on those short term rates. Since we've now received roughly half the property tax revenue for the current year our investable funds are again strong and we will better position the pool for next fiscal year's annual CalPERS payment.

The Federal Reserve raised short term rates again in December but have signaled patience for 2019 as they analyze economic data and continue to decrease the size of their balance sheet. Continued job and wage growth in the US is expected but the housing market and manufacturing data has begun to cool. We continue to monitor economic data and invest the portfolio for long term stability.

As always our goals are Safety, Liquidity and Yield. Let us know how we may be of service.

Sincerely,

  
John Bartholomew  
Treasurer Tax Collector

Humboldt County Treasury Team:  
Whitney Morgan – Treasury Assistant  
Amy Christensen – Treasury Assistant

FUND BALANCES  
Allocation Account Activity  
October 1, 2018 - October 1, 2018

*Interest July - September 2018*

Account	Fund	Security ID	Current Transaction Date	Receipt	Trans. Type	Contributions / Transfer In	Disbursements / Transfer Out / Fees	Allocated Earnings	Balance
2710	2710	SYS	10/01/2018		Alloc/Fee			124.93	71,638.06
	<i>10% Taxes</i>								71,762.99
	Subtotal and Ending Balance					0.00	0.00	124.93	71,762.99
2711	2711		10/01/2018		Alloc/Fee			1,477.54	430,455.45
	<i>MSRA</i>								431,932.99
	Subtotal and Ending Balance					0.00	0.00	1,477.54	431,932.99
2712	2712		10/01/2018		Alloc/Fee			969.41	297,423.13
	<i>Remat</i>								298,392.54
	Subtotal and Ending Balance					0.00	0.00	969.41	298,392.54
3873	3873		10/01/2018		Alloc/Fee			6,212.35	1,809,864.12
	<i>Investment Acct</i>								1,816,076.47
	Subtotal and Ending Balance					0.00	0.00	6,212.35	1,816,076.47
3874	3874		10/01/2018		Alloc/Fee			807.29	235,189.47
	<i>DWFD</i>								235,996.76
	Subtotal and Ending Balance					0.00	0.00	807.29	235,996.76
3876	3876		10/01/2018		Alloc/Fee			218.65	4,205.42
	<i>SRF Payment</i>								4,424.07
	Subtotal and Ending Balance					0.00	0.00	218.65	4,424.07

Portfolio FUND  
CC  
LP (PRF\_LPINF) 7.1.1  
Report Ver. 7.3.5

## HUMBOLDT BAY MUNICIPAL WATER DISTRICT

SECTION J2C PAGE NO. 1

To: Board of Directors

Date: February 12, 2019

From: Chris Harris

RE: Actuarial Report for OPEB Valuation

---

### Review

*(From prior Staff Report)*

*Along with most all other agencies, HBMWD provides Other Post-Employment Benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. This is in addition to CalPERS pensions. In general "OPEB" includes retiree healthcare, life insurance, and deferred compensation. HBMWD provides only retiree medical insurance and imposes specific restrictions for this post-retirement benefit.*

*Similar to the CalPERS pension liability, the OPEB benefit creates a future liability for the District. In order to calculate this future obligation, the services of an actuary are used to forecast what this amount may be in today's dollars. The standards and frequency for these calculations are established and governed by the Government Accounting Standards Board (GASB), with Statement 45 (GASB 45) being the prior standard for all OPEB valuations. Effective June 15, 2017, GASB 45 was eliminated and replaced with Government Accounting Standards Board Statement Number 75 (GASB 75).*

*GASB 75 is very similar in that it establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and required supplementary information (RSI) in financial reports. In addition, the new GASB 75 also establishes a more robust disclosure of the assumptions used in the valuation, defines the discount rate to be used, and requires more frequent valuations.*

### Discussion

Staff has received and reviewed the *GASB 75 Actuarial Report* from MacLeod Watts for the fiscal year ended June 30, 2018. This report provides the background, the calculations, and explanations of the impact the new GASB 75 regulations have on the District's financial statements. For review and discussion of the report, Cathy MacLeod will be available to the Board via conference call during the February 12<sup>th</sup> Board Meeting.

The District (along with many agencies) is seeing a substantial increase in the **calculated** OPEB liability based on the changes in the GASB 75 regulation. This is very similar to the impact the District saw on the financial statements after the GASB requirements changed several years ago regarding the CalPERS Pension liabilities (GASB 67/68). In the past, both of these obligations were partially listed on the financial statements and fully disclosed within the footnotes of the annual audit. Now regulations require both long-term obligations to be fully disclosed on the financial statements. Changes in requirements for the calculations regarding the actuarial valuation of the liabilities have also changed. This increase in long-term liability on the financial statements could impact future loan financing for large CIP projects. Although it is impossible to predict, the expected impact would potentially be higher interest rates. However, since most government agencies will be similarly situated with these larger pension and OPEB long-term liabilities, we will have to wait to see how the lending industry reacts.

## Comparison of other similar local agencies:

Agency	Benefit Description	Prior to GASB 75 (GASB 45)	After GASB 75	\$ Increase	% Increase
HBMWD	Up to \$640/month	\$796,174	\$4,098,516	\$3,302,342	415%
Humboldt CSD	Health/Vision/Dental, based on longevity	\$2,191,692	\$11,255,483	\$9,063,791	414%
McKinleyville CSD	Full Coverage, no cost to Retiree	\$1,538,659	\$7,913,699	\$6,375,040	414%

## Comparison of other similar, small non-local agencies\*:

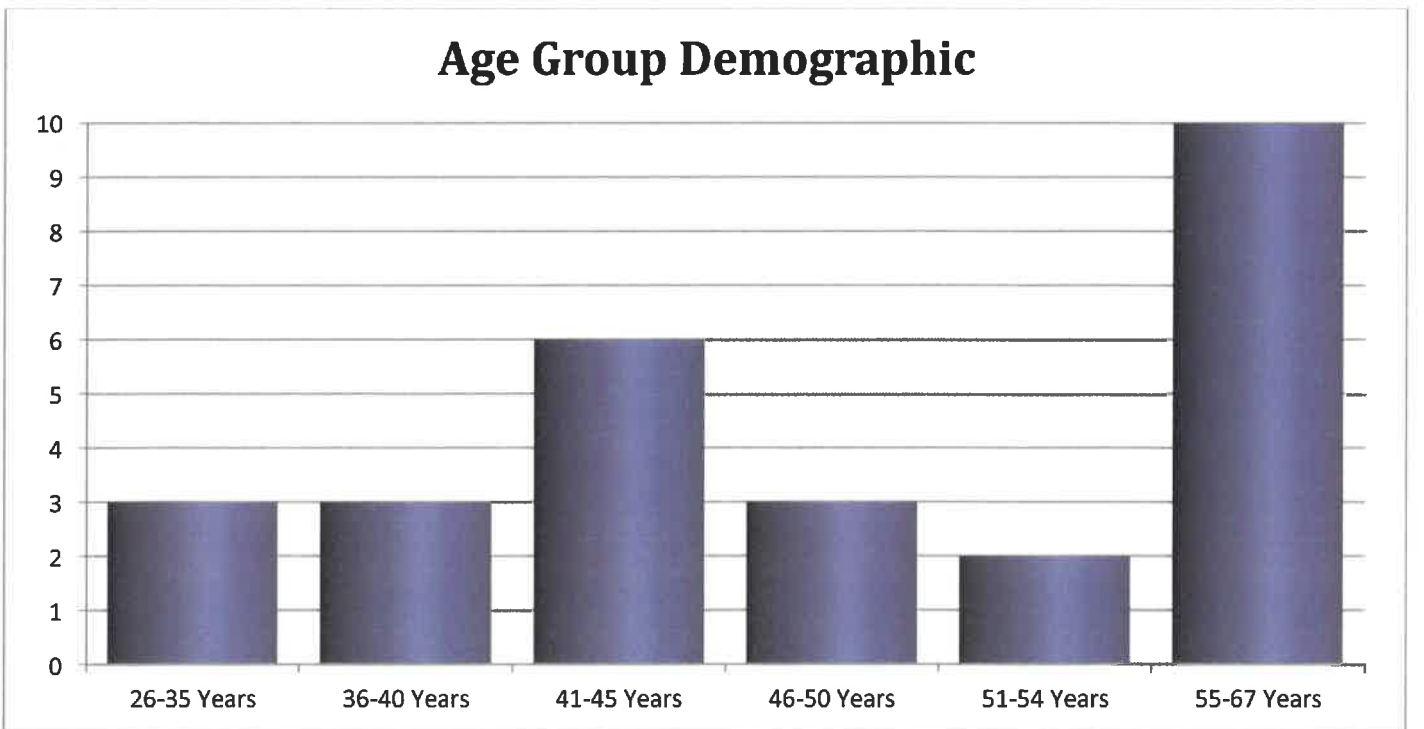
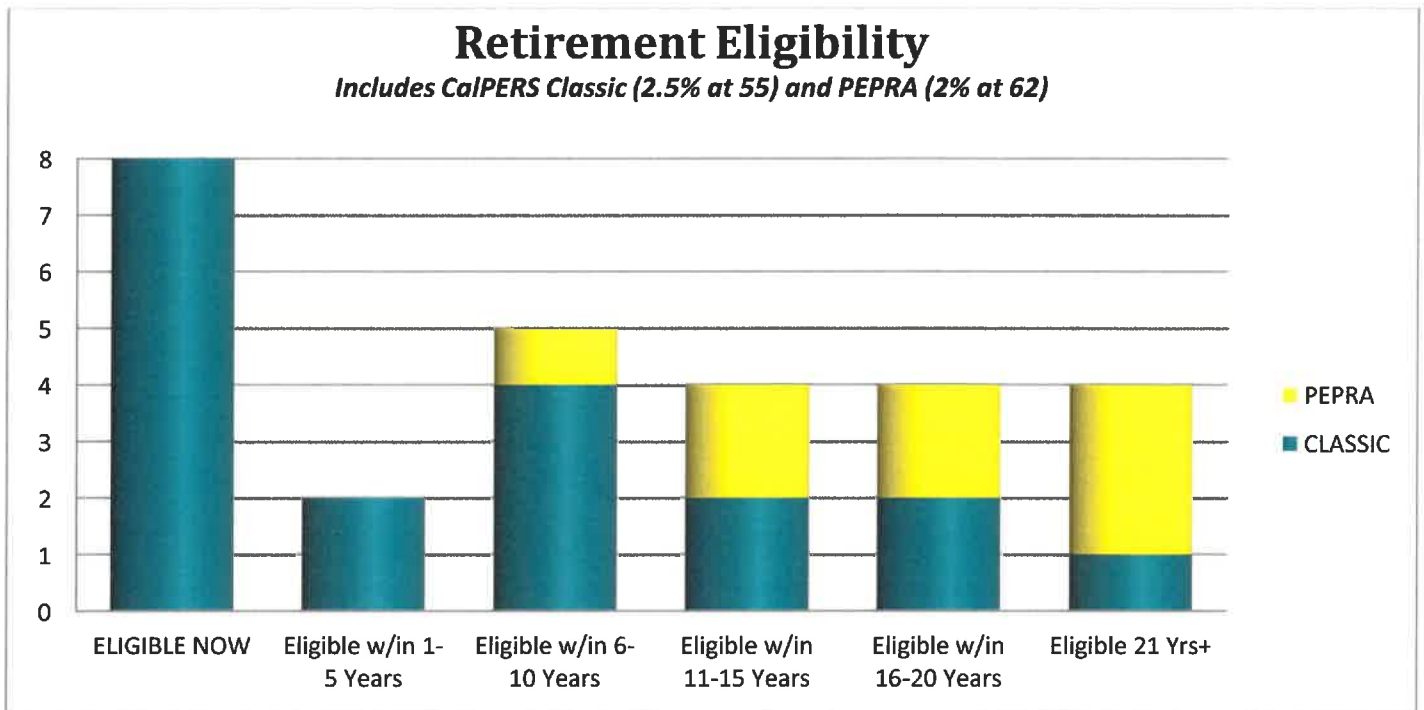
Agency Type	Number of Participants	Benefit Description	Prior to GASB 75 Liability	GASB 75 Impact	\$ Increase	% Increase
Special District	12	Up to \$565.33/ month	\$29,486	\$902,865	\$873,379	2962%
Fire Department	19	PEMHCA** minimum benefit + additional portion of retiree only premium	\$1,562,526	\$2,314,843	\$752,317	48%
City	125	Unequal PEMHCA minimum benefit	\$613,056	\$5,621,106	\$5,008,050	817%
Special District	16	50% of retiree & spouse medical premium	\$564,669	\$1,209,305	\$644,636	114%
Water District	19	Up to 100% of retiree premium	\$1,209,002	\$3,603,113	\$2,394,111	198%
City	45	\$350/month	\$1,093,030	\$2,068,745	\$975,715	89%
Special District	55	Up to \$1,227.17/ month	\$2,197,054	\$10,063,559	\$7,866,505	358%
City	109	\$160/month	\$949,210	\$2,986,569	\$2,037,359	215%
Special District	13	Up to \$415.25/ month	\$658,977	\$850,801	\$191,824	29%
Special District	5	PEMHCA minimum benefit (\$133/mo.)	\$12,050	\$99,037	\$86,987	722%
City	25	PEMHCA minimum benefit (\$133/mo.)	\$208,624	\$704,134	\$495,510	238%
City	197	PEMHCA minimum benefit (\$133/mo.)	\$1,054,356	\$4,822,268	\$3,767,912	357%
City	63	Up to 100% of retiree + dependents medical	\$4,279,110	\$13,080,758	\$8,801,648	206%
Special District	23	Up to \$2,014.02/ month	\$1,815,930	\$2,365,000	\$549,070	30%
City	61	Up to 100% of single-party premium	\$1,118,616	\$2,463,701	\$1,345,085	120%
County	135	Up to 100% of retiree + dependents medical	\$1,515,220	\$11,602,484	\$10,087,264	666%
District	7	PEMHCA minimum benefit only (\$133/mo.)	\$96,488	\$316,609	\$220,121	228%
Special District	41	PEMHCA minimum benefit only (\$133/mo.)	\$828,336	\$2,913,509	\$2,085,173	252%
City	20	PEMHCA minimum benefit only (\$133/mo.)	\$278,059	\$393,900	\$115,841	42%
District	41	PEMHCA minimum benefit only (\$133/mo.)	\$497,663	\$1,527,927	\$1,030,264	207%

\*Data Provided by MacLeod Watts

\*\*PEMHCA = Public Employees' Medical &amp; Hospital Care Act (CalPERS Health Program)



As the Board is aware, the District has always (and likely always will) have an OPEB obligation. It is important to note that it is the change in computation and financial statement presentation of the OPEB obligation by the GASB 75 requirement that has “suddenly” created this large liability on the financial statements. Since this is the first actuarial report for the District under the GASB 75 regulation, a substantial increase in liabilities is not anticipated in subsequent years unless there are substantial changes to the Districts treatment of its OPEB obligation. The District has historically been very proactive to manage this liability, as shown by the “Pay-as-you-go” treatment and the establishment of the caps in both amount and years provided.



**Board Direction**

Options for future consideration:

- Continue current practices
- Consider funding an OPEB-Trust (similar to the PARS Pension Trust)
- Reevaluate OPEB Benefit

**Attachment**

Actuarial Valuation of OPEB as of June 30, 2018

December 19, 2018

Chris Harris  
Business Manager  
Humboldt Bay Municipal Water District  
828 Seventh Street  
Eureka, CA 95501

Re: Actuarial Valuation and GASB 75 Report for the Fiscal Year Ending June 30, 2018

Dear Ms. Harris:

We are pleased to enclose our report providing actuarial information regarding the other post-employment benefit (OPEB) liabilities for the Humboldt Bay Municipal Water District (the District). The report's text describes our analysis and assumptions in detail.

The primary purpose of this report is to provide information required by GASB 75 ("Accounting and Financial Reporting for Postemployment Benefits Other Than Pension") to be reported in the District's financial statements for the fiscal year ending June 30, 2018. The information included in this report reflects our understanding that the District will continue financing its OPEB liability on a pay-as-you-go basis. Please let us know if we can be of assistance in preparing illustrations of how prefunding impacts the OPEB liability required to be reported under GASB 75.

Before preparing this analysis, we first prepared an updated actuarial valuation as of June 30, 2018. The valuation reflects employee data, details on plan benefits, and retiree benefit payments provided to us by the District. As with any analysis, the soundness of the report is dependent on the inputs. Please review the information shown in the report and let us know if anything there does not match your records.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of District employees who provided valuable time and information to enable us to perform this valuation. Please let us know if we can be of further assistance.

Sincerely,



Catherine L. MacLeod, FSA, FCA, EA, MAAA  
Principal & Consulting Actuary

Enclosure



Humboldt Bay Municipal Water District

Actuarial Valuation of Other  
Post-Employment Benefit Programs

As of June 30, 2018

& GASB 75 Report for the Fiscal Year  
Ending June 30, 2018

Submitted December 2018

MacLeod Watts

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## A. Executive Summary

This report presents the results of the June 30, 2018 actuarial valuation and accounting information for reporting of the Humboldt Bay Municipal Water District (the District) other post-employment benefit (OPEB) program. The purpose of this valuation is to assess the OPEB liabilities and provide disclosure information as required by Statement No. 75 of the Governmental Accounting Standards Board (GASB 75) for the fiscal year ending June 30, 2018.

Important background information regarding the valuation process can be found in Addendum 1. We recommend users of the report read this information to familiarize themselves with the process and context of actuarial valuations, including the requirements of GASB 75. The pages following this executive summary discuss the valuation results in detail and present various exhibits appropriate for disclosures under GASB 75. We anticipate that the next actuarial valuation will be dated June 30, 2020. If there are any significant changes in the employee population, plan benefits provided, or the District's OPEB funding policy, please contact us to discuss whether an earlier valuation might be required.

### OPEB Obligations of the District

The District provides continuation of medical coverage to its retiring employees. This benefit creates the following types of OPEB liabilities:

- **Explicit subsidy liabilities:** An "explicit subsidy" exists when the employer contributes directly toward the cost of retiree healthcare. In this program, the District pays a portion of retiree medical premiums for qualifying retirees. These benefits are described in Section 2A.

The Patient Protection and Affordable Care Act (ACA) includes a 40% excise tax on high-cost employer-sponsored health coverage. While we valued this tax liability, the District indicated it would not pay any portion of such tax for retirees. See Supporting Information Section 2B and Section 3 for further description and assumptions about this potential excise tax.

- **Implicit subsidy liabilities:** An "implicit subsidy" exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. In the ACWA medical program, the claims experience of active employees and retirees is co-mingled in setting premium rates for the plans in which District employees and retirees participate. We believe an implicit subsidy of retiree premiums exists with respect to the medical insurance plans because we expect retiree claims to exceed retiree premiums. We determine the implicit rate subsidy as the projected difference between (a) retiree medical claim costs by age and (b) premiums charged for retiree coverage. For more information on this process see Section 3 and Addendum 2: MacLeod Watts Age Rating Methodology.

### District Funding Policy

The agency's funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. "Prefunding" is the term used when an agency consistently contributes an amount based on an actuarially determined contribution (ADC) each year. GASB 75 allows prefunded plans to use a discount rate that reflects the expected earnings on trust assets. Pay-as-you-go, or "PAYGO", is the term used when an agency only contributes the required retiree benefits when due. When an agency finances retiree benefits on a pay-as-you-go basis, GASB 75 requires the use of a discount rate equal to a 20-year high grade municipal bond rate.



## Executive Summary

(Continued)

Our understanding is that the District is currently financing its OPEB liability on a pay-as-you-go basis. With the District's approval, the discount rate used in this valuation is based on the S&P Municipal Bond 20 Year High Grade Index. As of the beginning and end of the Measurement Period, use of this index results in discount rates of 3.13% as of June 30, 2017 and 2.92% as of June 30, 2018.

### Actuarial Assumptions

The actuarial "demographic" assumptions (i.e. rates of retirement, death, disability or other termination of employment) used in this report were chosen, for the most part, to be the same as the actuarial demographic assumptions used for the most recent valuation of the retirement plan(s) covering District employees. Other assumptions, such as age-related healthcare claims, healthcare trend, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. All these assumptions, and more, impact expected future benefits. Please note that this valuation has been prepared on a closed group basis. This means that only employees and retirees present as of the valuation date are considered. We do not consider replacement employees for those we project to leave the current population of plan participants until the valuation date following their employment.

We emphasize that this actuarial valuation provides a projection of future results based on many assumptions. Actual results are likely to vary to some extent and we will continue to monitor these assumptions in future valuations. See Section 3 for a description of assumptions used in this valuation.

### Important Dates Used in the Valuation

GASB 75 allows reporting liabilities as of any fiscal year end based on: (1) a *valuation date* no more than 30 months plus 1 day prior to the close of the fiscal year end; and (2) a *measurement date* up to one year prior to the close of the fiscal year. The following dates were used for this report:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018
Fiscal Year End	June 30, 2018

### Significant Results and Differences from the Prior OPEB Report

This is the first report for the District reflecting the requirements of GASB 75.

No benefit changes were reported to MacLeod Watts from those described in the July 2015 valuation, though we did not prepare the 2015 AMM report. For purposes of this report, the only assumption change reflected in this analysis is the change in the discount rate used to value the liabilities at the beginning and end of the measurement period. To develop the liability at the beginning of the measurement period (June 30, 2017), we rolled back the results of the June 30, 2018 valuation using standard actuarial techniques. Using this approach, no plan experience (difference between assumed and actual results) is recognized.



**Executive Summary**

(Concluded)

**Impact on Statement of Net Position and OPEB Expense for Fiscal 2018**

The accounting impact of the plan as of the District’s fiscal year end June 30, 2018 is shown below.

Items	For Reporting At Fiscal Year Ending June 30, 2018
Total OPEB Liability	\$ 4,057,579
Fiduciary Net Position	-
Net OPEB Liability (Asset)	4,057,579
Deferred (Outflows) of Resources	(85,522)
Deferred Inflows of Resources	-
Impact on Statement of Net Position	<u>\$ 3,972,057</u>
 <b>OPEB Expense, FYE 6/30/2018</b>	 <u>\$ 260,807</u>

The Total OPEB Liability (TOL) as of the June 30, 2018 Measurement Date is comprised of these three components:

Explicit	Implicit	TOL
\$ 2,167,900	\$ 1,889,679	\$ 4,057,579
53%	47%	100%

**Recognition Period for Deferred Resources**

Liability changes due to plan experience which differs from what was assumed in the prior year and/or from assumption changes during the year are recognized over the plan’s Expected Average Remaining Service Life (“EARSL”). The EARSL period is 6.56 years for deferred resources arising in this fiscal year. GASB 75 requires that changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years. Liability changes attributable to benefit changes occurring during the period are recognized immediately.

**Important Notices**

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for the District’s financial statements. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. The District should consult counsel on these matters; MacLeod Watts does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend the District consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.





**B. Accounting Information (GASB 75)**

The following exhibits are designed to satisfy the reporting and disclosure requirements of GASB 75 for the fiscal year end June 30, 2018. The District is classified for GASB 75 purposes as a single employer.

**Components of Net Position and Expense**

The exhibit below shows the development of Net Position and Expense as of the Measurement Date.

<b>Plan Summary Information for FYE June 30, 2018</b> <i>Measurement Date is June 30, 2018</i>	<b>Humboldt Bay MWD</b>
---	-----------------------------

**Items Impacting Net Position:**

Total OPEB Liability	\$ 4,057,579
Fiduciary Net Position	-
Net OPEB Liability (Asset)	<u>4,057,579</u>

*Deferred (Outflows) Inflows of Resources Due to:*

Assumption Changes	(85,522)
Plan Experience	-
Investment Experience	-
Deferred Contributions	-
Net Deferred (Outflows) Inflows of Resources	<u>(85,522)</u>

<b>Impact on Statement of Net Position, FYE 6/30/2018</b>	<b><u>\$ 3,972,057</u></b>
---	----------------------------

**Items Impacting OPEB Expense:**

Service Cost	\$ 122,984
Cost of Plan Changes	-
Interest Cost	122,441
Expected Earnings on Assets	-

*Recognized Deferred Resource items:*

Assumption Changes	15,382
Plan Experience	-
Investment Experience	-

<b>OPEB Expense, FYE 6/30/2018</b>	<b><u>\$ 260,807</u></b>
------------------------------------	--------------------------



**Accounting Information**  
 (Continued)

**Change in Net Position During the Fiscal Year**

The exhibit below shows the year-to-year changes in the components of Net Position.

For Reporting at Fiscal Year End <i>Measurement Date</i>	6/30/2017 <i>6/30/2017</i>	6/30/2018 <i>6/30/2018</i>	Change During Period
Total OPEB Liability	\$ 3,866,486	\$ 4,057,579	\$ 191,093
Fiduciary Net Position	-	-	-
Net OPEB Liability (Asset)	3,866,486	4,057,579	191,093
<i>Deferred Resource (Outflows) Inflows Due to:</i>			
Assumption Changes	-	(85,522)	(85,522)
Plan Experience	-	-	-
Investment Experience	-	-	-
Deferred Contributions	-	-	-
Net Deferred (Outflows) Inflows	-	(85,522)	(85,522)
Impact on Statement of Net Position	\$ 3,866,486	\$ 3,972,057	\$ 105,571

**Change in Net Position During the Fiscal Year**

Impact on Statement of Net Position, FYE 6/30/2017	\$ 3,866,486
OPEB Expense (Income)	260,807
Employer Contributions During Fiscal Year	(155,236)
Impact on Statement of Net Position, FYE 6/30/2018	<u>\$ 3,972,057</u>

**OPEB Expense**

Employer Contributions During Fiscal Year	\$ 155,236
Deterioration (Improvement) in Net Position	105,571
OPEB Expense (Income), FYE 6/30/2018	<u>\$ 260,807</u>



**Accounting Information**  
 (Continued)

**Deferred Resources as of Fiscal Year End and Expected Future Recognition**

The exhibit below shows deferred resources as of the fiscal year end June 30, 2018.

Humboldt Bay MWD	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 85,522	\$ -
Differences Between Expected and Actual Experience	-	-
Net Difference Between Projected and Actual Earnings on Investments	-	-
Deferred Contributions	-	-
<b>Total</b>	<b>\$ 85,522</b>	<b>\$ -</b>

The District will recognize the Contributions Made Subsequent to the Measurement Date in the next fiscal year. In addition, future recognition of these deferred resources is shown below.

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2019	\$ 15,382
2020	15,382
2021	15,382
2022	15,382
2023	15,382
Thereafter	8,612



**Accounting Information**  
(Continued)

**Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate**

The discount rate used for the fiscal year end 2018 is 3.13%. Healthcare cost trend rate was assumed to start at 7.5% (effective January 1, 2019) and grade down to 5% for years 2024 and thereafter. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

Sensitivity to:			
Change in Discount Rate	Current - 1% 1.92%	Current 2.92%	Current + 1% 3.92%
<b>Total OPEB Liability</b>	4,615,533	4,057,579	3,596,239
Increase (Decrease)	557,954		(461,340)
% Increase (Decrease)	13.8%		-11.4%
<b>Net OPEB Liability (Asset)</b>	4,615,533	4,057,579	3,596,239
Increase (Decrease)	557,954		(461,340)
% Increase (Decrease)	13.8%		-11.4%
Change in Healthcare Cost Trend Rate	Current Trend - 1%	Current Trend	Current Trend + 1%
<b>Total OPEB Liability</b>	3,463,440	4,057,579	4,884,743
Increase (Decrease)	(594,139)		827,164
% Increase (Decrease)	-14.6%		20.4%
<b>Net OPEB Liability (Asset)</b>	3,463,440	4,057,579	4,884,743
Increase (Decrease)	(594,139)		827,164
% Increase (Decrease)	-14.6%		20.4%



**Accounting Information**

(Continued)

**Schedule of Changes in the District's Net OPEB Liability and Related Ratios**

GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. However, since this is the initial year of implementation, only one year is currently available.

<b>For Fiscal Year Ending June 30, 2018</b> <i>Liabilities &amp; Assets Measured As Of June 30, 2018</i>	<b>Humboldt Bay MWD</b>
<b>Total OPEB liability</b>	
Service Cost	\$ 122,984
Interest	122,441
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	100,904
Benefit payments	<u>(155,236)</u>
<b>Net change in total OPEB liability</b>	<b>191,093</b>
<b>Total OPEB liability - beginning</b>	<u><b>3,866,486</b></u>
<b>Total OPEB liability - ending (a)</b>	<u><u><b>\$ 4,057,579</b></u></u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 155,236
Net investment income	-
Benefit payments	<u>(155,236)</u>
<b>Net change in plan fiduciary net position</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<u><b>-</b></u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u><b>\$ -</b></u></u>
<b>Net OPEB liability - ending (a) - (b)</b>	<u><u><b>\$ 4,057,579</b></u></u>
<b>Covered-employee payroll</b>	<b>\$ 2,073,759</b>
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	<b>195.66%</b>



**Accounting Information**  
(Continued)

**Detail of Changes to Net Position**

The chart below details changes to all components of Net Position.

Humboldt Bay MWD	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)	(d) Deferred Outflows (Inflows) Due to:				Impact on Statement of Net Position (e) = (c) - (d)
				Assumption Changes	Plan Experience	Investment Experience	Deferred Contributions	
<b>Balance at Fiscal Year Ending 6/30/2017</b> <i>Measurement Date 6/30/2017</i>	\$ 3,866,486	\$ -	\$ 3,866,486	\$ -	\$ -	\$ -	\$ -	\$ 3,866,486
<b>Changes During the Period:</b>								
Service Cost	122,984		122,984					122,984
Interest Cost	122,441		122,441					122,441
Expected Investment Income								
Employer Contributions		155,236	(155,236)					(155,236)
Changes of Benefit Terms								
Benefit Payments	(155,236)	(155,236)	-					-
Assumption Changes	100,904		100,904	100,904				-
Plan Experience								-
Investment Experience								-
Recognized Deferred Resources				(15,382)				15,382
Employer Contributions in Fiscal Year								
<b>Net Changes in Fiscal Year 2017-2018</b>	191,093	-	191,093	85,522	-	-	-	105,571
<b>Balance at Fiscal Year Ending 6/30/2018</b> <i>Measurement Date 6/30/2018</i>	\$ 4,057,579	\$ -	\$ 4,057,579	\$ 85,522	\$ -	\$ -	\$ -	\$ 3,972,057



**Accounting Information**  
 (Continued)

**Schedule of Deferred Outflows and Inflows of Resources**

A listing of all deferred resource bases used to develop the Net Position and Pension Expense is shown below. Contributions subsequent to the measurement date are not shown.

Measurement Date: June 30, 2018

Deferred Resource				Balance as of Jun 30, 2018	Recognition of Deferred Outflow or Deferred (Inflow) in Measurement Period:							
Date Created	Cause	Initial Amount	Period (Yrs)		Annual Recognition	2017-18 (FYE 2018)	2018-19 (FYE 2019)	2019-20 (FYE 2020)	2020-21 (FYE 2021)	2021-22 (FYE 2022)	2022-23 (FYE 2023)	Thereafter
6/30/2018	Loss Due To Assumption Changes	\$ 100,904	6.56	\$ 15,382	\$ 85,522	\$ 15,382	\$ 15,382	\$ 15,382	\$ 15,382	\$ 15,382	\$ 15,382	\$ 8,612

The Expected Average Remaining Service Life ("EARS") was 6.56 years. This is the period used to recognize changes in the OPEB Liability arising during the current measurement period *other than* those attributable to investment gains and losses or relating to improvements in plan benefits.



**Accounting Information**  
(Continued)**District Contributions to the Plan**

District contributions to the Plan occur as benefits are paid to or on behalf of retirees. Benefit payments may occur in the form of direct payments for premiums and taxes (“explicit subsidies”) and/or indirect payments to retirees in the form of higher premiums for active employees (“implicit subsidies”). For details, see Addendum 1 – Important Background Information.

Benefits paid by the District during the measurement period. Because the measurement period is the current fiscal year, contributions and benefit payments made during the fiscal year are the same.

<b>Benefit Payments During the Measurement Period, Jul 1, 2017 thru Jun 30, 2018</b>	<b>Humboldt Bay MWD</b>
Benefits Paid by Trust	\$ -
Benefits Paid by Employer (not reimbursed by trust)	114,770
Implicit benefit payments	40,466
<b><i>Total Benefit Payments During the Measurement Period</i></b>	<b><i>\$ 155,236</i></b>

<b>Employer Contributions During the Measurement Period, Jul 1, 2017 thru Jun 30, 2018</b>	<b>Humboldt Bay MWD</b>
Employer Contributions to the Trust	\$ -
Employer Contributions in the Form of Direct Benefit Payments (not reimbursed by trust)	114,770
Implicit contributions	40,466
<b><i>Total Employer Contributions During the Measurement Period</i></b>	<b><i>\$ 155,236</i></b>





**Accounting Information**  
 (Continued)

**Projected Benefit Payments (15-year projection)**

The following is an estimate of other post-employment benefits to be paid on behalf of current retirees and current employees expected to retire from the District. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Section 3.

These projections do not include any benefits expected to be paid on behalf of current active employees *prior to* retirement, nor do they include any benefits for potential *future employees* (i.e., those who might be hired in future years).

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2018	\$ 114,770	\$ -	\$ 114,770	\$ 40,466	\$ -	\$ 40,466	\$ 155,236
2019	93,535	9,947	103,482	43,501	12,253	55,754	159,236
2020	95,662	18,621	114,283	51,799	26,995	78,794	193,077
2021	95,169	25,983	121,152	35,560	43,992	79,552	200,704
2022	94,285	32,731	127,016	28,670	44,611	73,281	200,297
2023	92,827	38,533	131,360	31,825	45,089	76,914	208,274
2024	91,175	44,494	135,669	34,959	48,905	83,864	219,533
2025	89,045	47,766	136,811	38,118	48,505	86,623	223,434
2026	86,766	46,302	133,068	41,389	55,443	96,832	229,900
2027	84,334	49,709	134,043	29,513	61,496	91,009	225,052
2028	81,733	54,372	136,105	31,134	69,532	100,666	236,771
2029	78,959	59,569	138,528	32,716	69,940	102,656	241,184
2030	76,029	62,222	138,251	18,091	87,191	105,282	243,533
2031	72,932	60,914	133,846	17,519	93,627	111,146	244,992
2032	69,676	65,013	134,689	16,755	107,013	123,768	258,457

The amounts shown in the Explicit Subsidy section reflect the expected payment by the District toward retiree medical premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date ("current retirees") and those expected to retire after the valuation date ("future retirees").

The amounts shown in the Implicit Subsidy section reflect the expected excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees' coverage. These amounts are also shown separately and in total for those currently retired on the valuation date and for those expected to retire in the future.



**Accounting Information**  
**(Concluded)**

**Sample Journal Entries**

**Humboldt Bay MWD**

**Beginning Account Balances**

**As of the fiscal year beginning 7/1/2017**

	Debit	Credit
Net OPEB Liability		3,866,486
Deferred Resource -- Assumption Changes	-	
Deferred Resource -- Plan experience	-	
Deferred Resource -- Investment Experience	-	
Deferred Resource -- Contributions	-	
Net Position	3,866,486	

*\* The entries above assume nothing is on the books at the beginning of the year. So to the extent that values already exist in, for example, the Net OPEB Liability account, then only the difference should be adjusted. The entries above represent the values assumed to exist at the start of the fiscal year.*

**Journal entry to recharacterize retiree benefit payments not reimbursed by a trust, and record cash contributions to the trust during the fiscal year**

	Debit	Credit
OPEB Expense	114,770	
Premium Expense		114,770
OPEB Expense	-	
Cash		-

*\* This entry assumes a prior journal entry was made to record the payment for retiree premiums. This entry assumes the prior entry debited an account called "Premium Expense" and credited Cash. This entry reverses the prior debit to "Premium Expense" and recharacterizes that entry as an "OPEB Expense". Also, the entry for cash contributions to the trust is shown.*

**Journal entries to record implicit subsidies during the fiscal year**

	Debit	Credit
OPEB Expense	40,466	
Premium Expense		40,466

*\* This entry assumes that premiums for active employees were recorded to an account called "Premium Expense". This entry reverses the portion of premium payments that represent implicit subsidies and assigns that value to OPEB Expense.*

**Journal entries to record other account activity during the fiscal year**

	Debit	Credit
Net OPEB Liability		191,093
Deferred Resource -- Assumption Changes	85,522	
Deferred Resource -- Plan experience	-	
Deferred Resource -- Investment Experience	-	
Deferred Resource -- Contributions	-	
OPEB Expense	105,571	



**C. Funding Information**

Our understanding is that the District is currently financing its OPEB liability on a pay-as-you-go basis. Prefunding (setting aside funds to accumulate in an irrevocable OPEB trust) has certain advantages, one of which is the ability to (potentially) use a higher discount rate in the determination of liabilities for GASB 75 reporting purposes. Use of a long term expected trust rate of return typically requires a demonstrated history of contributions consistently equal to or greater than an Actuarially Determined Contributions (ADC).

An ADC is typically determined using of two basic components, which are then adjusted with interest to each fiscal year end:

- The amounts attributed to service performed in the current fiscal year (service cost) and
- Amortization of the unfunded actuarial accrued liability (UAAL), referred to as the Net OPEB Liability for GASB 75 purposes.

To assist the District in understanding this better, we are providing the following ADC illustration for the District’s fiscal year ending June 30, 2018. Since no trust has been established, we assumed a long term return on trust assets of 6.5% per year.

<b>Discount Rate</b>	<b>6.50%</b>
Total OPEB Liability (TOL)	\$ 2,673,481
Fiduciary Net Position	-
Net OPEB Liability	2,673,481
Amortization Factor*	14.8318
<b>Actuarially Determined Contribution for FYE 2018</b>	
Amortization of Net OPEB Liability	\$ 180,253
Service Cost	62,930
Interest to Fiscal Year End	15,807
<b>Total ADC</b>	<b>\$ 258,990</b>

\* Determined on a level percent of pay basis over a closed 20 year period beginning with fiscal year 2017-18

Actual District contributions, relative to the ADC illustrated for the fiscal year ending June 30, 2018 are shown below.

<b>Schedule of Contributions</b>	<b>Humboldt Bay MWD</b>
Actuarially determined contribution during fiscal year	\$ 258,990
Contributions in relation to the actuarially determined contribution	155,236
Contribution deficiency (excess)	<u>\$ 103,754</u>
Covered employee payroll during fiscal year	\$ 2,073,759
Contributions as a percentage of covered employee payroll	7.49%



### D. Certification

The purpose of this report is to provide actuarial information in compliance with Statement 75 of the Governmental Accounting Standards Board (GASB 75) for other postemployment benefits provided by the Humboldt Bay Municipal Water District (the District). We summarized the benefits in this report and our calculations were based on our understanding of the benefits as described herein.

In preparing this report we relied without audit on information provided by the District. This information includes, but is not limited to, plan provisions, census data, and financial information. We performed a limited review of this data and found the information to be reasonably consistent. The accuracy of this report is dependent on this information and if any of the information we relied on is incomplete or inaccurate, then the results reported herein will be different from any report relying on more accurate information.


We consider the actuarial assumptions and methods used in this report to be individually reasonable under the requirements imposed by GASB 75 and taking into consideration reasonable expectations of plan experience. The results provide an estimate of the plan's financial condition at one point in time. Future actuarial results may be significantly different due to a variety of reasons including, but not limited to, demographic and economic assumptions differing from future plan experience, changes in plan provisions, changes in applicable law, or changes in the value of plan benefits relative to other alternatives available to plan members.

Alternative assumptions may also be reasonable; however, demonstrating the range of potential plan results based on alternative assumptions was beyond the scope of our assignment except to the limited extent required by GASB 75. Plan results for accounting purposes may be materially different than results obtained for other purposes such as plan termination, liability settlement, or underlying economic value of the promises made by the plan.

This report is prepared solely for the use and benefit of the District and may not be provided to third parties without prior written consent of MacLeod Watts. Exceptions are: The District may provide copies of this report to their professional accounting and legal advisors who are subject to a duty of confidentiality, and the District may provide this work to any party if required by law or court order. No part of this report should be used as the basis for any representations or warranties in any contract or agreement without the written consent of MacLeod Watts.

The undersigned actuaries are unaware of any relationship that might impair the objectivity of this work. Nothing within this report is intended to be a substitute for qualified legal or accounting counsel. Both actuaries are members of the American Academy of Actuaries and meet the qualification standards for rendering this opinion.

Signed: December 19, 2018

  
Catherine L. MacLeod, FSA, FCA, EA, MAAA

  
J. Kevin Watts, FSA, FCA, MAAA



### E. Supporting Information

#### Section 1 - Summary of Employee Data

**Active employees:** The District reported 27 active employees; all of whom are currently enrolled in a medical plan through the District. Age and service information for these employees is provided below:

Distribution of Benefits-Eligible Active Employees								
Current Age	Years of Service						Total	Percent
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up		
Under 25							0	0%
25 to 29	2	1					3	11%
30 to 34							0	0%
35 to 39	1	1		1			3	11%
40 to 44	1	1	1	2	1		6	22%
45 to 49		1	1		1		3	11%
50 to 54		2		1		1	4	15%
55 to 59			1	1		1	3	11%
60 to 64					2	2	4	15%
65 to 69		1					1	4%
70 & Up							0	0%
<b>Total</b>	4	7	3	5	4	4	<b>27</b>	<b>100%</b>
<b>Percent</b>	15%	26%	11%	19%	15%	15%	<b>100%</b>	

Valuation	July 2015	June 2018
Annual Covered Payroll	\$1,930,233	\$2,073,759
Average Attained Age for Actives	48.9	48.2
Average Years of Service	11.2	10.7

**Retired members:** There are currently 13 retirees covered under a CalPERS Medicare Supplement plan who are receiving benefits from the District under this program.

Retirees by Age		
Current Age	Number	Percent
Below 50	0	0%
50 to 54	1	8%
55 to 59	1	8%
60 to 64	2	15%
65 to 69	4	31%
70 to 74	3	23%
75 to 79	2	15%
80 & up	0	0%
<b>Total</b>	<b>13</b>	<b>100%</b>
<b>Average Age:</b>		
On 6/30/2018	67.6	
At retirement	58.7	

The length of retiree benefits varies by date of hire. The chart below shows counts of employees hired before or after July 8, 2004.

Participants by Date of Hire			
Date of Hire	Active	Retired	Total
Before 7/8/2004	8	13	21
On/after 7/8/2004	19	0	19
<b>Total</b>	<b>27</b>	<b>13</b>	<b>40</b>



**Supporting Information**

(Continued)

**Section 2A - Summary of Retiree Benefit Provisions**

**OPEB provided:** The District reported that the only OPEB provided is retiree medical coverage.

**Access to coverage:** Medical coverage is currently provided through ACWA-JPA. Current employment agreements require employees to serve the District for at least 10 years in order to be eligible to continue the District’s medical coverage after retirement beyond the COBRA/Cal-COBRA period. Access to coverage for dependents ceases at the retiree’s death.

**Benefits provided:** The District pays a portion of medical premiums for qualifying retirees with at least 10 years of District service. The amount and length of benefits paid depend on the employee’s date of hire:

- *Employees hired before July 8, 2004*

The District will provide 100% paid medical coverage for the retiree and eligible dependents, up to a maximum monthly cap of \$640. Benefits are available for the retiree’s lifetime.

- *Employees hired on or after July 8, 2004*

The District will provide 100% paid medical coverage for the retiree and eligible dependents, up to a maximum monthly cap of \$640. Benefits are available for up to 10 years, but not beyond age 65. Once this temporary benefit ends, retirees must find their own coverage (though may continue temporarily at their own expense under COBRA).

All premiums in excess of the maximum \$640 benefit must be paid by the retiree. Retirees must be enrolled in a District plan in order to receive the District-paid premium benefit described above.

**Current premium rates:** The 2018 ACWA JPA monthly medical premiums for the Northern California region are shown below.

ACWA JPIA 2018 Monthly Incentive Rates						
Plan	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
	Employee Only	Employee & 1	Employee & 2+	Employee Only	Employee & 1	Employee & 2+
Advantage PPO	\$ 767.60	\$ 1,563.20	\$ 2,101.17	\$ 458.06	\$ 928.65	\$ 1,282.72
CalCare HMO	959.53	1,907.81	2,640.35	532.79	1,055.75	1,500.92
CDHP	731.51	1,489.23	2,001.59	436.72	884.90	122.11
Classic PPO	911.92	1,859.07	2,499.52	543.43	1,103.65	1,525.16
Value HMO	883.56	1,755.98	2,429.91	490.96	972.08	1,381.64



## Supporting Information

(Continued)

### Section 2B - Excise Taxes for High Cost Retiree Coverage

The Patient Protection and Affordable Care Act (ACA) includes a 40% excise tax on high-cost employer-sponsored health coverage. The tax applies to the aggregate annual cost of an employee's applicable coverage that exceeds a dollar limit. Implementation of this tax has been delayed by subsequent legislation to 2022; while there are discussions in Congress of eliminating or again delaying the tax, this report assumes that it will take effect as current law provides.

For those current and future retirees assumed to retain coverage in the District's medical program, we determined the excess, if any, of projected annual plan premiums for the retiree and his or her covered dependents over the projected applicable excise tax threshold beginning in 2022. The excise tax burden will ultimately fall on the District alone, a combination of the District and plan participants, or be entirely borne by the affected retirees. The practicalities of how the tax will be recovered by insurers will likely affect the eventual cost-sharing result.

The District indicated that, to the extent possible, it does not intend to absorb any portion of any excise tax incurred for retirees with high cost coverage. See Section 3 for assumptions about this excise tax in the valuation. Please note that any assumptions applied in this valuation are not intended to imply any legal obligation as to the District's current or future liability to absorb this potential tax.



**Supporting Information**  
 (Continued)

**Section 3 - Actuarial Methods and Assumptions**

Valuation Date	June 30, 2018
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market value of assets (\$0; plan is not yet funded)
Discount Rate	3.13% as of June 30, 2017 2.92% as of June 30, 2018
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.25% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years
Assumed Wage inflation	3.0% per year; a component of assumed salary increases
General Inflation Rate	2.75% per year

*Demographic actuarial assumptions used in this valuation are based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements. Rates for selected age and service are shown below and on the following pages. The representative mortality rates were those published by CalPERS adjusted to back out 20 years of Scale BB to central year 2008.*

**Mortality Improvement**                      MacLeod Watts Scale 2017 applied generationally from 2008 on.

**Mortality Before Retirement**  
 (before improvement applied)

CalPERS Public Agency Miscellaneous Non-Industrial Deaths		
Age	Male	Female
15	0.00023	0.00017
20	0.00033	0.00021
30	0.00052	0.00027
40	0.00080	0.00053
50	0.00165	0.00106
60	0.00354	0.00223
70	0.00709	0.00467
80	0.01339	0.01036





**Supporting Information**

(Continued)

**Section 3 - Actuarial Methods and Assumptions**

**Mortality After Retirement**

(before improvement applied)

Healthy Lives			Disabled Miscellaneous		
CalPERS Public Agency Miscellaneous, Police & Fire Post Retirement Mortality			CalPERS Public Agency Disabled Miscellaneous Post-Retirement Mortality From Jan 2014 Experience Study Report		
Age	Male	Female	Age	Male	Female
40	0.00117	0.00097	20	0.00641	0.00395
50	0.00532	0.00495	30	0.00736	0.00455
60	0.00817	0.00533	40	0.01008	0.00642
70	0.01766	0.01264	50	0.01784	0.01230
80	0.05275	0.03695	60	0.02634	0.01510
90	0.16186	0.12335	70	0.03890	0.02815
100	0.34551	0.31876	80	0.08230	0.06015
110	1.00000	1.00000	90	0.18469	0.16082

**Termination Rates**

Miscellaneous Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued January 2014						
Attained	Years of Service					
Age	0	3	5	10	15	20
15	0.1812	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1742	0.1193	0.0946	0.0000	0.0000	0.0000
25	0.1674	0.1125	0.0868	0.0749	0.0000	0.0000
30	0.1606	0.1055	0.0790	0.0668	0.0581	0.0000
35	0.1537	0.0987	0.0711	0.0587	0.0503	0.0450
40	0.1468	0.0919	0.0632	0.0507	0.0424	0.0370
45	0.1400	0.0849	0.0554	0.0427	0.0347	0.0290

**Service Retirement Rates**

The following miscellaneous retirement formulas apply:

Classic: 2% @ 55

PEPRA: 2% @ 62

Sample rates of assumed future retirements applicable to each of these retirement benefit formulas are shown in tables on the following page.



**Supporting Information**

(Continued)

**Section 3 - Actuarial Methods and Assumptions**

Service Retirement Rates (continued)

Miscellaneous Employees: 2% at 55 formula From CalPERS Experience Study Report Issued January 2014						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0140	0.0180	0.0210	0.0250	0.0270	0.0310
55	0.0480	0.0610	0.0740	0.0880	0.1000	0.1170
60	0.0670	0.0860	0.1030	0.1230	0.1390	0.1640
65	0.1550	0.1970	0.2380	0.2850	0.3250	0.3860
70	0.1300	0.1650	0.2000	0.2400	0.2720	0.3230
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Miscellaneous "PEPRA" Employees: 2% at 62 formula From CalPERS Experience Study Report Issued January 2014						
Current Age	Years of Service					
	5	10	15	20	25	30
52	0.0103	0.0132	0.0160	0.0188	0.0216	0.0244
55	0.0440	0.0560	0.0680	0.0800	0.0920	0.1040
60	0.0616	0.0784	0.0952	0.1120	0.1288	0.1456
65	0.1287	0.1638	0.1989	0.2340	0.2691	0.3042
70	0.1254	0.1596	0.1938	0.2280	0.2622	0.2964
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Disability Retirement Rates

CalPERS Public Agency Miscellaneous Disability From Jan 2014 Experience Study Report		
Age	Male	Female
20	0.00017	0.00010
25	0.00017	0.00010
30	0.00019	0.00024
35	0.00049	0.00081
40	0.00122	0.00155
45	0.00191	0.00218
50	0.00213	0.00229
55	0.00221	0.00179
60	0.00222	0.00135

Medicare Eligibility

Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65.



**Supporting Information**  
(Continued)

**Section 3 - Actuarial Methods and Assumptions**

**Healthcare Trend**

Medical plan premiums and claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2019	7.50%	2022	6.00%
2020	7.00%	2023	5.50%
2021	6.50%	2024 & later	5.00%

**Increase in Maximum Employer Cost-Sharing**

There have been no increases in the maximum District-paid benefit since 2012 and the District represented to us that no further increases are to be expected.

**Participation rate**

*Active employees:* 100% of those currently enrolled are assumed to elect medical coverage through the District in retirement.

*Retired participants:* Existing medical plan elections are assumed to be continued until District paid benefits end.

**Spouse Coverage**

*Active employees:* 40% of employees are assumed to be married and to elect coverage for their spouse in retirement. Surviving spouses are assumed to keep coverage until the earlier of the retiree's death or the date District paid benefits end. Husbands are assumed to be 3 years older than their wives.

*Retired participants:* Existing elections for spouse coverage are assumed to continue until the earlier of the retiree's death or the date District paid benefits end. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.

**Excise tax on high-cost plans**

The expected value of excise taxes for high cost plan coverage for retirees is expected to be effective in the year 2022. Annual threshold amounts under the Affordable Care Act (ACA) are shown below. A 40% excise tax rate was applied to the portion of premiums projected to exceed the threshold.

2018 Thresholds	Ages 55-64	All Other Ages
Single	11,850	10,200
Other than Single	30,950	27,500

*Note: Thresholds for disability retirements are assumed to be set at a level high enough to prevent taxation on disabled retiree benefits.*



**Supporting Information**

(Continued)

**Section 3 - Actuarial Methods and Assumptions**

**Excise tax on high-cost plans - concluded**

The actual limits may be higher, depending on cost increases prior to the effective date. The thresholds are scheduled to increase by CPI plus 1% in 2019 and by CPI annually thereafter. Based on statements made by the District, we assumed that none (0%) of any excise tax liability for high cost retiree coverage will be borne by the District.

**Development of Age-related Medical Premiums**

Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. A description of the use of claims cost curves can be found in MacLeod Watts's Age Rating Methodology provided in Addendum 1 to this report.

Representative claims costs derived from the dataset provided by CalPERS for retirees is shown below.

Expected Monthly Claims by Medical Plan							
Medical Plan	Male						
	53	56	59	62	64	66	68
Anthem Advantage PPO: Other Northern	\$ 899	\$ 1,044	\$ 1,197	\$ 1,360	\$ 1,482	\$ 1,613	\$ 1,741
Anthem CalCare HMO: Other Northern	1,118	1,299	1,488	1,692	1,843	2,006	2,166
Anthem Classic PPO: Other Northern	1,049	1,218	1,396	1,587	1,729	1,882	2,032
Anthem Consumer Driven Health Plan: Other Northern	988	1,147	1,315	1,495	1,628	1,772	1,913
Anthem Value HMO: Other Northern	1,030	1,196	1,371	1,558	1,697	1,848	1,995
Medical Plan	Female						
	53	56	59	62	64	66	68
Anthem Advantage PPO: Other Northern	\$1,038	\$ 1,116	\$ 1,206	\$ 1,330	\$ 1,429	\$ 1,535	\$ 1,642
Anthem CalCare HMO: Other Northern	1,291	1,389	1,501	1,654	1,778	1,910	2,043
Anthem Classic PPO: Other Northern	1,211	1,303	1,408	1,552	1,668	1,792	1,916
Anthem Consumer Driven Health Plan: Other Northern	1,140	1,227	1,325	1,461	1,570	1,687	1,804
Anthem Value HMO: Other Northern	1,188	1,279	1,382	1,523	1,637	1,759	1,881

**Changes reflected During the Current Measurement Period:**

**Discount Rate:**

The discount rate used to value the implicit subsidy liability was changed from 3.13% as of June 30, 2017 to 2.92% as of June 30, 2018, based on the published change in return for the applicable municipal bond index.



**Supporting Information**

(Continued)

**Section 3 - Actuarial Methods and Assumptions**

**Changes in assumptions from the 2015 AMM Report**

Discount Rate:	The discount rate was changed from 3.0% on July 1, 2015 to the rates shown above.
Demographic assumptions	Assumed termination, disability and retirement rates were updated to those provided in the CalPERS 2014 experience study report. Mortality rates were updated to rates in the midpoint year of the CalPERS 2014 experience study (2008), then projected on a generational basis by MacLeod Watts Scale 2017 (see Addendum 3).
Spouse Coverage	The percentage of future retirees assumed to cover a spouse in retirement was set to 40%, based on a review of current plan data and our experience with plans with similar benefit levels.
Healthcare Trend	Medical plan premium rates and projected claim costs are assumed to increase at somewhat higher rates than were assumed in the prior valuation.
Age-Related Medical Premiums	We introduced a methodology for developing age-related medical premiums based on recent research and data sponsored by the Society of Actuaries.  We added an implicit subsidy analysis for retirees covered (or assumed to be covered) by the ACWA medical program.
Excise Tax Impact	We projected the potential impact of the excise tax attributable to retirees for high cost healthcare plans for retirees, as provided by the Affordable Care Act for informational purposes; however, the projected tax was not added to the employer liability.



**Supporting Information**  
 (Continued)

**Section 4 – Comparison of Valuation Results**

The chart below compares the basic results presented in the July 2015 Alternative Measurement Method report with the results of the June 30, 2018 actuarial valuation.

Valuation date Applicable Accounting Standard	7/1/2015	6/30/2018		
	GASB 45	GASB 75		
Subsidy	Total	Explicit	Implicit	Total
Discount rate	3.00%	2.92%	2.92%	2.92%
<b>Number of Covered Employees</b>				
Actives	26	27	27	27
Retirees	10	13	4	13
Total Participants	36	40	31	40
<b>Actuarial Present Value of Proj Benefits</b>				
Actives	\$ 1,127,568	\$ 1,078,946	\$ 2,307,021	\$ 3,385,967
Retirees	1,466,345	1,403,101	452,745	1,855,846
Total APVPB	2,593,913	2,482,047	2,759,766	5,241,813
<b>Total OPEB Liability</b>				
Actives	833,125	764,799	1,436,934	2,201,733
Retirees	1,466,345	1,403,101	452,745	1,855,846
TOL	2,299,470	2,167,900	1,889,679	4,057,579
Fiduciary Net Position	-	-	-	-
<b>Net OPEB Liability</b>	2,299,470	2,167,900	1,889,679	4,057,579
<b>Service Cost</b>	41,670	42,145	90,669	132,814

\* In addition to the liabilities shown above, we estimate a potential actuarial liability of \$59,000 for future excise taxes for high cost retiree coverage. As defined in the Affordable Care Act. The District stated that it will not pay any such excise tax, so its has not been included as a District liability in this valuation/report.

The terms in the chart above reflect GASB 75 liability terminology

GASB 75 Term	GASB 45 Term
Total OPEB Liability (TOL)	Actuarially Accrued Liability (AAL)
Fiduciary Net Position	Market Value of Assets
Net OPEB Liability	Unfunded Actuarially Accrued Liability
Service Cost	Normal Cost

**Key changes include:**  
 Updated healthcare trend,  
**Implicit subsidy recognition**  
 Earlier assumed retirement ages  
 Longer retiree life expectancy

**Changes Since the Prior Valuation**

Given the uncertainties involved and the long term nature of these projections, prior assumptions are not likely ever to be exactly realized. However, even before the change in emphasis in GASB 45 (on the cumulative unfunded expense, or Net OPEB Obligation) to GASB 75's focus on the Total OPEB Liability, there are a number of assumption and method changes reflected in this 2018 valuation relative to those in the 2015 AMM analysis which increased the OPEB Liability. A list of changes is provided at the end of Section 3.



**Addendum 1: Important Background Information**

**General Types of Other Post-Employment Benefits (OPEB)**

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are medical, prescription drug, dental, vision, and/or life insurance coverage. Other OPEB may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include COBRA, vacation, sick leave (unless converted to defined benefit OPEB), or other direct retiree payments.

A direct employer payment toward the cost of OPEB benefits is referred to as an “explicit subsidy”. Upcoming excise taxes under the Affordable Care Act for retirees covered by high cost plans is another potential source of explicit subsidies.

In addition, if claims experience of employees and retirees are pooled when determining premiums, retiree premiums are based on a pool of members which, on average, are younger and healthier. For certain types of coverage such as medical insurance, this results in an “implicit subsidy” of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. GASB 75 and Actuarial Standards of Practice generally require that an implicit subsidy of retiree premium rates be valued as an OPEB liability.

Expected retiree claims		
Premium charged for retiree coverage		Covered by higher active premiums
Retiree portion of premium	Agency portion of premium Explicit subsidy	Implicit subsidy

*This chart shows the sources of funds needed to cover expected medical claims for pre-Medicare retirees. The portion of the premium paid by the Agency does not impact the amount of the implicit subsidy.*

Under GASB 45, for actuarial valuations dated prior to March 31, 2015, an exception allowed plan employers with a very small membership in a large “community-rated” healthcare program to avoid reporting of implicit subsidy liability. Following a change in Actuarial Standards of Practice and in accordance with GASB 75 requirements, this exception is no longer available.

**Valuation Process**

The valuation was based on employee census data and benefits provided by the District. A summary of the employee data is provided in Section 1 and a summary of the benefits provided under the Plan is provided in Section 2. While individual employee records were reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the District as to its accuracy. The valuation was based on the actuarial methods and assumptions described in Section 3.

In developing the projected benefit values and liabilities, we first determine an expected premium or benefit stream over the employee’s future retirement. Benefits may include both direct employer payments (explicit subsidies) and/or an implicit subsidy, arising when retiree premiums are expected to be subsidized by active employee premiums. The projected benefit streams reflect assumed trends



## Important Background Information

(Continued)

in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service to receive benefits.
- The probability of when such retirement will occur for each retiree, based on current age, service and employee type; and
- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. The final payments for currently active employees may not be made for many decades.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "Total OPEB Liability". The OPEB cost allocated for active employees in the current year is referred to as "Service Cost".

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets ("Fiduciary Net Position") is applied to offset the "Total OPEB Liability", resulting in the "Net OPEB Liability". If a plan is not being funded, then the Net OPEB Liability is equal to the Total OPEB Liability.

It is important to remember that an actuarial valuation is, by its nature, a projection of one possible future outcome based on many assumptions. To the extent that actual experience is not what we assumed, future results will differ. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members;
- A significant increase or decrease in the future premium rates;
- A change in the subsidy provided by the Agency toward retiree premiums;
- Longer life expectancies of retirees;
- Significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents;
- Higher or lower returns on plan assets or contribution levels other than were assumed; and/or
- Changes in the discount rate used to value the OPEB liability





**Important Background Information**

(Continued)

**Requirements of GASB 75**

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and disclosure of OPEB expense and related liabilities (assets), note disclosures, and, required supplementary information (RSI) in the financial reports of state and local governmental employers.

**Important Dates**

GASB 75 requires that the information used for financial reporting falls within prescribed timeframes. Actuarial valuations of the total OPEB liability are generally required at least every two years. If a valuation is not performed as of the Measurement Date, then liabilities are required to be based on roll forward procedures from a prior valuation performed no more than 30 months and 1 day prior to the most recent year-end. In addition, the net OPEB liability is required to be measured as of a date no earlier than the end of the prior fiscal year (the "Measurement Date").

**Recognition of Plan Changes and Gains and Losses**

Under GASB 75, gains and losses related to changes in Total OPEB Liability and Fiduciary Net Position are recognized in OPEB expense systematically over time.

- **Timing of recognition:** Changes in the Total OPEB Liability relating to changes in plan benefits are recognized immediately (fully expensed) in the year in which the change occurs. Gains and Losses are amortized, with the applicable period based on the type of gain or loss. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.
- **Deferred recognition periods:** These periods differ depending on the source of the gain or loss.

Difference between projected  
and actual trust earnings:

5 year straight-line recognition

All other amounts:

Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.



**Important Background Information**

(Continued)

**Implicit Subsidy Plan Contributions**

An implicit subsidy liability is created when expected retiree claims exceed the premiums charged for retiree coverage. In practical terms, when premiums for active employees each year exceed active employee claims, their premiums include an amount expected to be transferred to cover a portion of the retirees' claims not covered by the premiums charged for retiree coverage. This transfer represents the current year's implicit subsidy. GASB 75 allows for recognition of payments to an irrevocable trust or directly to the insurer as an employer's contribution. Therefore, each year's implicit subsidy is a contribution toward the payment of retiree benefits.

The following hypothetical example illustrates this treatment:

Hypothetical Illustration of Implicit Subsidy Recognition	For Active Employees	For Retired Employees
<i>Prior to Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Accounting Treatment	Compensation Cost for Active Employees	Contribution to Plan & Benefits Paid from Plan
<i>After Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Implicit Subsidy Adjustment	(23,000)	23,000
Accounting Cost of Premiums Paid	\$ 388,000	\$ 71,000
Accounting Treatment Impact	Reduces Compensation Cost for Active Employees	Increases Contributions to Plan & Benefits Paid from Plan

In this example, while total contributions paid toward active and retired employee healthcare premiums is the same, by shifting the recognition of the current year's implicit subsidy from actives to retirees, this amount is recognized as an OPEB contribution and at the same time reduces premium expense for active employees.

**Discount Rate**

When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). When a plan sponsor makes regular, sufficient contributions to a trust in order to prefund the OPEB liabilities, GASB 75 allows use of a rate up to the expected rate of return of the trust. Therefore, prefunding has an advantage of potentially being able to report overall lower liabilities due to future expected benefits being discounted at a higher rate.



**Important Background Information**

(Continued)

**Actuarial Funding Method and Assumptions**

The “ultimate real cost” of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method.

The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the “incidence of cost”. GASB 75 specifically requires that the actuarial present value of projected benefit payments be attributed to periods of employee service using the Entry Age Actuarial Cost Method, with each period’s service cost determined as a level percentage of pay.

The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable.



## Addendum 2: MacLeod Watts Age Rating Methodology

Both accounting standards (e.g. GASB 75) and actuarial standards (e.g. ASOP 6) require that expected retiree claims, not just premiums paid, be reflected in most situations where an actuary is calculating retiree healthcare liabilities. Unfortunately, the actuary is often required to perform these calculations without any underlying claims information. In most situations, the information is not available, but even when available, the information may not be credible due to the size of the group being considered.

Actuaries have developed methodologies to approximate healthcare claims from the premiums being paid by the plan sponsor. Any methodology requires adopting certain assumptions and using general studies of healthcare costs as substitutes when there is a lack of credible claims information for the specific plan being reviewed.

Premiums paid by sponsors are often uniform for all employee and retiree ages and genders, with a drop in premiums for those participants who are Medicare-eligible. While the total premiums are expected to pay for the total claims for the insured group, on average, the premiums charged would not be sufficient to pay for the claims of older insureds and would be expected to exceed the expected claims of younger insureds. An age-rating methodology takes the typically uniform premiums paid by plan sponsors and spreads the total premium dollars to each age and gender intended to better approximate what the insurer might be expecting in actual claims costs at each age and gender.

The process of translating premiums into expected claims by age and gender generally follows the steps below.

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant.* For example, a claims cost curve might show that, if a 50 year old male has \$1 in claims, then on average a 50 year old female has claims of \$1.25, a 30 year male has claims of \$0.40, and an 8 year old female has claims of \$0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Section 3 provides the source of information used to develop such a curve and shows sample relative claims costs developed for the plan under consideration.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Section 3.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step, the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

The methodology described above is dependent on the data and methodologies used in whatever study might be used to develop claims cost curves for any given plan sponsor. These methodologies and assumptions can be found in the referenced paper cited as a source in the valuation report.



**Addendum 3: MacLeod Watts Mortality Projection Methodology**

Actuarial standards of practice (e.g., ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, and ASOP 6, Measuring Retiree Group Benefits Obligations) indicate that the actuary should reflect the effect of mortality improvement (i.e., longer life expectancies in the future), both before and after the measurement date. The development of credible mortality improvement rates requires the analysis of large quantities of data over long periods of time. Because it would be extremely difficult for an individual actuary or firm to acquire and process such extensive amounts of data, actuaries typically rely on large studies published periodically by organizations such as the Society of Actuaries or Social Security Administration.

As noted in a recent actuarial study on mortality improvement, key principles in developing a credible mortality improvement model would include the following:

- (1) Short-term mortality improvement rates should be based on recent experience.
- (2) Long-term mortality improvement rates should be based on expert opinion.
- (3) Short-term mortality improvement rates should blend smoothly into the assumed long-term rates over an appropriate transition period.

The **MacLeod Watts Scale 2017** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2016 Report, published in October 2016 and (2) the demographic assumptions used in the 2016 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published June 2016.

MacLeod Watts Scale 2017 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2016 which has two segments – (1) historical improvement rates for the period 1951-2012 and (2) an estimate of future mortality improvement for years 2013-2015 using the Scale MP-2016 methodology but utilizing the assumptions obtained from Scale MP-2015. The MacLeod Watts scale then transitions from the 2015 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10 year period 2016-2025. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2025-2039. The SSA's Intermediate Scale has a final step down in 2040 which is reflected in the MacLeod Watts scale for years 2040 and thereafter. Over the ages 100 to 115, the SSA improvement rate is graded to zero.

Scale MP-2016 can be found at the SOA website and the projection scales used in the 2016 Social Security Administrations Trustees Report at the Social Security Administration website.



## Glossary

**Actuarial Funding Method** – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability

**Actuarial Present Value of Projected Benefits (APVPB)** – The amount presently required to fund all projected plan benefits in the future. This value is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

**CalPERS** – Many state governments maintain a public employee retirement system; CalPERS is the California program, covering all eligible state government employees as well as other employees of other governments within California who have elected to join the system

**Defined Benefit (DB)** – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment

**Defined Contribution (DC)** – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member’s account are determined and the terms of distribution of the account after separation from employment

**Discount Rate** – Interest rate used to discount future potential benefit payments to the valuation date. Under GASB 75, if a plan is prefunded, then the discount rate is equal to the expected trust return. If a plan is not prefunded (pay-as-you-go), then the rate of return is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Expected Average Remaining Service Lifetime (EARSL)** – Average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period

**Entry Age Actuarial Cost Method** – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual’s projected earnings or service from entry age to the last age at which benefits can be paid

**Excise Tax** – The Affordable Care Act created an excise tax on the value of employer sponsored coverage which exceeds certain thresholds (“Cadillac Plans”). The tax is first effective is 2022.

**Explicit Subsidy** – The projected dollar value of future retiree healthcare costs expected to be paid directly by the Employer, e.g., the Employer’s payment of all or a portion of the monthly retiree premium billed by the insurer for the retiree’s coverage

**Fiduciary Net Position** – The value of trust assets used to offset the Total OPEB Liability to determine the Net OPEB Liability.

**Government Accounting Standards Board (GASB)** – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments; like FASB, it is part of the Financial Accounting Foundation (FAF), which funds each organization

**Health Care Trend** – The assumed rate(s) of increase in future dollar values of premiums or healthcare claims, attributable to increases in the cost of healthcare; contributing factors include medical inflation, frequency or extent of utilization of services and technological developments.



**Glossary****(Concluded)**

**Implicit Subsidy** – The projected difference between future retiree claims and the premiums to be charged for retiree coverage; this difference results when the claims experience of active and retired employees are pooled together and a ‘blended’ group premium rate is charged for both actives and retirees; a portion of the active employee premiums subsidizes the retiree premiums.

**Net OPEB Liability (NOL)** – The liability to employees for benefits provided through a defined benefit OPEB. Only assets administered through a trust that meet certain criteria may be used to reduce the Total OPEB Liability.

**Net Position** – The Impact on Statement of Net Position is the Net OPEB Liability adjusted for deferred resource items

**OPEB Expense** – The OPEB expense reported in the Agency’s financial statement. OPEB expense is the annual cost of the plan recognized in the financial statements.

**Other Post-Employment Benefits (OPEB)** – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan

**Pay-As-You-Go (PAYGO)** – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due

**PEMHCA** – The Public Employees’ Medical and Hospital Care Act, established by the California legislature in 1961, provides community-rated medical benefits to participating public employers. Among its extensive regulations are the requirements that a contracting Agency contribute toward medical insurance premiums for retired annuitants and that a contracting Agency file a resolution, adopted by its governing body, with the CalPERS Board establishing any new contribution.

**Plan Assets** – The value of cash and investments considered as ‘belonging’ to the plan and permitted to be used to offset the AAL for valuation purposes. To be considered a plan asset, GASB 75 requires (a) contributions to the OPEB plan be irrevocable, (b) OPEB assets to dedicated to providing OPEB benefit to plan members in accordance with the benefit terms of the plan, and (c) plan assets be legally protected from creditors, the OPEB plan administrator and the plan members.

**Public Agency Miscellaneous (PAM)** – Non-safety public employees.

**Select and Ultimate** – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate)

**Service Cost** – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the actuarial funding method; also called normal cost

**Total OPEB Liability (TOL)** – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; a subset of “Actuarial Present Value”

**Vesting** – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility



To: Board of Directors

Date: February 12, 2019

From: Chris Harris

RE: Xpress Bill Pay Agreement

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**Background**

Staff has been moving forward with the conversion of the District’s outdated utility billing program and finance software to the Caselle Software package the Board authorized last year. One new benefit for the retail customers of HBMWD is the new online payment portal which will not only allow customers to make payments at any time, with almost any means they choose, but customers will have access to their current account status, be able to review current and past bills and review prior payment history. Payments will be directly uploaded into the new software system and post directly to the customer’s utility account using just a few mouse clicks – *significantly* cutting down on processing time. During this same process, the customer’s account history will also be updated online – providing customers with updated account history almost instantly. Based on the improvements of the online system, combined with the acceptance of credit card payments, staff is anticipating increased online activity, less in-person activity, fewer processed checks and fewer phone calls regarding account questions.

**Discussion**

Any entity that accepts credit card payments is subject to the related processing fees and merchant service fees. Since the District has never accepted credit card payments, it is impossible to know how much these fees will equate to. Staff has thoroughly reviewed all options in order to implement the most cost effective option for the District.

All credit card issuers have various rules regarding the establishment of “convenience fees” and “service fees” (where the merchant charges the customer an additional fee to try to recoup the merchant service fees incurred), as well as rules for what merchant service fee will be charged. This is a very consolidated list of “credit card payment processing” rules that impacted staff’s review:

- *Merchant Service Fees* – percentage based, changed on every transaction. Best rate is the “Government Utility Rate” of 0.30%. To utilize this rate, there are **very specific** requirements.
- *Processing Fees* – These vary based on the transaction type from \$0.20 to \$0.40, and are only charged for online transactions.
- *Convenience Fees* – This is the only kind of fee the District is able to charge customers to attempt to recoup the fees above. (Visa does not permit Service Fees.) Only customers paying online can be charged this fee, and it **MUST** be a flat rate. Charging convenience fees also **eliminates** the “Government Utility Rate” as an option. The lowest merchant service fee available to the District would be +/-1.99%.



**OPTION ONE:**

The District CAN charge a convenience fee to customers, but ONLY to customers that pay online. Charging a convenience fee also *disallows* the District from the lowest (0.30%) Government Utility Rate merchant service fee, resulting in a merchant service fee of 1.99%. Staff has reviewed the staff time and fees generated by potential credit card transactions, and has estimated a convenience fee of \$3.45 would be applicable to cover these costs.

This option will allow for **\*\*some\*\*** re-coup of merchant service fees, but only by those that choose to pay online. Customers that come in to the office or call on the phone would not be subject to the convenience fee. ALL credit card transactions would be charged the 1.99% merchant service rate.

Annual Utility Billing Revenue	\$300,000	
Assume 50% pay with credit card (Merchant Services Rate - 1.99%)	\$2,985	Merchant Service Fees on all transactions (regardless of where paid)
Assume 20 transactions/month online	<\$828.00>	Convenience Fee Revenue (Assumed \$3.45 Convenience Fee)
Assume 20 transactions/month online	\$96.00	Processing Fees (Assumed highest \$0.40 fee)
<i>Net Annual Credit Card Fees</i>	<b>\$2,253.00</b>	

**OPTION TWO:**

The District charges no convenience fee and is permitted to use the 0.30% Government Utility Rate merchant service fee on all transactions (regardless of location).

Annual Utility Billing Revenue	\$300,000	
Assume 50% pay with credit card (Merchant Services Rate - 0.30%)	\$450.00	Merchant Service Fees on all transactions (regardless of where paid)
Assume 40* transactions/month online	-0-	No Convenience Fee Revenue
Assume 40* transactions/month online	\$192.00	Processing Fees (Assumed highest \$0.40 fee)
<i>Net Annual Credit Card Fees</i>	<b>\$642.00</b>	

\*Statistically, there will be higher traffic online with no convenience fees, the increased traffic will increase the processing fees.

**Recommendation**

Staff recommends approval of the attached agreement between HBMWD and Xpress Bill Pay and requests authorization for the General Manager to execute all necessary contracts related to Merchant Services. These agreements reflect "OPTION TWO" above, with no convenience fees, and the acceptance of the 0.30% Government Utility Rate, upon approval from Visa.

**Attachments**

Xpress Bill Pay Agreement

# xpress BILL PAY

## Gateway and Administrative Service Agreement

This Gateway and Administrative Service Agreement is entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between Xpress Solutions, Inc. ("Xpress") and Humboldt Bay Municipal Water District ("Customer") upon such terms and conditions as are set forth below.

WHEREAS, Customer desires Xpress, and Xpress agrees to provide, Automated Clearing House (ACH) and other services to Customer as indicated in and subject to the terms and conditions of, this Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and the receipt of consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1.0 **Term and Renewal:** The Initial Term (the "Initial Term") of this Agreement shall be thirty-six (36) months from the date of this Agreement. This Agreement shall automatically renew for an additional twelve (12) months at the end of the Initial Term or any subsequent renewal term by the Customer upon the receipt by Xpress of the applicable Fees and under the same terms and conditions set forth herein, so long as the Customer is not and has not been in default in any term or condition of this Agreement. If Customer is a political subdivision, the parties agree that an automatic renewal cannot occur if Customer's governing board does not budget for payment of the Fees set forth in Section 2.0 in any given fiscal year of Customer.
- 2.0 **Fees and Payments:** Customer shall pay to Xpress a one-time set-up Fee, monthly maintenance, support, and hosting Fees, and various transaction Fees as set forth in Exhibit A (collectively the "Fees"). Xpress reserves the right to change the Fees at any time so long as Customer is provided no less than 30 days advance notice of a change. Customer authorizes Xpress to initiate an electronic ACH Debit Entry from Customer's bank account provided in Exhibit C on or about the 5th day of each month for the amount of all Fees that accrued during the prior month for any service, support, or maintenance Fee that is due as described in Exhibit A. If there are insufficient funds in Customer's account to cover the Debit, Xpress will contact customer for resolution which will include resubmission up to 3 times. This authorization may be revoked only by notifying Xpress in writing, which revocation shall take effect no later than five (5) business days after receipt by Xpress. Any outstanding Fees that are not paid when due shall bear interest at the rate of 18% per annum until the outstanding balance and all accrued interest are paid in full.
- 3.0 **Services Provided; Obligations of Customer to ODFI:** Transactions are placed through Xpress as a third party sender of ACH transactions with Customer as the "originator" of those transactions under the Rules and Regulations described below. Xpress will send all transactions through an Originating Depository Financial Institution (ODFI) all in accordance with the terms of this Agreement, the Operating Rules of the National Automated Clearing House Association (NACHA) and the applicable Federal Regulations governing ACH transactions including, without limitation, the Electronic Funds Transfer Act and Regulation E (collectively the "Rules and Regulations"). Entry or Entries shall mean either a Credit Entry or a Debit Entry. Customer agrees to comply with Xpress's requests for record retention and signature authorization. Customer hereby grants to Xpress or its designee the right to audit these authorizations and Customer's record retention compliance, at no expense to Xpress.

Customer hereby agrees to, and otherwise assumes, all obligations under the Rules and Regulations as an originator to the ODFI with respect to all Entries, which includes without limitation the unconditional obligation of Customer to pay and indemnify the ODFI for all Entries that are returned by any Receiving Depository Financial Institution (RDFI) for whatever reason.

In addition to the other services referenced in this Agreement, Xpress will provide Customer with an internet payment system. Xpress has developed a web interface that can be used for payment of accounts using credit cards, or electronic funds transfers (EFT). Xpress acts as a payment gateway interface for Customer's account

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holders (the "End Users") to make payments. Xpress will facilitate the acquisition of the necessary merchant service accounts for credit cards. Xpress will provide the EFT and Lockbox services directly using its established banking relationships. Customer hereby authorizes Xpress to endorse checks and other payment items on behalf of Customer into an Xpress deposit account and deposit funds as necessary for the clearing of payments received for Customer. Xpress reserves the right to invest idle funds in its possession for the sole benefit of Xpress. Only merchant service accounts and electronic funds transfer accounts that are certified by Xpress may be used.

- 4.0 Support Services and Service Levels: Xpress will provide technical support services, including telephone, email (seven days a week), or other technology support implemented by Xpress, from 7:00 am to 6:00 pm (MST or MDT) for customers within the continental United States. The maximum response time for service shall not exceed 5:00 pm (Customer local time) of the next business day following the request for service by Customer. This support will be limited to the actual use of the Xpress internet payment system.
- 5.0 Software or Hardware: Customer will not receive any hardware or software from Xpress under this Agreement except as specified in Exhibit B. Customer will use its own computers and agrees to have internet services through an internet service provider. Customer agrees that the computers it uses will have sufficient memory and capacity to run at least Internet Explorer 8 or Mozilla Fire Fox 2.0.
- 6.0 Debit Authorization: Customer, as originator under the Rules and Regulations, hereby authorizes Xpress, or its designees, to initiate Debit and/or Credit Entries to Customer's bank account in accordance with this Agreement. Xpress' authority will remain in full force and effect until either (a) 90 days after Xpress has received written notification from Customer of the termination of this Agreement to provide Xpress reasonable opportunity to act upon any outstanding liabilities; or (b) all obligations of the Customer to Xpress that have arisen from this Agreement have been paid in full, including, but not limited to, those obligations described in this Agreement.
- 7.0 Accepting Transactions: Xpress will accept all completed batches from the Customer. Xpress is responsible for accepting and processing only those Entries that have been received in a proper format and on a timely basis. Any Entry returned to Xpress will be re-presented in accordance with the Rules and Regulations.
- 8.0 Returned Entries: Xpress will apply returned Entries to Customer's account when they are received. All returns will be processed and available through Xpress software or by other means as agreed to by Xpress and the Customer. With respect to each Notification of Change ("NOC") Entry or Corrected Notification of Change ("Corrected NOC") Entry transmitted by Xpress, the parties shall ensure that changes requested by the NOC or Corrected NOC are made by, or on behalf of, the Customer within six (6) banking days of Xpress receipt of the NOC information from the ODFI or prior to initiating another Entry to the Receiver's account, whichever is later.
- 9.0 Reports: Xpress will provide a detailed report of all funds transfers collected as a result of any and all funds transfers. All reporting will be via the Internet.
- 10.0 Limits of Xpress Liability: Xpress will be responsible for Xpress' performance in processing ACH services as a third party sender of ODFI transactions in accordance with the terms of this Agreement, and the other applicable Rules and Regulations. Xpress does not accept responsibility for errors, acts or the failure of others to act, including, and among other entities, banks, communications carriers or clearing houses through which Entries may be originated or Xpress receives or transmits information, and no such entity shall be deemed Xpress' agent. Xpress shall not be responsible nor bear any loss, liability or delay caused by fires, earthquakes, wars, civil disturbances, power surges or failures, acts of government or God, labor disputes, failures in communication networks, legal constraints or other events beyond Xpress' control.
- 11.0 Representations and Warranties Regarding End Users: Customer warrants that it will provide Xpress with relevant billing information for End Users. Customer agrees to indemnify and hold Xpress harmless from any claim or liability relating to any inaccuracy in billing information provided to Xpress. Customer further represents and warrants with respect to all Entries processed for Customer by Xpress that: (a) Each End User has authorized the debiting and/or crediting of his, her, or its account, (b) each Entry is for an amount agreed

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to by the End User, (c) each Entry is in accordance with the Rules and Regulations and properly authorized in all other respects. Customer agrees to defend, indemnify, and hold Xpress and all its agents harmless for any losses, liabilities, legal action costs or expenses incurred by Xpress as a result of any breach of these representations and warranties either intentionally or unintentionally by Customer. Customer shall cease initiating Entries immediately upon receiving actual or constructive notice of the termination or revocation by the End User of authority.

- 12.0 Regulatory Compliance: Customer will use its best efforts, and bears the final responsibility to ensure that Customer's policies and procedures meet the requirements of all applicable Rules and Regulations pertaining to ACH transactions of any kind. Xpress must and will also comply with all Rules and Regulations pertaining to ACH transactions. Without limiting the obligations of Customer to the ODFI under this Agreement and the Rules and Regulations for the payment of all returned Entries, Customer agrees to execute an origination agreement with the ODFI if required by the Rules and Regulations.
- 13.0 Record Keeping: Customer agrees to keep full and accurate data and records of its utilization of Xpress services and of the transactions giving rise to billing information for at least two (2) years after the date of the relevant transaction, or such longer period as required by the Rules and Regulations. Customer understands that Xpress and the ODFI will be required to participate in certain audits of Customer in connection with the credit card and electronic funds transfer services provided by Xpress. Customer agrees to cooperate with Xpress and ODFI in the performance of such audits, including providing information reasonably required in the course of such audits.
- 14.0 Compliance: Customer represents and warrants that all products and services offered, sold, or provided by Customer are offered, sold, or provided in compliance with all applicable laws and regulations. Customer agrees to comply with Xpress's Acceptable Use Policy as required by the Payment Card Industry Data Security Standard (PCI DSS) as provided in Exhibit D. Xpress will meet or exceed all applicable compliance requirements as required by current and future Payment Card Industry (PCI) rules of operation as well as the Rules and Regulations.
- 15.0 Termination: This Agreement may be terminated by either party upon not less than 30 days written notice to the other party specifying the effective date thereof. In the event this Agreement is terminated by Customer through no fault of Xpress, Xpress shall be paid for all services performed up to the date of termination.
- 16.0 Governing Law; Attorney' Fees: This Agreement shall be governed by and construed under the laws of the State of Utah. In the event suit or action is instituted to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as a court may adjudge reasonable as attorneys' fees at trial, on any appeal, and on any petition for review, in addition to other sums provided by law.
- 17.0 Independent Contractors: Both Customer and Xpress are acting hereunder as independent contractors and under no circumstances shall any of the employees of one party be deemed the employees of the other for any purpose. This Agreement shall not be construed as authority for either party to act for the other party in any agency or other capacity, or to make commitments of any kind for the account of or on behalf of the other, except to the extent and for the purposes provided for herein.
- 18.0 No Warranty: Xpress makes no warranty, expressed or implied, including warranties of merchantability and fitness for a particular purpose. Xpress shall have no liability with respect to its obligations under this agreement for consequential, special, direct, exemplary, punitive, or incidental damages to customer or to third parties dealing with customer even if Xpress has been advised of the possibility of such damages.
- 19.0 Entire Agreement: This Agreement and the exhibits hereto constitute the entire understanding and agreement among the parties with respect to the subject matter hereof, and there are no other agreements or understandings among the parties other than those contained herein. In the event any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect the validity of the remainder of this Agreement.

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- 20.0 Successors and Assigns; Third Party Beneficiary: This Agreement shall be binding upon and inure to the benefit of the parties, and their respective heirs, successors and assigns. Neither party may assign its interest under this Agreement without the prior written consent of the other. The parties hereby agree that the ODFI with respect to any Entry, including Zion's First National Bank, a Utah state bank, shall have the right as a third-party beneficiary, in the event of a default under this Agreement or the agreement between Xpress and the ODFI, to enforce this Agreement directly and independently against Customer including the enforcement of Customer's liability to the ODFI as an originator under the Rules and Regulations.
- 21.0 Waiver: Failure of either party at any time to require performance of any provision of this Agreement shall not limit the parties' right to enforce the provision. Waiver of any breach of any provision shall not be waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

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By signing below, Customer and Xpress shall be legally bound and agree to the terms of this Agreement and all of its Attachments.

**Accepted by:**

**Accepted by:**

Xpress Solutions Inc.

Humboldt Bay Municipal Water District

BY:   
\_\_\_\_\_  
(Authorized Signature)

BY: \_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
Keith Jenkins  
(Print or Type Name)

\_\_\_\_\_  
(Print or Type Name)

TITLE: President/CEO

TITLE: \_\_\_\_\_

DATE: 1/25/2019

DATE: \_\_\_\_\_

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## EXHIBIT A

## FEES

**Initial Configuration Fees**

- |   |                 |
|---|-----------------|
| 1. Initial Setup Configuration and Development              | See Caselle     |
| Online Payment Module                                       |                 |
| Auto Pay Module   |                 |
| Card Swipe Module   |                 |
| 2. Training (One Full Day's Training)                       | See Caselle     |
| NOTE: You shall reimburse roundtrip airfare and hotel stay. | + airfare/hotel |

**Recurring Monthly Fees**

## 3. Gateway Fees:

Credit Card Processing (per transaction)	\$ 0.30
EFT Online Payments (per transaction)	\$ 0.40
EFT Returned Items	
(Invalid account number or unable to locate account)	\$ 5.00
(NSF or Closed Account)	\$ 10.00
(Customer Stop Payment)	\$ 25.00
Bank Bill Pay (per transaction)	\$ 0.20
Lock Box Service (per transaction)	* \$ 0.48
Integrated Remote Deposit (per transaction)	* \$ 0.36
800 Operator Assisted Payment (per call)	\$ 0.95
800 IVR Assisted Payments (per call)	\$ 0.95
XBP Deposit Account Withdrawals	
(6 free per month then \$6.25)	

- |   |          |
|---|----------|
| 4. Monthly Support & Hosting                            | \$ 19.50 |
| (\$0.015 per billing statement hosted. Minimum \$19.50) | minimum  |

- |   |         |
|---|---------|
| 5. Monthly Account Keeping Fee  | \$ 4.94 |
| (Waived if you keep a \$25,000.00 minimum balance in your Xpress Deposit Account) |         |

\*These amounts can be distributed between the two entities as long as they are operating in the same office

*\* if service is activated*

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## OPTIONAL EQUIPMENT LIST PRICE LIST

**Card Swipes**

USB Magnetic Stripe Credit Card Reader	\$ 75.00
USB Keyboard with Integrated Magnetic Credit Card Swipe	\$ 99.00

**Printers**

Star Micronics 40 Column Thermal Printer (Tear Bar, Gray Color, USB Connection)	\$ 240.74
Star Micronics 40 Column Thermal Printer (Tear Bar, Black Color, USB Connection)	\$ 304.40
Star Micronics 40 Column Thermal Printer (Auto Cutter, Gray Color, USB Connection)	\$ 252.50
Star Micronics 40 Column Thermal Printer (Auto Cutter, Putty Color, USB Connection)	\$ 261.43
Star Micronics 40 Column Thermal Printer (Auto Cutter, White Color, USB Connection)	\$ 323.21
Star Micronics 40 Column Thermal Printer (Auto Cutter, Black Color, USB Connection)	\$ 322.50
Star Micronics 40 Column Thermal Printer (Auto Cutter, Grey Color, Ethernet Connection)	\$ 336.96

**Check Scanners**

Panini VisionX 50 Check Scanner	\$ 945.00
Panini VisionX 75 Check Scanner	\$ 1,145.00
Panini VisionX 100 Check Scanner	\$1,345.00

**Miscellaneous**

FMC Checkmate Check Jogger	\$ 249.00
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*\* Please note: prices subject to change at any time without further notice.*



EXHIBIT C

CUSTOMER ACCOUNT INFORMATION

Please provide the following information regarding Customer's bank account to which the debit entries will be directed for the payment of the Fees:

Name on Account: \_\_\_\_\_

Account Type: \_\_\_\_\_

Routing Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Bank Name: \_\_\_\_\_

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**EXHIBIT D**  
**ACCEPTABLE USE POLICY**

**Introduction**

Xpress Bill Pay is committed to providing high-quality payment services for its customers. This Acceptable Use Policy (the "Policy") is designed to assist in protecting the Service, our Users, and the Internet community as a whole from improper and/or illegal activity over the Internet. By using the Service, you acknowledge that you and your Users are responsible for compliance with the Policy. You are responsible for violations of this Policy by any User that accesses the Services through your account. The Policy will be updated and revised occasionally and posted to the Xpress Bill Pay website. The Company reserves the right to modify this Policy at any time, effective upon posting at [www.xpressbillpay.com/adminPolicy.asp](http://www.xpressbillpay.com/adminPolicy.asp).

**Purpose/Scope**

The purpose of this Policy is to help protect the Company's network, each of the Company's clients and third-party users of the Internet, generally from harassing, deceptive, irresponsible and/or illegal activities.

The scope of this policy is all the Company's clients.

**Policy**

This Policy governs the usage of the Company's network by any person (regardless of whether that person is a Customer). Each person utilizing the Company network in any manner is responsible for complying with this Policy, and for providing assistance to the Company in furtherance of the objectives hereof, as the Company may request from time to time. The Company's Clients will be held solely responsible for the actions (or inactions) of any of their customers, downstream users, or third-party agents that use the Company's Network.

**1.1 Prohibited Actions**

It shall be prohibited by this Policy to utilize the Company network in any manner which, in the sole discretion of the Company, is (A) illegal, disruptive, harassing or deceptive, or (B) a risk to the Company's network, its stability or security, or (C) inconsistent with this Policy and/or the Company's Rules and Regulations and/or any rules or policies of upstream Company network service providers. Set forth below, is a non-exclusive list of certain actions, omissions, etc., which are expressly prohibited under this Policy:

- Transmitting, distributing or storing any material in violation of applicable law, code or regulation is prohibited. This includes, without limitation, material protected by copyright, trademark, trade secret, protective order, contract, or other intellectual property right used without proper authorization. Also prohibited is material that is obscene, libelous, defamatory, constitutes an illegal threat, and/or violates export control laws
- Sending unsolicited bulk email messages and/or other advertising material to individuals who did not specifically request such material. This includes, but is not limited to, messages sent as email, "Spam," ICQ traffic, instant message traffic, GSM/GPRS data, or posting the same or similar message to one or more newsgroups (excessive cross-posting or multiple-posting). The Company's accounts or services may not be used to solicit customers from, or collect replies to, messages sent from another Internet Service Provider where those messages violate this Policy or the policy of the other provider. The Company reserves the right, in its sole discretion, to determine whether commercial email on the Company's Network complies with this Policy.
- Utilizing the Company's network (or any relay, proxy or other network element in conjunction with the Company network) to (A) forge the signature, IP address or other identifying mark or code of any other person, (B) impersonate or assume the identity or any other person, or (C) engage in any other activity

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(including "spoofing") to attempt to deceive or mislead other persons regarding the true identity of the user, including system identification information.

- Unauthorized attempts by a user to gain access to any account or computer resource not belonging to that user (e.g., "hacking" or "cracking"). This includes providing, or assisting in the provision of names, passwords or access codes to persons not authorized to receive such materials by the operator of the system requiring the password or access code.
- Obtaining or attempting to obtain service by any means or device with intent to avoid payment, violate policies or violate law. If a user is restricted or terminated from the Company's network, it is prohibited for a customer to make such services available to such user in an indirect manner.
- Unauthorized access, alteration, destruction, or any attempt thereof, of any information of the Company or any of the Company's clients or end-users by any means or device. This includes any deliberate or other attempt or activity to distribute or post any virus, worm, Trojan horse, or computer code intended to disrupt services, destroy data, destroy or damage equipment, or disrupt the operation of the Company's network or the network of a third-party;
- Knowingly engaging in any activities that will cause a denial-of-service (e.g., synchronized number sequence attacks) to users whether on the Company's network or on another provider's network.
- Advertising, transmitting, or otherwise making available any software, program, product, or service that is designed to violate this Policy or the Policy of any other Internet Service Provider, which includes, but is not limited to, the facilitation of the means to send e-mail spam, initiation of ping, flooding, mail-bombing, denial of service attacks, and piracy of software.
- Using the Company's network in any manner which interferes with the use of the Company's network by other customers or authorized users.
- Utilize the Company's network in any manner that might subject the Company to unfavorable regulatory action, subject the Company to any liability for any reason, or adversely affect the Company's public image, reputation or goodwill, including, without limitation, sending or distributing obscene, hateful, vulgar, racially, ethnically or otherwise objectionable materials as determined by the Company in its sole discretion.
- Using the Company's network to host, access, promote or otherwise distribute any child pornography or obscenity.
- Causing or allowing the Company's network and/or the customer, its IP space or other elements of identification to be placed on so-called "SPAM Block Lists," "Spam Early Warning Systems," or other directories of spam or unsolicited bulk email originators and/or network abusers. It shall be incumbent upon each of the Company's Clients to monitor and modify their usage, and that of their users and customers, to insure compliance with this Policy generally, and also of this provision specifically.

## **1.2 Enforcement**

The Company reserves the right, with or without notice, to restrict, block, modify or terminate services to any Client or user upon the threat or occurrence of a violation to the Policy. The Company reserves the right to cooperate with any court, law enforcement agency, investigator or network service provider in the investigation of threats to the integrity, stability, reliability and/or legality of the products and services offered by the Company and of any violations to the Policy.

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### 1.3 Client Duties

Each Client is obligated to assist the Company in the investigation of any threatened, alleged or actual violation of this Policy. The Client shall cooperate with designees of the Company in this regard. Clients of the Company are responsible for immediately reporting to the Company any issue which could compromise the stability, service or security of any user or system connected to the Company's network.

### 1.4 Client Password Policy

The Company's clients are required to follow the payment industry's user identification (User ID) and password best practices to protect the Company's sensitive credit card data. Client User IDs and passwords must meet the following requirements:

- User IDs must be unique to an individual and forever connected with a single user to whom it has been assigned.
- User must never share their IDs and/or passwords.
- Users must choose easily remembered passwords that are, at the same time, difficult for unauthorized parties to guess.
- Passwords are required to have a minimum of seven (7) characters.
- Passwords must meet strong password requirements. Passwords will contain both alphabetic and numeric characters. Passwords will also utilize upper and lower case letters and symbols.

### 1.5 Reports and Complaints

Any reports or complaints about the use or misuse of the Company's products or services should be directed to:

Xpress Solutions, Inc.  
5252 N Edgewood Drive  
Provo, UT 84604  
800-768-7295  
[security@xpressbillpay.com](mailto:security@xpressbillpay.com)

### 1.6 Digital Millennium Copyright Act

Xpress Solutions, Inc. maintains a separate policy on the handling of complaints under the Digital Millennium Copyright Act, which is incorporated into this Policy hereby and which may viewed at [www.xpressbillpay.com/copyright](http://www.xpressbillpay.com/copyright).

### 1.7 Handling Charges

The Company reserves the right to assess a handling fee, at its usual emergency project labor rate, to respond to abuse complaints incurred by the Company relating to a client and/or to handle, address, clean up and/or correct damage done to the operation of the Company's Network and business operations supported thereby. The fees will be billed in one (1) hour minimum increments. The Company hereby agrees to waive such fee for the first instance per customer of any such complaint, but shall impose the fee from and after the second such complaint.

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To: Board of Directors

Date: February 12, 2019

From: Chris Harris

RE: Proposed Change in Director's Payroll Dates

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**Background**

Office staff processes payroll for District staff twice a month:

1<sup>st</sup> – 15<sup>th</sup> pay period - paid on the 20<sup>th</sup> of the month

16<sup>th</sup>- end of month pay period - paid on the 5<sup>th</sup> of the month

Office staff also processes payroll for the Directors on various dates, typically coinciding with Board Meeting dates. These payrolls have been processed separately as long as anyone can remember.

**Discussion**

Processing payroll is a very labor intensive process, regardless of the number of checks that are being processed. There are multiple levels of data entry, verification, and balancing – not only for the payroll, and also for the payroll taxes, (which must be paid within a certain timeframe after any processed payroll).

Having the Director's payroll processed separately literally adds another payroll to each month. The timeframe of this separate payroll is often within one week of regular payroll processing. Including the Directors payroll with the staff payroll would eliminate the separate verification, balancing, and processing currently required for the Director's payroll and payroll taxes. This would be a much more efficient use of staff time, freeing up time to work on other new projects.

**Recommendation**

Effective with the March 2019 payroll, staff recommends moving the Directors payroll to the 20<sup>th</sup> of each month. Should the 20<sup>th</sup> fall on a holiday or weekend, payroll would be processed the 19<sup>th</sup> (if payroll lands on a Saturday) or the 21<sup>st</sup> (if payroll lands on a Sunday). Office staff will review all meeting hours with each individual Director on Board Meeting days, and the Directors would have until the 15<sup>th</sup> of each month to provide additional meeting attendance hours for payroll on the 20<sup>th</sup>.

**Attachments**

(For reference) HBMWD Board Policy Manual for Governance of the District - Section 10 – Directors' Compensation

disapproval of the conduct of the Board member who has violated this policy, (b) injunctive relief, or (c) referral of the violation to the District Attorney and/or the Grand Jury.

## **Section 10. Directors' Compensation**

### **Section 10.1 General Director Compensation**

Board members will be compensated at the daily rate (i.e., *per diem*) determined by the Board consistent with applicable law for attendance at meetings of the Board. It is the policy of the Board to Directors to compensate Directors for the following:

- 1) Attendance at meetings of the Board of Directors, including Regular and Special Board meetings.
- 2) Performance of the monthly review of all District disbursements and vendor detail report. (This occurs once per month with the responsibility rotating among Board members)
- 3) Attendance at the following meetings, if they constitute performance of official duties rendered as a member of the Humboldt Bay Municipal District Board of Directors:
  - Meetings of ad-hoc or standing District committees, which committees have been established by the Board of Directors;
  - Redwood Region Economic Development Commission (RREDC);
  - Redwood Coast Energy Authority (RCEA);
  - Humboldt County Local Agency Formation Commission (LAFCO) if the Director serves as a primary or alternate member of LAFCO representing special districts;
  - Association of California Water Agencies Region 1 Board of Directors meeting if the Director serves on the Region 1 Board, and ACWA Committee or Task Force meeting for a committee/task force on which the Director officially serves, which service was approved by the Board of Directors; and
  - ACWA's Joint Powers Insurance Authority (JPIA) Board of Directors meeting if the Director serves on the JPIA Board, and JPIA Committee meeting for a committee on which the Director officially serves, which service was approved by the Board of Directors.

The District's assigned alternate to each of the organizations/committees above may attend a meeting anytime he/she wishes; however, compensation shall only be paid if the alternate attends in lieu of the District's primary member (in other words, the primary member is not able to attend).

- 4) Attendance at a meeting with federal, state or County elected officials to discuss legislation or others issues of importance to the District, *if* attendance at such meeting constitutes performance of official duties rendered as a member of the Humboldt Bay Municipal District Board of Directors.
- 5) Attendance at up to two orientation sessions with District staff, after a Director has assumed office, to learn about the District, its operations and current issues/topics of importance for a new Board member.
- 6) Attendance at a conference or organized educational forum that is open to the public at which topics of interest to public agencies or water districts are discussed, ***subject to prior approval of the Board of Directors.***
- 7) Attendance at any other meeting, brought to the Board's attention by a Director or staff, for which attendance will directly benefit the District, and for which attendance constitutes performance of official duties rendered as a member of the Humboldt Bay Municipal District Board of Directors, ***subject to prior approval of the Board of Directors.***

Pursuant to Water Code Section 20202, per diem compensation will not be paid for more than a total of ten days in any calendar month. Such compensation will be provided in addition to reimbursement for any actual and necessary expenses for meals, lodging and travel incurred in attending any conference, meeting or other activity authorized by the District's written policy.

In order for a Board member to be paid a lawfully-established per diem for a meeting, the meeting must be: (1) a "meeting" as defined in subdivision (a) of Government Code Section 54952.2 of the Brown Act; (2) committee meetings of the District; (3) a conference or organized educational activity conducted in compliance with subdivision (c) of section 54952.2 of the Government Code; or (4) other meetings or activities specifically listed in this section.

Appendix H contains Ordinance 17, Director Compensation, which provides the approved per diem rate consistent with the California Water Code.

Any increase in the per diem compensation of Board members under this policy shall be made by ordinance adopted after a noticed public hearing held pursuant to the California Water Code. Such ordinance shall be effective no earlier than 60 days following adoption.

(Water Code Sections 20200 and following.)

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

The Secretary and Treasurer are officers of the District. The Board of Directors has elected to combine these offices into one Secretary/Treasurer position.

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:

- Reviewing, and editing as necessary, the minutes from Regular and Special Board of Director meetings.
- 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.
- 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.
- Review of the District's monthly financial report and presentation of this report to the Board of Directors at their Regular meeting.
- 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).
- 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, the Board of Directors has established a stipend of \$3,150 per year (\$262.50/month) for the Secretary/Treasurer. Any change to this amount shall be approved by the Board of Directors at a regular meeting of the Board.

### **Section 11. Directors' Expense Reimbursement**

1. General Principles: Each member of the Board of Directors is encouraged to participate in those outside activities and organizations that in the judgment of the Board, further the interests of the District. Expenses incurred by Board members in connection with such activities are reimbursable, in accordance with the limits set forth herein. The following rules apply:
  - a. All expenses must be actually incurred and necessary for the performance of the Director's duties.
  - b. Directors shall exercise prudence in all expenditures.
  - c. This policy is intended to result in no personal gain or loss to a Director.



# **OPERATIONS**

Memo to: HBMWD Board of Directors  
From: Dale Davidsen, Superintendent  
Date: February 4, 2019  
Subject: Essex/Ruth January 2019 Operational Report

SECTION J3a PAGE NO. 1

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

1. The flow at Mad River above Ruth Reservoir (Zenia Bridge) was 54 cfs on January 1st, and reached 1868 cfs on the 20<sup>th</sup>. The average for the month was 523 cfs.
2. The conditions at Ruth Lake for the month of January were as follows:
  - a. The lake level on January 31st was 2654.24 feet which is:
    1. 10.27 feet higher than December 31, 2018
    2. 0.94 feet higher than January 31, 2018
    3. 3.19 feet lower than the ten year average
    4. 0.24 feet above the spillway
3. There was 16.28 inches of recorded rainfall for January 2019 at Ruth Headquarters.
4. Ruth Hydro produced 703,200 KWh in January. The hydro plant had 1 shutdown on January 29 with 10,516kw lost. The shutdown was caused by PG&E maintenance.
5. In January the discharge from the lake averaged 635 with a high of 2,951 cfs on the 21st.

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

6. The river at Winzler Control Center for January had an average flow of 3,343cfs. The river flow reached a high flow of 15,900 cfs on January 21<sup>th</sup> and a low of 267 cfs on January 5<sup>th</sup>.
7. The domestic water conditions were as follows:
  - a. The monthly turbidity average was 0.06 NTU, which meets Public Health Secondary Standards.
  - b. For the month of January, we pumped 235.376 million gallons at an average of 7.499 MGD.
  - c. The maximum metered daily municipal customer use was 8.461 MGD on January 24<sup>th</sup>.
8. The Turbidity Reduction Facility ran 31 days in January. The conditions were as follows:
  - a. Average monthly source water turbidity was 0.91 NTU.
  - b. Average monthly filtered water turbidity was 0.06 NTU.
  - c. We did 56 backwashes on the TRF filters in the month of January.
9. January 4<sup>th</sup> - I went to Ruth to look at Bunkhouse project.

10. January 9<sup>th</sup> – 6 from Essex went to RCAC training in Fortuna – Operations and Maintenance practices.
11. January 15<sup>th</sup> – Maintenance Staff installed Manila meter – (Out for scheduled calibration)
12. January 16<sup>th</sup> - Safety meeting
  - a. WIIPP
  - b. EAP – Ruth Dam failure
  - c. AQMD – Generator operations
  - d. General Emergency response
13. January 16<sup>th</sup> – SB198 Safety meeting.
14. January 24<sup>th</sup> MSC inspection services did the 1 year paint inspection on D/W reservoir.
15. January 24<sup>th</sup> & 25<sup>th</sup> - California Heating installed AC system in Essex server cabinet.
16. January 26<sup>th</sup> – I went to Ruth to see why Trinity County didn't pass stairway during inspection.
17. January 29<sup>th</sup> & 30<sup>th</sup> – Maintenance staff started prep work to take Morris Reservoir off line for maintenance.
18. Current and Ongoing Projects
  - a. Work on FY 19/20 budget.
  - b. All full time employees of the Essex and Ruth staff have been working on their 40 Hr. Hazwoper training online. Some have completed the training. This is a OSHA required training
  - c. Ruth Bunkhouse remodel – See attached Change Order 6. Page J3a 3
19. Surplus items - See attachment - Truck seat, Trailer surge brake hitch and backing plates, Onan 4500 watt propane powered generator. Page J3c



**CHANGE ORDER # 6**

**PROJECT: Humboldt Bay Municipal Water District  
Ruth Bunkhouse Remodel Project**

**CONTRACTOR: True North Constructors**

**Description of Change:**

The contractor brought to our attention that the cabinets specified in the specifications are manufactured in China, and even though they could be of good quality, he has some experience with other brands of Ready to Assemble cabinets and has found they can and often do, get damaged in shipping. If a cabinet is damaged then replacement is an issue and could take a while to replace.

Item #1 - The Contractor has suggested he have a known local cabinet maker, build the cabinets. The local cabinet maker has no access to Bamboo and has requested a change of wood species to Maple. Maple is a good quality, common cabinet material so as proposed using a local cabinet maker and the use of Maple as a replacement to Bamboo is acceptable. Item

Item #2 - Cabinet Drawers. - The specifications state the drawers shall be constructed with dovetailed joints. The cabinet maker can do this for additional cost. He has suggested a more common wood joint corner that can be done with-in budget. He has been building cabinets for 20+ years and has had no issues with suggested construction. With good quality construction, the suggested construction is acceptable. There is no cost adjustment or completion date change for this change order.

Adjustment of Contract Sum		Adjustment of Contract Completion Date	
Original Sum of Contract	\$ 475,000.00	Original Contract Completion Date	April 21, 2019
Prior Adjustments	\$ 5,898.13	Prior Adjustments in Calendar Days	0
Contract Sum Prior to this Change	\$ 480,898.13	Adjustment in Calendar Days for this Change Order	0
Adjustment for this Change	\$ -	Revised Contract Completion Date	April 21, 2019
Revised Contract Sum	\$ 480,898.13		

**Note:**

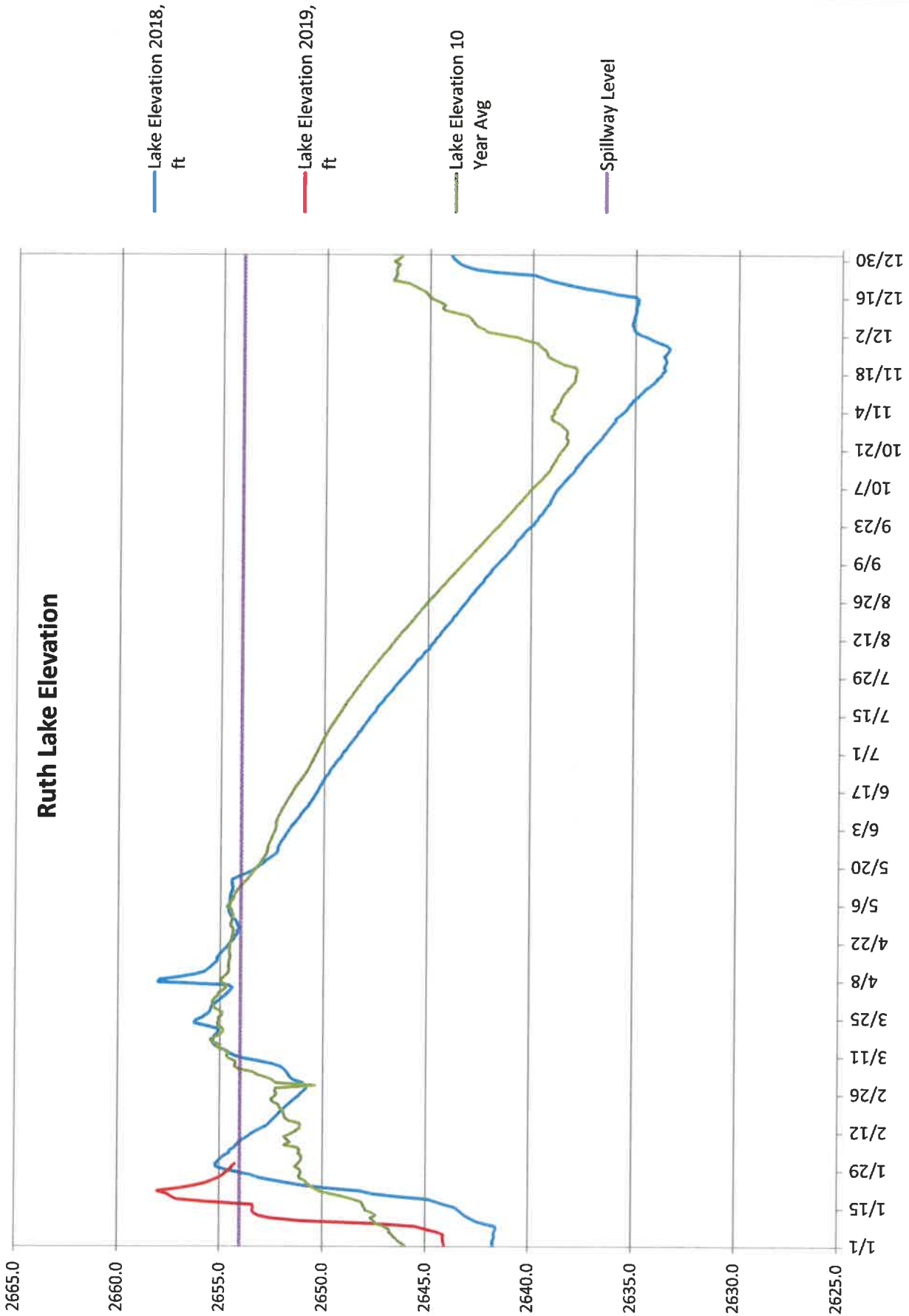
CONTRACTOR WAIVES ANY CLAIM FOR FURTHER ADJUSTMENTS FOR THE CONTRACT SUM RELATED TO THE ABOVE DESCRIBED CHANGE IN THE WORK.

RECOMMENDED BY: Dal H Davidson DATE 1-31-19  
 Superintendent

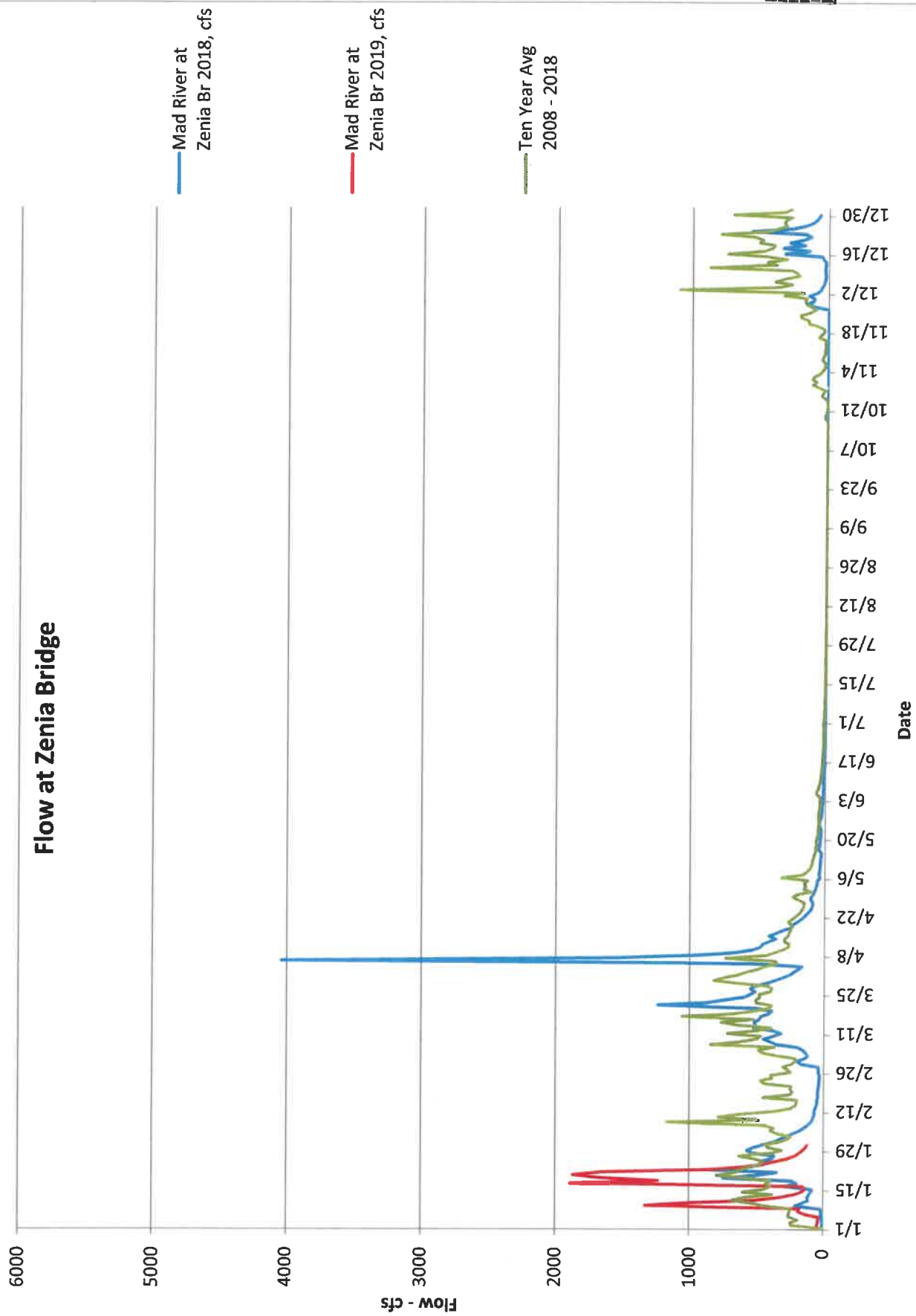
APPROVED BY: [Signature] DATE Jan 31, 2019  
 Owner

ACCEPTED BY: [Signature] DATE 2/4/19  
 Contractor

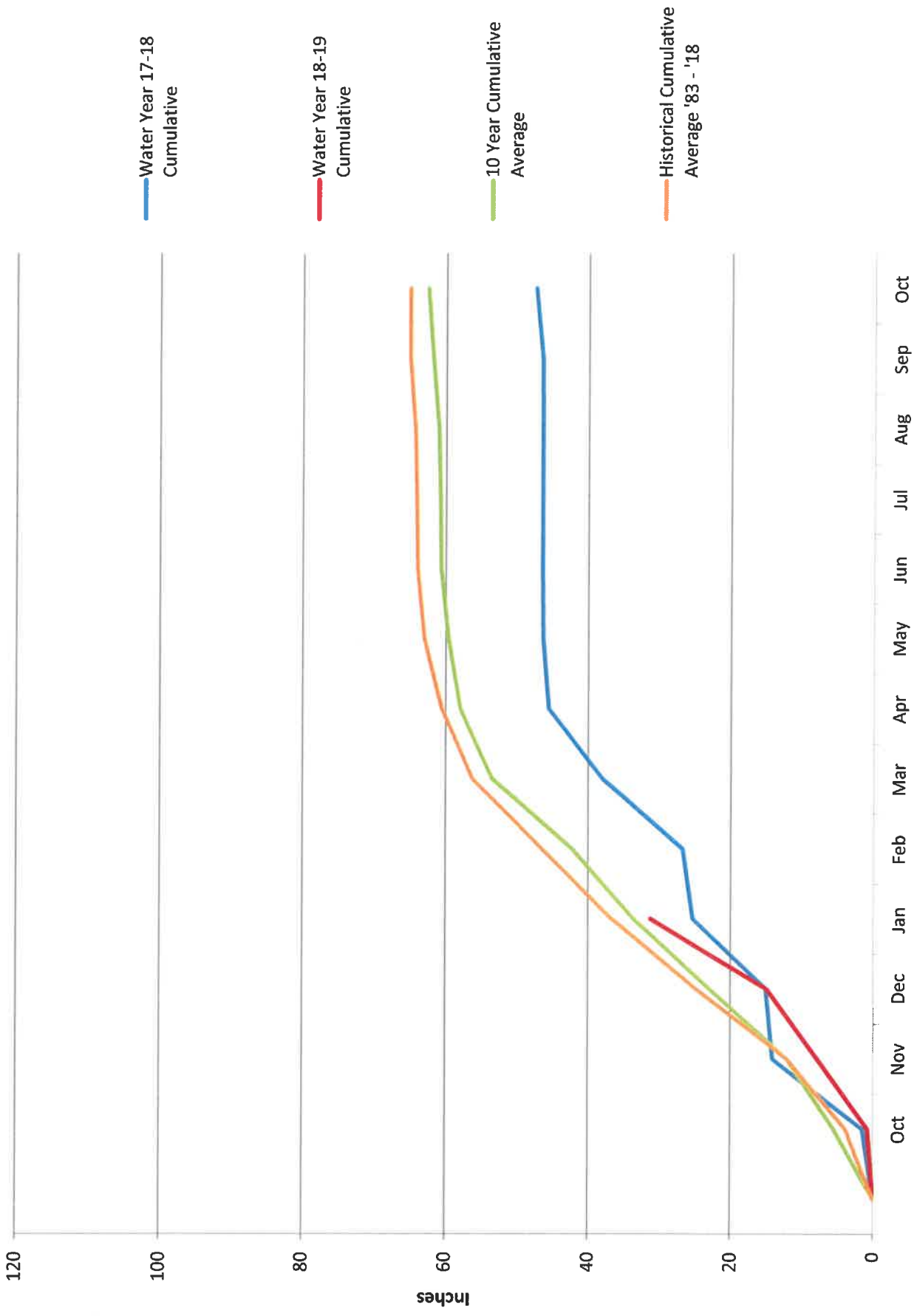
### Ruth Lake Elevation



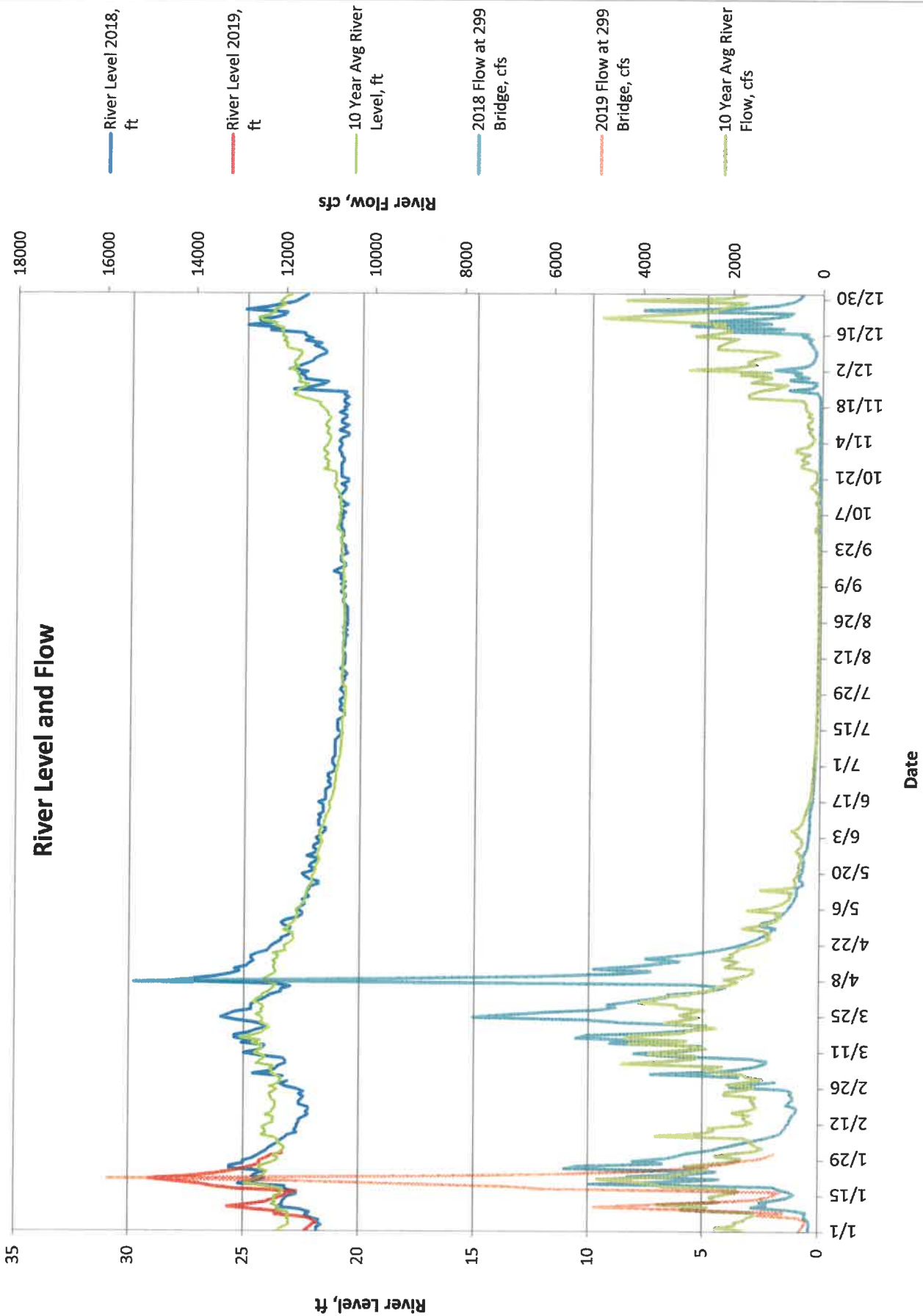
### Flow at Zenia Bridge



### Ruth Rainfall - Water Year 2018-2019



### River Level and Flow





## Surplus Items January 2019

1.



2" Demco Hydraulic brake actuator assembly #DA91; (2) 12" x 2" Hyd brake backing plate assemblies 5 bolt.

2.



Commercial 4500 propane generator (ran when removed from service)

3.



2013 Ford F750 truck drivers side bucket seat

# MANAGEMENT



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

## Appeals Court Rules Prop 218 Rate Plan Subject to Referendum ☆

By CSDA ADMIN posted 12-17-2018 02:34 PM

On November 15, the Third District Court of Appeal held that voters' adoption of Proposition 218 does not abridge the right to challenge local resolutions and ordinances by referendum, and that a public agency's adoption of a water rate plan is a legislative decision subject to referendum. The court's decision establishes a precedent to allow referenda against property-related fees and may serve to destabilize the finances of districts that provide water, sewer, and solid waste services, among others.

The decision, *Wilde v. City of Dunsmuir*, reverses prior law and precedent that exempted local taxes, fees, and other property-related revenue measures from referendum (but not an initiative, as permitted by Article XIII C, section 3 of the California Constitution). The distinction between a referendum and an initiative is important for special districts to consider – an initiative operates prospectively and is less disruptive to municipal finances than a referendum, which suspends a measure the moment signatures are certified until the voters approve or reject the referendum.



### Background

In March 2016, the City council of the City of Dunsmuir ("City") adopted Resolution 2016-02 ("Resolution") increasing water rates. The rate schedule was the result of studies, public meetings, and town halls beginning in 2015. The revenue was appropriated for upgrading the City's 105-year-old water storage tank and water mains. The rate increases were spread over five years. To successfully oppose the resolution, ratepayers were required to submit 800 protests under Prop. 218. Only 40 did so.

The plaintiff, Leslie Wilde ("Wilde"), collected sufficient signatures to qualify a referendum on the rate increases. The City refused to place the referendum on the ballot based on the City Attorney's opinion stating that rate increases were not subject to referendum. At the same time, Wilde gathered sufficient voter signatures to place an initiative on the ballot to establish a different water rate plan. Wilde filed a writ of mandate in the Superior Court seeking to place the referendum on the ballot, which the trial court denied. In addition, the City's voters also rejected Wilde's initiative, "Measure W." The Third District then reversed the trial court decision and remanded instructions to place the referendum on the ballot for the next municipal election.

### CSDA Action

On December 5, CSDA joined the California State Association of Counties, League of California Cities, and California Association of Sanitation Agencies to [file a letter](#) with the Third District requesting de-publication of the published opinion in this case. The letter concedes that ratemaking is a legislative act. However, it asserts that the court erred to conclude that ratemaking is subject to referendum, particularly as to property-related fees governed by Article XIII D, section 6 of the California Constitution – which specifies how fee-payers may participate in decisions to impose or increase rates and fees.

CSDA will continue to monitor this case as the Court of Appeal considers the request for de-publication. In addition, CSDA will support a petition for review by the California Supreme Court, should the published opinion stand.

If you have any questions about this case or how it impacts your district, contact Legislative Analyst – Attorney Mustafa Hessabi at [mustafah@csda.net](mailto:mustafah@csda.net).

#AdvocacyNews

#FeatureNews

420 Sierra College Drive, Suite 140  
Grass Valley, CA 95945-5091  
Voice (530) 432-7357  
Fax (530) 432-7356

COLANTUONO  
HIGHSMITH  
WHATLEY, PC

Michael G. Colantuono  
(530) 432-7359  
MColantuono@chwlaw.us

Our File No. 99904.1191

December 5, 2018

VIA TRUEFILING

The Honorable Chief Justice Tani Cantil-Sakauye  
Honorable Associated Justices  
California Supreme Court  
350 McAllister Street  
San Francisco, CA 94102-4797

**Re: *Wilde v. Dunsmuir* (2018) \_\_ Cal.App.5th \_\_, 2018 WL 5994224 (Third Appellate District, Case No. C082664) – Request for Depublication (Cal. Rules of Court, rule 8.1125(a)(1))**

Honorable Chief Justice Cantil-Sakauye and Associate Justices:

**Introduction.** The California Association of Sanitation Agencies (“CASA”), California State Association of Counties (“CSAC”), the California Special Districts Association (“CSDA”) and the League of California Cities (“League”) (collectively, “Amici”) respectfully request decertification of the published opinion in this case. The Opinion filed November 15, 2018 misconstrues *Rossi v. Brown* (1995) 9 Cal.4th 688 (*Rossi*) to allow referenda to challenge local government fees despite the contrary rule of article II, section 9 of our Constitution<sup>1</sup> and case law construing that section. Although initiatives may reduce or repeal local government fees under *Rossi* and article XIII C, section 3, our Constitution has barred fiscal referenda for at least 52 years. The Opinion erred to conclude otherwise. It may have been uninformed by briefing in another case pending in that court raising the same issue in which Amici participated. (*Howard Jarvis Taxpayers Association et al. v. Amador Water Agency et al.*, Third DCA Case No. C082079 (appeal filed May 20, 2016, fully briefed November 3, 2016).

**Interest of Amici.** CASA is a non-profit corporation comprised of more than 100 local public agencies, including cities, sanitation districts, community services districts,

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<sup>1</sup> References to “articles” are to the California Constitution.

The Honorable Chief Justice Tani Cantil-Sakauye  
December 5, 2018  
Page 2

sewer districts, and municipal utility districts. CASA's member agencies provide wastewater collection, treatment, water recycling, renewable energy and biosolids management services to millions of Californians. CSAC is a non-profit corporation having a membership consisting of the 58 California counties. CSDA is a non-profit corporation with a membership of nearly 900 special districts. CSDA's member districts provide a wide variety of public services to urban, suburban, and rural communities, including water, sewer, and waste removal services. The League is an association of 475 California cities dedicated to protecting and restoring local control to provide for the public health, safety, and welfare of their residents, and to enhance the quality of life for all Californians. The local government members of Amici depend on fees to fund such vital public services as water, sewer, and solid waste removal. If left published, the Opinion will undermine their ability to do so, make their capital-intensive utilities less credit-worthy, invite lenders to impose risk premiums, and make public services more costly.

**Argument.** The Opinion correctly states that ratemaking is a legislative act. (*Wilde v. City of Dunsmuir* (November 15, 2018, C082664) \_\_Cal.App.5th\_\_ [p. 17]; accord *20th Century Ins. Co. v. Garamendi* (1994) 8 Cal.4th 2016, 277.) However, the Opinion erred to conclude ratemaking is subject to referendum. This seems especially true as to property related fees governed by article XIII D, section 6 — which specifies how fee-payers may participate in decisions to impose or increase such a fee. (Cal. Const., art. XIII D, § 6, subs. (a) [majority protest proceeding for all property related fees], (c) [property-owner or registered-voter election on such fees for services other than water, sewer and refuse removal].)

Article II, section 9 reserves voters' power to approve or reject statutes by referendum, except those "providing for tax levies or appropriations for usual current expenses of the State." This exception applies to local as well as state referenda. (*Rossi, supra*, 9 Cal.4th at p. 698 ["The restrictions found in article II, section 9, are applicable to local referenda ... except to the extent that charter cities are exempted"].) *Dunsmuir* is a general law, not a charter, city.

The Constitution prohibits referenda on "tax levies or appropriations" to prevent disruption of government operations and finances. (*Rossi, supra*, 9 Cal.4th at p. 703.) A referendum suspends — immediately upon certification of petition signatures — a challenged statute or ordinance until voters approve it. (*Ibid.*) "Therefore, if a tax measure were subject to referendum, [an agency's] ability to adopt a balanced budget

The Honorable Chief Justice Tani Cantil-Sakauye  
December 5, 2018  
Page 3

and raise funds for current operating expenses through taxation would be delayed and might be impossible." (*Ibid.*) Courts have generally construed "tax levies and appropriations" as used in article II, section 9 broadly to avoid such disruptions to local government, no matter the revenue source in issue. *Dare v. Lakeport City Council* (1970) 12 Cal.App.3d 864, 868 ("*Dare*") states:

The imposition and collection of fees for the use of the facilities of Lakeport Municipal Sewer District No. 1 must reasonably be considered a taxation function. "Taxes" are defined as burdens imposed by legislative power on persons or property to raise money for public purposes.

In *Rossi*, this Court distinguished referenda from initiatives due to the disruption of government finance and service delivery referenda threaten and that our Constitution seeks to avoid. (*Rossi, supra*, 9 Cal.4th at p. 697 ["The referendum, by contrast, applies only to newly enacted legislation and is subject to express constitutional limitations".]) Initiatives operate prospectively, take effect only after an election, and give government months' — possibly years' — notice before a funding source is lost or reduced.

Like *Rossi*, Article XIII C, adopted by 1998's Proposition 218, allows initiatives to do what referenda may not: "Notwithstanding any other provision of this Constitution, including, but not limited to, Sections 8 and 9 of Article II, the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." (Emphasis added.) This language is silent as to the referendum power and that silence is consequential. (E.g., *Citizens Assn. of Sunset Beach v. Orange County Local Agency Formation Com.* (2012) 209 Cal.Ap.4th 1182 [concluding Prop. 218 did not impliedly repeal city annexation statutes, citing *expressio unius* rule and Sherlock Holmes' "dog that did not bark"]; *Center for Community Action & Environmental Justice v. City of Moreno Valley* (2018) 26 Cal.App.5th 689, review denied Nov. 28, 2018 [statute allowing referendum of development agreement impliedly excluded initiative].)

Moreover, there is evidence the voters who approved Proposition 218 intended article XIII C, section 3 to codify *Rossi*: The Howard Jarvis Taxpayers Association, drafter of what became Article XIII C, circulated an analysis of Proposition 218 during the campaign which may have informed voters' view of it. (Text of Prop. 2018 With Analysis <<https://www.hjta.org/propositions/proposition-218/text-proposition-218-analysis/>> [as of Nov. 27, 2018]. That analysis states of article XIII C, section 3: "This

section merely ‘constitutionalizes’ the principles of *Rossi v. Brown*, (1995) 9 Cal.4th 688, a recent decision of the California Supreme Court upholding the right of the electorate to use the local **initiative power** to reduce or eliminate government imposed levies via the initiative power.” (Emphasis added.) (*Carmen v. Alvord* (1982) 31 Cal.3d 318, 331, fn. 10 [contemporaneous statement of initiative drafter may inform its construction]; but see *Johnson v. County of Mendocino* (2018) 25 Cal.App.5th 1017, 1031 (declining notice of post-election article by HJTA leader expressing view of Prop. 218’s intent].)

In any event, the Opinion itself observes article XIII C, section 3 was intended to preserve “voters’ prerogative to decide on local taxes, assessments, and fees by **initiative.**” (*Wilde, supra*, at p. 11 (emphasis added).)

Accordingly, the Opinion errs to characterize the issue here as whether “section 3 of article XIII C to the California Constitution silently repealed voters’ right to challenge by referendum the local levies for which they expressly reserved their power of initiative.” (*Wilde*, at p. 2.) There was no referendum power over taxation when voters approved article XIII C in 1996. *Rossi* and *Dare* were the law then and are the law still. Article XIII C addresses only initiatives because well-settled law makes clear that local levies — taxes, assessments, and fees of various kinds — are not subject to referendum because referenda have different consequences for public finance than do initiatives. The Opinion is correct that Article XIII C had no effect on “voters’ ability to challenge local legislation by referendum” (*Wilde* at p. 13), but mistakes that earlier law.

The Opinion also errs to refashion the “essential government functions” exception to both the referendum and — pre-Proposition 218 — initiative powers stated in *Geiger v. Board of Supervisors* (1957) 48 Cal.2d 832, 839–840. *Geiger* found the “management of the financial affairs of county government” was an “essential function of the board of supervisors” immune from direct democracy. (*Id.* at p. 840.) It did not analyze whether a particular funding source related to an “essential government function.” (*Id.* at p. 839.) Likewise, *Rossi* treats adopting revenue measures, calling elections, and appropriating funds alike as “essential government functions.” (*Rossi, supra*, 9 Cal.4th at p. 703.) It does not test the urgency of a particular tax; it concluded taxation in general is an essential government function exempt from referendum. (*Ibid.*) The Opinion goes too far by creating a new test asking whether water service is an “essential government function.” (*Wilde*, at p. 20.) Moreover, distinguishing those services the political branches choose to fund by taxes or fees as between those which



The Honorable Chief Justice Tani Cantil-Sakauye  
December 5, 2018  
Page 5

are essential and those which are not seems a value-laden, legislative task rather than a standard fit for judicial application.

Nor is the outcome Amici assert problematic from the perspective of those who value direct democracy in local government finance. Proposition 218 details the role for those who pay

- taxes — requiring registered-voter elections under article XIII C, section 2;
- assessments — requiring a mailed ballot protest among assessed property owners akin to an election under article XIII D, section 4, subdivisions (d) & (e); and,
- property related fees — requiring majority protest proceedings and, for all services but water sewer and trash removal, a registered voter election, too, under article XIII D, section 6, subdivisions (a) and (c).

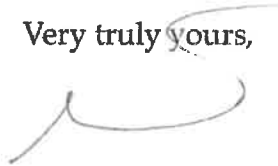
Still further, article XIII C, section 3 preserves the initiative power — to which Ms. Wilde unsuccessfully resorted here. Thus, she had two opportunities to pursue her view of Dunsmuir's water rates and could not muster the necessary support of her neighbors, most of whom are more willing than she to fund a safe and reliable water supply. No majority protest appeared in the City's compliance with article XIII D, section 6, subdivision (a) and Ms. Wilde's initiative to rescind the disputed rates was handily defeated at the polls.

**Conclusion.** The Opinion impairs local governments' ability to fund necessary infrastructure like upgrades to Dunsmuir's 100-year-old water system. The Opinion correctly states the City Council's resolution was legislative in character, and that Proposition 218 did not change earlier law as to the application of the referendum power to fiscal measures. However, it mistook that earlier law to find article II, section 9's exception from the referendum power for "tax levies and appropriations" not to encompass the water fees in issue here.

The Honorable Chief Justice Tani Cantil-Sakauye  
December 5, 2018  
Page 6

Accordingly, Amici respectfully ask this Court to decertify the Opinion for publication unless it should grant review of this case on the City's expected petition or sua sponte.

Very truly yours,



Michael G. Colantuono  
SBN 143551

MGC:cwh  
Enclosure Proof of Service

**PROOF OF SERVICE***Leslie T. Wilde v. City of Dunsmuir, et al.*

Supreme Court Case No. \_\_\_\_\_

Third District Court of Appeal Case No. C082664

Siskiyou County Superior Court Case No. SCCVPT16549

I, Ashley A. Lloyd, declare:


I am employed in the County of Nevada, State of California. I am over the age of 18 and not a party to the within action. My business address is 420 Sierra College Drive, Suite 140, Grass Valley, California 95945-5091. My email address is: ALloyd@chwlaw.us. On December 5, 2018, I served the document(s) described as **REQUEST FOR DECERTIFICATION OF THE PUBLISHED OPINION** on the interested parties in this action addressed as follows:

**SEE ATTACHED SERVICE LIST**

**BY MAIL:** The envelope was mailed with postage thereon fully prepaid. I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Grass Valley, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after service of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on December 5, 2018, at Grass Valley, California.

  
\_\_\_\_\_  
Ashley A. Lloyd

**SERVICE LIST**

*Leslie T. Wilde v. City of Dunsmuir, et al.*

Supreme Court Case No. \_\_\_\_\_

Third District Court of Appeal Case No. C082664

Siskiyou County Superior Court Case No. SCCVPT16549

*Via U.S. Mail*  
Leslie T. Wilde  
6200 Elinore Street  
Dunsmuir, CA 96025

*Pro Per for Plaintiff and Appellant*

*Via U.S. Mail*  
John Sullivan Kenny  
Kenny & NoriCaliforne  
1293 Court Street  
Redding, CA 96001

*Attorneys for Defendant and Respondent,  
City of Dunsmuir, et al.*

*Via U.S. Mail*  
Clerk of the Court  
Third District Court of Appeal  
914 Capitol Mall  
Sacramento, CA 95814

*Via U.S. Mail*  
Clerk of the Court  
Siskiyou County Superior Court  
311 4<sup>th</sup> Street, Room 206  
Yreka, CA 96097

*Courtesy Copy - Via U.S. Mail*  
Adam Link  
California Association of Sanitation  
Agencies  
1225 8<sup>th</sup> Street, Suite 595  
Sacramento, CA 95814  
Email: [alink@casaweb.org](mailto:alink@casaweb.org)

*Courtesy Copy - Via U.S. Mail*  
Jennifer Henning  
California State Association of  
Counties  
1100 K Street, Suite 101  
Sacramento, CA 95814  
Email: jhenning@counties.org

*Courtesy Copy - Via U.S. Mail*  
Mustafah Hessabi  
California Special Districts Association  
1112 I Street, Suite 200  
Sacramento, CA 95814  
Email: mustafah@cstda.net

*Courtesy Copy - Via U.S. Mail*  
Alison Leary  
League of California Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814  
Email: aleary@cacities.org

**Humboldt Area Chapter of CSDA**

**Board Meeting**

**Monday February 4, 2019 @ 3:00- 5:00 PM.**

**North Coast Unified Air Quality Management District**

**707 L St, Eureka, CA 95501**

**Agenda**

1. **Welcome** (*Greg Orsini, Humboldt Area Chapter President*)
2. **Introductions** (*Group*)
3. **Review Minutes**
  - a. December 3, 2018 Minutes
4. **Treasurer's Report**
5. **Check in, items of interest from attendees**
  - a. Reports from other attendees
  - b. Proposed Guest Speakers
    - i. Steve Madrone, Fifth District Supervisor, April 1<sup>st</sup> Chapter Meeting
    - ii. Bruce Rupp, County Wide RDA Oversight Board?
6. **Old Business**
  - a. No Pending Old Business
7. **New Business**
  - a. Humboldt County Auditor's Office
    - i. Discussion on reporting 2018 Tax Revenue and difficulties in getting reports of parcel tax reports
      1. Depending on outcome of discussion consider letter to Humboldt County Board of Supervisors

**8. Guest Speaker-**

Dane Wadle, Public Affairs Field Coordinator, CSDA, Action Brief and Pending Legislation

**9. UPCOMING 2018 CSDA EVENTS:**

- a. SDRMA Spring Education Day, March 26, 2019 Sacramento
- b. Special District Leadership Academy, April 7- 10, 2019, San Diego
- c. Special District Legislative Days, May 21- 22, 2019, Sacramento
- d. General Managers Leadership Summit, June 23- 25, 2019, Newport Beach

**10. Wrap – Up/Questions/Next Meeting Place and Time**

**11. Adjourn – 3:00 p.m.**

December 3, 2018

(North Coast Unified Air Quality Management District)

1. **Welcome** (*Greg Orsini, Humboldt Area Chapter President*)  
3:10 PM
2. **Introductions (Group) and Refreshments**  
**Members in Attendance:**
  - Heather Bitner (NCUAQMD)
  - Doreen Hanson (HCRCD)
  - Susan O’Gorman (WCCSD)
  - Matthew Marshall (RCEA)
  - John Friedenbach (HBMWD)
  - Colette Metz (HCLAFCO)
  - Leslie Marshal (Scotia CSD)**Others in attendance:**
  - Erin Dunn-Assembly member Jim Wood’s office
  - Denise Monday- Humboldt County Public Works
  - Hank Seeman- Humboldt County Public Works
3. **Review Minutes**
  - a. October 2018 Minutes: Friedenbach/O’Gorman
4. **Treasurer’s Report-** There was no report.
5. **Check in, items of interest from attendees**
  - a. Reports from other attendees:
    - HC Planning commission is having a meeting re zoning changes in Blue Lake/Glendale/Willow Creek
    - Burn Permit season is here
6. **Old Business**

No Pending Old Business
7. **New Business**
  - a. Election of Officers
    - i. President is Greg Orsini
    - ii. Vice-President is Matthew Marshall
    - iii. Secretary is Heather Bitner
    - iv. Treasurer is Susan O’ Gorman
  - b. CSDA input from Dane Wadle:
    - Year-end Legislative Report is attached to the Agenda.
    - Jan 1, 2019: AB2257 requires Districts to have Agendas posted on home page.
    - Jan 1, 2020 AB 929: required to have a website or pass a Resolution for



exemption.

- Streamline(CSDA affiliate) can assist with websites for small districts. CDSA Special Leadership Scholarship fund is available. (Request from Susan O’Gorman to provide template for hardship exemption)
- Leg. Comm. met to solicit ideas and sent 4 bills to Board for submittal to Legislature. (storage requirements of recordings; extension of time period for test claims for state mandates; resolution for CSDA’s 50<sup>th</sup> anniversary; sharing info/customer data within districts for educational or scientific reports)
- 2019 will be watching bills re redevelopment.
- Legislator of the Year: Senator McGuire!
- Professional Development catalog and scholarship opportunities are coming soon. First application deadline is Dec. 15.

**8. Guest Speaker-**

- a. Hank Seemann, Deputy Director, Environmental Services, Humboldt County Public Works Department.
  - i. Overview of the North Coast Resource Partnership and the upcoming Prop. 1 implementation funding round.
- b. Erin Dunn, Field Representative, Assembly member Jim Wood
  - i. Introduction and update from Assembly member’s office  
(add Erin to email list serve)

**9. UPCOMING 2018 CSDA EVENTS:**

- a. SDRMA Spring Education Day, March 26, 2019 Sacramento
- b. Special District Leadership Academy, April 7- 10, 2019, San Diego
- c. Special District Legislative Days, May 21- 22, 2019, Sacramento
- d. General Managers Leadership Summit, June 23- 25, 2019, Newport Beach

**10. Wrap – Up/Questions/Next Meeting Place and Time**

- Question about CSDA contract with Enterprise car rental
- Next meeting is February 4 at AQMD office at 3 pm

**11. Adjourn – 3:00 p.m.**



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

January 2019

John Friedenbach  
Humboldt Bay Municipal Water District  
PO Box 95  
Eureka, CA 95502-0095

**H.B.M.W.D. FEB - 4 2019**

Dear Mr. Friedenbach,

Whether the members of your Board of Directors are new to their role or are seasoned officials, CSDA knows they'll be looking for the resources to help them best serve their community in the coming year. CSDA has been providing our members with those resources – educational opportunities, information sharing, advocacy services, and more – for 50 years. We are dedicated to the success of your district.

CSDA is the only statewide association representing all types of special districts and serving more than 1,200 members. In keeping with our mission, we have prepared a packet of information we ask you to share with your Board members.

- Newly updated **CSDA Special District Board Member Handbook**, full of information needed to be an effective and productive official.
- **Special District Leadership Academy** brochure, with comprehensive governance training designed for experienced and newly elected/appointed officials.

If you would like additional copies of these items, please contact CSDA Member Services and we'll be happy to provide a few more. To ensure your Board members receive the weekly CSDA eNews and legislative updates, make sure we have a unique email for each member. Contact us at 877.924.2732 or [cassandras@csda.net](mailto:cassandras@csda.net) if you have questions. For additional resources and a calendar of educational offerings, visit our website at [www.csda.net](http://www.csda.net).

Serving on the Board of Directors/Trustees for a special district is a unique and significant responsibility. Please extend our congratulations to your newly elected/appointed Board members and our thanks for their commitment to special districts.

We are proud to count your district as a CSDA member.

Best regards,

Cathrine Lemaire  
Member Services Director

*PS: Don't forget! If you renewed your CSDA membership by the January deadline, you get access to free online Ethics Training for your entire Board for a limited time. Call 877.924.2732 for details.*

1112 I Street, Suite 200  
Sacramento, CA 95814  
Toll-free: 877.924.2732  
t: 916.442.7887  
f: 916.442.7889  
[csda.net](http://csda.net)

**From:** Jackson, Lucinda <LJackson@co.humboldt.ca.us>  
**Sent:** Monday, February 04, 2019 4:12 PM  
**To:** office@hbmwd.com  
**Subject:** Polling Place for Elections

Good afternoon ~

I called Humboldt Bay Municipal Water District late last week to inquire about your facility serving the community as a polling place for elections in Humboldt County. I was asked to follow-up with an email providing more information what this commitment would entail.

Humboldt County has one or two polling place elections each year depending on the year. Odd-years have one election; even-years have two elections. For example, in 2019, there will be one election on November 5, 2019, and in 2020, there will be two elections – one on March 3, and a second election on November 3.

For each election, equipment is delivered to polling place facilities the day before an election. Poll workers spend about one to two hours at the facility the day before an election setting up the polling place. On Election Day, poll workers need access to the facility from 6 am – 10 pm; polls are open to voters from 7 am – 8 pm. Equipment will be picked up from the facility the morning after Election Day.

Facility Commitment by Election

November 5, 2019

Monday, November 4, 2019:	Equipment Delivery (15-30 minutes)
	Poll Worker Setup (1-2 hours)
Tuesday, November <sup>5</sup> 5, 2019:	Election Day (6 am – 10 pm)
Wednesday, November <sup>6</sup> 6, 2019:	Equipment pickup (15-30 minutes)

March 3, 2020

Monday, March 2, 2020:	Equipment Delivery (15-30 minutes)
	Poll Worker Setup (1-2 hours)
Tuesday, March 3, 2020:	Election Day (6 am – 10 pm)
Wednesday, March 4, 2019:	Equipment pickup (15-30 minutes)

November 3, 2020

Monday, November 2, 2020:	Equipment Delivery (15-30 minutes)
	Poll Worker Setup (1-2 hours)
Tuesday, November 3, 2020:	Election Day (6 am – 10 pm)
Wednesday, November 4, 20:	Equipment pickup (15-30 minutes)

If Humboldt Bay Municipal Water District is able to serve our community as a polling place, the next step is to schedule a time for our office to survey the facility to determine if it meets required criteria to be used as a polling place.

I look forward to hearing from you and hope that it would out for our offices to partner together.

**ACWA**



YOUR BEST PROTECTION

H.B.M.W.D. JAN 14 2019

SECTION 62 PAGE NO. 1

January 10, 2019

Humboldt Bay Municipal Water District (H002)  
John Friedenbach  
P.O. Box 95  
Eureka, CA 95502-0095

## ACWA JPIA

P. O. Box 619082  
Roseville, CA 95661-9082

phone  
916.786.5742  
800.231.5742

direct line  
916.774.7050  
800.535.7899

fax  
916.774.7040

claims fax  
916.786.0209

[www.acwajpia.com](http://www.acwajpia.com)

### President

E.G. "Jerry" Gladbach

### Vice President

Tom Cuquet

### Chief Executive Officer

Walter "Andy" Sells

### Executive Committee

Tom Cuquet

David Drake

E.G. "Jerry" Gladbach

David T. Hodgins

W.D. "Bill" Knutson

Steven LaMar

Melody A. McDonald

J. Bruce Rupp

Kathleen Tiegs

Dear John:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Humboldt Bay Municipal Water District (H002) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2019.

Sincerely,

E.G. "Jerry" Gladbach  
President

Enclosure: President's Special Recognition Award(s)

# *President's Special Recognition Award*

*The President of the  
ACWA JPIA  
hereby gives Special Recognition to*

## *Humboldt Bay Municipal Water District*

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"  
in the Liability Program for the period 10/01/2014 - 09/30/2017  
announced at the Board of Directors' Meeting in San Diego.*



*November 26, 2018*

*E. G. "Jerry" Gladbach*  
E. G. "Jerry" Gladbach, President

# *President's Special Recognition Award*

*The President of the*

**ACWA JPIA**

*hereby gives Special Recognition to*

## *Humboldt Bay Municipal Water District*

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"  
in the Property Program for the period 04/01/2014 - 03/31/2017  
announced at the Board of Directors' Meeting in San Diego.*



*November 26, 2018*

*E. G. "Jerry" Gladbach*

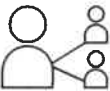
*E. G. "Jerry" Gladbach, President*

## REGISTRATION, MEALS AND HOTEL PRICING SHEET



### REGISTER ONLINE

Register online by **April 19, 2019** at [www.acwa.com](http://www.acwa.com) to take advantage of the advance pricing.



### REGISTER ON SOMEONE'S BEHALF

Select from a list of people affiliated with your company in your account. If the registrant is not listed, you will need to create a Portal profile for the registrant before registering.

REGISTRATION OPTIONS	ADVANCE DEADLINE: 4/19/19		ONSITE	
	ADVANTAGE	STANDARD	ADVANTAGE	STANDARD
Full Conference Registration & Meals Package	\$725	N/A	N/A	N/A
Full Conference Registration Only (meals sold separately)	\$580	\$870	\$600	\$890
One-Day Conference Registration (meals sold separately) <b>Wednesday:</b> Registration includes Welcome Reception on Tuesday evening <b>-OR-</b> <b>Thursday:</b> Registration includes ability to purchase a ticket for Friday breakfast	\$345	\$520	\$365	\$540
Guest Conference Registration (meals sold separately) Guest registration is not available to anyone with a professional reason to attend.	\$75	\$75	\$75	\$75
<b>MEAL FUNCTIONS</b>	<b>ADVANCE</b>		<b>ONSITE</b>	
Wednesday Opening Breakfast - May 8	\$50		\$55	
Wednesday Luncheon - May 8	\$55		\$60	
Thursday Networking Continental Breakfast - May 9	\$40		\$45	
Thursday Luncheon - May 9	\$55		\$60	
Thursday Dinner - May 9	\$70		\$75	
Friday Breakfast - May 10	\$50		\$55	

## HOTEL INFORMATION

You must be registered for the ACWA conference in order to receive hotel reservation information and conference special room rate. **Conference special rate is available February 18 - April 19**, based on availability.

### HOTELS

**Manchester Grand Hyatt San Diego**  
1 Market Place, San Diego, CA 92101

**Monterey Marriott** (350 Calle Principal)  
Single/Double \$226/night + taxes & fees

**Portola Hotel** (2 Portola Plaza)  
Single/Double \$215/night\* + taxes & fees

**Hotel Pacific** (300 Pacific Street)  
Single/Double \$225/night\* + taxes & fees

### DEADLINE FOR GROUP RATE IS APRIL 19, 2019

#### IMPORTANT DATES

For those **registering for conference prior to February 18**, hotel information will be provided via e-mail on February 18.

For those registering for conference from **February 18 to April 19**, your confirmation e-mail will include hotel reservation information and an opportunity to receive a conference special hotel rate.

### QUESTIONS?

Contact us at (888) 666-2292

**Registration Cancellation deadline: April 19, 2019 4:30 p.m. (PST)**

Conference terms and conditions available at [acwa.com](http://acwa.com) in the event section.





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



## ACWA's Legal Briefing & CLE Workshop is Not Just for Lawyers Anymore!

This popular workshop will take place prior to ACWA's 2019 Spring Conference & Exhibition. It offers continuing legal education for water professionals and updates water leaders on the hottest water industry trends.

This program has been developed with water agency directors and staff in mind, as well as agency legal staff and firms. Whether you are a director, general manager, staff, or legal representative, the value you will gain from this program will be of great benefit to the water agency you represent.

***Save \$50 if attending both CLE workshop and ACWA Spring Conference!***

***Don't delay! Registration deadline is April 19!***

[REGISTER NOW](#)

### GET MORE INFORMATION

[Pricing](#) | [Registration Terms & Conditions](#) | [Sponsorship](#)

### UPCOMING EVENTS

**ACWA DC2019  
Annual Washington D.C.  
Conference  
Feb 26–28, 2019  
St. Regis Hotel, Washington, D.C.**

**2019 Spring  
Conference & Exhibition  
May 7–10, 2019  
Monterey, CA**

**2019 Fall  
Conference & Exhibition  
Dec 3–6, 2019  
San Diego, CA**

[REGISTER](#)

[REGISTER](#)

[GET MORE INFO](#)



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

# ACWA ADVISORY

LEGISLATIVE | STATEWIDE WATER TAX

Jan. 10, 2019

## Governor Newsom Includes Proposed Statewide Water Tax in His Budget

Gov. Gavin Newsom today released his proposed budget for Fiscal Year 2019-'20 that includes a proposal for a Safe and Affordable Drinking Water Fund. The fund would be funded through a statewide tax on drinking water and an assessment on fertilizer sales and dairies. The legislative language for the proposal is not yet available, but it will be "consistent with the policy framework of SB 623, introduced in the 2017-18 legislative session," according to the budget summary.

ACWA participated in a conference call this afternoon in which the Newsom Administration indicated that they were still deciding on whether they would advance the proposal as a policy bill or a budget trailer bill.

ACWA believes that making access to safe drinking water for all Californians should be a top priority for the State. However, a statewide water tax is highly problematic and is not necessary when alternative funding solutions exist and the state has a huge budget surplus.

### Next Steps

This year, ACWA and the California Municipal Utilities Association will be advancing a proposal for a Safe Drinking Water Trust. This is a credible solution for a sustainable, long-term funding source. The state has a very large budget surplus, making it an excellent year to create and fund the trust.

ACWA members should expect high levels of activity in this area in 2019 in terms of advocacy, communications and outreach. Please stay tuned for future ACWA Advisories and Alerts.

### Questions

For questions regarding ACWA's advocacy in this area, please contact ACWA Deputy Executive Director for Government Relations Cindy Tuck or ACWA Director of State Legislative Relations Wendy Ridderbusch. Both can be reached at (916) 441-4545.

MY ACWA

OUR WORK

RESOURCES

NEWSROOM

EVENTS

FIND YOUR LEGISLATOR



**From:** ACWA <acwabox@acwa.com>  
**Sent:** Wednesday, January 30, 2019 9:53 AM  
**To:** sobol@hbmwd.com  
**Subject:** Outreach Alert: Members Urged to Testify Against Water Tax at Feb. 6 Informational Hearing



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

## A dark grey horizontal banner with the ACWA logo on the left and the words "OUTREACH ALERT" in large, white, bold, sans-serif capital letters on the right.

LEGISLATION | STATEWIDE WATER TAX

Jan. 30, 2019

## Members Urged to Testify at February 6 Informational Hearing

***Contact Your Legislators in Support of ACWA/CMUA-Sponsored Trust and in Opposition to the Proposed Statewide Water Tax***

On Jan. 11, Governor Newsom indicated in his proposed budget summary that he would be advancing a safe drinking water funding framework “consistent with the policy framework of SB 623” (Monning, 2017). It could be in a policy bill or a budget trailer bill. Two potential vehicles have already been introduced in the Assembly (AB 134, Bloom and AB 217, E. Garcia).

In his proposed Budget Summary, Governor Newsom notes that “the most significant remaining challenge is the lack of a stable funding source for long-term operation and maintenance of drinking water systems.” ACWA agrees that funding for O&M costs for some community water systems in disadvantaged communities is needed. In October 2018, ACWA’s State Legislative Committee voted to sponsor legislation this year to create a Safe Drinking Water Trust (Trust) in state law to fund this need. The California Municipal Utilities Association (CMUA) is co-sponsoring the bill, which will likely be introduced in February.

The Trust’s principal would be initially financed with a one-time infusion of State General Fund dollars during a budget surplus year. The Trust’s principal would be invested, and the net income

would be transferred to a Safe Drinking Water Fund, which the State Water Resources Control Board would administer.

The Assembly Water, Parks & Wildlife Committee, Assembly Environmental Safety & Toxic Materials Committee, and the Assembly Budget Subcommittee No. 3 (Resources & Transportation) are holding a joint informational hearing regarding Safe and Affordable Drinking Water on **Wednesday, Feb. 6, at 9:30 a.m. in State Capitol Room 4202**. The hearing is an opportunity for public comment in support of the Trust and in opposition to the statewide water tax.

### Take Action Now

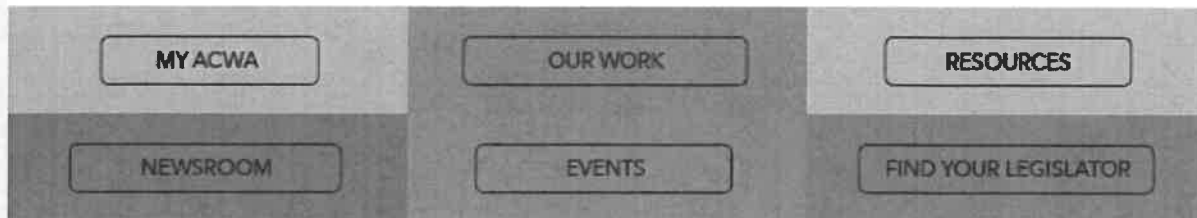
ACWA is requesting that ACWA Members take two types of actions immediately:

1) **Notify ACWA if you can attend and testify at the Feb. 6 hearing.** The testimony may be limited to “me too” testimony which is: NAME, ORGANIZATION and POSITION (i.e., support the Safe Drinking Water Trust and oppose a water tax). Please contact Legislative Analyst Soren Nelson at [sorenn@acwa.com](mailto:sorenn@acwa.com) if you plan to attend and testify.

2) **Contact Your Senator(s) and Assembly Member(s).** Action on the ACWA-CMUA-sponsored Trust legislation and on a proposed statewide water tax could happen quickly this year either in a regular bill or in the State budget process. Action could start in the Senate or the Assembly. Please contact your local legislators to voice your agency’s support for the Safe Drinking Water Trust and opposition to a statewide water tax (e.g., based on SB 623). Legislators’ contact information can be found online at the California Legislature website.

### Questions

For questions about the ACWA/CMUA-sponsored trust legislation or about opposition to a statewide water tax, please contact ACWA Deputy Executive Director for Government Relations Cindy Tuck at [cindy@acwa.com](mailto:cindy@acwa.com) or (916) 441-4545.



**From:** Brian Sanders  
**Sent:** Friday, February 01, 2019 8:57 AM  
**Subject:** ACWA Region 1 Board

Good morning Bruce,

The Region 1 board met yesterday and one of their action items was to selection of a new board member to fill the Region 1. I am pleased to inform you that you received a unanimous vote and are now a member of the Region 1 Board for the remainder of the 2018/19 term!

I have added you to our distribution list and the rest of the region board is copied on this message. I have also attached an updated board roster with contact info. Let me know if there are any questions. Thank you and welcome aboard!

### **Brian Sanders**

Regional Affairs Representative  
Association of California Water Agencies  
Main: 916.441.4545 | Cell: 916.420.0239  
[brians@acwa.com](mailto:brians@acwa.com) | [www.acwa.com](http://www.acwa.com)





## ACWA Region 1 Board 2018-2019 Term

### *Chair:*

**Brad Sherwood, Sonoma County Water Agency**  
 404 Aviation Blvd.  
 Santa Rosa, CA 95403  
 Agency Phone: 707.547.1927  
 Direct Phone: .  
 Email: [brad.sherwood@scwa.ca.gov](mailto:brad.sherwood@scwa.ca.gov)  
 Position: Community & Government Affairs Manager

### *Vice Chair:*

**Dennis Mayo, McKinleyville  
 Community Services District**  
 1656 Sutter Road  
 McKinleyville, CA 95519  
 Agency Phone: 707.839.3251  
 Cell: 707.832.9334  
 Email: [dmayo@mckinleyvillecsd.com](mailto:dmayo@mckinleyvillecsd.com)  
 CC Email: [bschutte@mckinleyvillecsd.com](mailto:bschutte@mckinleyvillecsd.com)  
 Position: Director

### *Board Members:*

**Jennifer Burke, City of Santa Rosa**  
 69 Stony Circle  
 Santa Rosa, CA 95401  
 Agency Phone: 707.543-4200  
 Direct Phone: 7  
 Email: [jburke@srcity.org](mailto:jburke@srcity.org)  
 Position: Deputy Director – Water & Engineering  
 Resources

**Matthew D. Froneberger, Forestville Water District**  
 P.O. Box 261  
 Forestville, CA 95436  
 District Phone: 707.887.1551  
 Cell:  
 Email: [mfroneberger@forestvillewater.com](mailto:mfroneberger@forestvillewater.com)  
 Position: General Manager

**Bruce Rupp, Humboldt Bay Municipal Water District**  
 828 7<sup>th</sup> Street  
 Eureka, CA 95501  
 Agency Phone: (707) 443-5018  
 Email: [rupp@hbmwd.com](mailto:rupp@hbmwd.com)  
 Position: Director

**Wesley Scribner, Weaverville  
 Community Services District**  
 716 Main Street  
 Weaverville, CA 96093  
 Agency Phone: (530) 623-5051  
 Email: [wes@weavervillecsd.com](mailto:wes@weavervillecsd.com)  
 Position: General Manager

**Marvin Talso, Redwood Valley County Water District**  
 P.O. Box 350  
 Redwood Valley, CA 95470  
 Agency Phone: 707.489.0679  
 Direct Phone:  
 Email: [mtalso@redwoodvalleywater.com](mailto:mtalso@redwoodvalleywater.com)  
 Position: Director

**RREDC/RCEA**



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## **BOARD OF DIRECTORS MEETING AGENDA**

**Humboldt Bay Municipal Water District Office  
828 7<sup>th</sup> Street, Eureka, CA 95501**

**January 28, 2019  
Monday, 3:15 p.m.**

---

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Clerk of the Board at the phone number, email or physical address listed above at least 72 hours in advance.

---

Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Board of Directors, including those received less than 72 hours prior to the RCEA Board meeting, will be made available to the public in the agenda binder located in the RCEA lobby during normal business hours, and at [www.redwoodenergy.org](http://www.redwoodenergy.org).

---

PLEASE NOTE: Speakers wishing to distribute materials to the Board at the meeting are asked to provide 12 copies to the Clerk of the Board.

---

### **OPEN SESSION Call to Order**

#### **1. REPORTS FROM MEMBER ENTITIES**

#### **2. ORAL COMMUNICATIONS**

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

#### **3. CONSENT CALENDAR**

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

##### **3.1 Approve Minutes of:**

**3.1.1 December 10, 2018, Special Board Meeting; and**

**3.1.2 December 17, 2018, Regular Board Meeting.**

**3.2 Approve Disbursements Report.**

**3.3 Accept Financial Reports.**

**3.4 Approve the Updated Terms and Conditions for the Community Choice Energy Program.**

**3.5 Approve the 2019 RCEA Board Meeting Calendar.**

#### **4. REMOVED FROM CONSENT CALENDAR ITEMS**

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



## 5. OLD BUSINESS

- 5.1 FY 16-17 Fiscal Audit – Independent Auditor's Report (Information only)

## 6. NEW BUSINESS

- 6.1 Election of Officers

Select the RCEA Board Chair and Vice Chair.

- 6.2 Finance Subcommittee

Create and appoint members to a standing Finance Subcommittee.

- 6.3 Community Advisory Committee

Appoint a Board Liaison to the Community Advisory Committee to serve through December 2019.

Reappoint Norman Bell, Kit Mann, Kathy Srabian, Richard Johnson, Luna Latimer and Matty Tittman to the Community Advisory Committee for terms expiring April 13, 2021.

- 6.4 PG&E Update (Information only)

## COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighted voting as established in the RCEA joint powers agreement.

## 7. OLD CCE BUSINESS

- 7.1. CCE Weighted Voting Revision (Information only)

- 7.2. Energy Risk Management Quarterly Report

Accept Energy Risk Management quarterly report.

- 7.3. Customer Rate Setting

Approve 2019 RCEA customer electricity rates at 1.5% below PG&E generation rates, inclusive of all PG&E charges to CCA customers.

- 7.4 Renewable Energy Request for Proposals

Authorize staff to issue the RCEA 2019 Renewable Energy Request for Proposals.

Approve membership for request for proposals review team.

**7.5 DG Fairhaven Contract Renewal**

Authorize the Executive Director to develop and execute, after review and approval by the RCEA General Counsel, an amendment to the power purchase agreement with DG Fairhaven Power LLC renewing the agreement for a 12-month period beginning March 1, 2019, and any other associated documents as necessary.

**8. NEW CCE BUSINESS – None.**

**END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS**

**9. STAFF REPORTS – None.**

**10. FUTURE AGENDA ITEMS**

**11. CLOSED SESSION**

11.1 Public Employee Performance Evaluation, pursuant to Government Code Section 54957(b)(1): Executive Director

11.2 Conference with labor negotiator pursuant to Government Code Section 54957.6:  
RCEA representative: Director Sheri Woo.  
Unrepresented employee: Executive Director

**12. RECONVENE TO OPEN SESSION**

**13. REPORT FROM CLOSED SESSION**

**14. ADJOURNMENT**

---

**NEXT REGULAR MEETING – NEW DAY AND TIME**

Thursday, February 28, 2019, 3:30 p.m.  
Humboldt Bay Municipal Water District Office  
828 7<sup>th</sup> Street, Eureka, CA 95501

**Redwood Coast Energy Authority**633 3<sup>rd</sup> Street, Eureka, CA 95501

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

E-mail: [info@redwoodenergy.org](mailto:info@redwoodenergy.org) Web: [www.redwoodenergy.org](http://www.redwoodenergy.org)**DRAFT BOARD OF DIRECTORS SPECIAL MEETING MINUTES****Humboldt Bay Municipal Water District Office  
828 7<sup>th</sup> Street, Eureka, CA 95501****December 10, 2018  
Monday, 9:00 a.m.**

---

A special meeting of the Board of Directors of the Redwood Coast Energy Authority was held on the above date at the location listed above.

Chair Sheri Woo called the meeting to order at 9:04 a.m.

**PUBLIC COMMENT**

There being no member of the public present to speak, the Board met in closed session to discuss items 3.1 and 3.2 listed below beginning at 9:05 a.m.

**CLOSED SESSION**

- 3.1 PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE Pursuant to Government Code § 54957.
- 3.2 CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION. Pursuant to Government Code § 54956.9(c)(2): (1 Case).

**ADJOURNMENT**

Chair Woo stated there was nothing to report out from closed session and adjourned the special meeting at 4:49 p.m.

Respectfully Submitted,

Lori Taketa  
Clerk of the Board



Redwood Coast Energy Authority

633 3<sup>rd</sup> Street, Eureka, CA 95501

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

E-mail: [info@redwoodenergy.org](mailto:info@redwoodenergy.org) Web: [www.redwoodenergy.org](http://www.redwoodenergy.org)

SECTION L4 PAGE NO. 5

## **BOARD OF DIRECTORS MEETING DRAFT MINUTES**

Humboldt Bay Municipal Water District Office  
828 7<sup>th</sup> Street, Eureka, CA 95501

December 17, 2018  
Monday, 3:15 p.m.

Chair Sheri Woo called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:15 p.m. Notice of this meeting was posted on December 14, 2018. PRESENT: Austin Allison, Alternate Director Chris Curran, Estelle Fennell (arrived at 3:25 p.m.), Dean Glaser (left at 5:09 p.m.), Dwight Miller, Michael Sweeney, Frank Wilson, Vice Chair Michael Winkler, Chair Sheri Woo. ABSENT: Summer Daugherty. STAFF PRESENT: Director of Business Development and Planning Lori Biondini, General Counsel Nancy Diamond, Director of Power Resources Richard Engel, Executive Director Matthew Marshall, Clerk of the Board Lori Taketa.

### **REPORTS FROM MEMBER ENTITIES**

Director Sweeney reported that he will be serving as Ferndale's mayor and introduced Ferndale City Council member Robin Smith who will begin serving on the RCEA Board at the January 2019 meeting. Director Sweeney thanked the Board and RCEA staff for their work and wished the organization well. Chair Woo thanked Director Sweeney for his service.

Vice Chair Winkler stated that he will be Arcata's Vice Mayor for the next year and that he is working with Arcata's Community Development Director toward a long-term goal for all-electric new construction. He is also speaking with the project manager for Open Door Clinic's new Arcata facility about using electric heat pumps, and not natural gas, for heating.

### **ORAL COMMUNICATIONS**

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

### **CONSENT CALENDAR**

- 3.1 Approve Minutes of the November 19, 2018, Regular Board Meeting.
- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

**M/S: Glaser, Sweeney: Approve consent calendar items.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Glaser, Miller, Sweeney, Wilson, Winkler, Woo. Noes: None. Absent: Fennell. Abstentions: None.**

## **OLD BUSINESS - RCEA Staffing Reorganization**

Executive Director Marshall reported that the proposed organizational chart eliminates the Director of Finance and Human Resources position and divides finance duties between a newly-defined Director of Business Planning and Finance position and the different program directors, resulting in financial and operational efficiencies. Staff suggested retaining financial consultants to provide checks and balances for financial activity and described RCEA's access to consultants at The Energy Authority for procurement forecasting, analysis, and complex transactions and public power attorneys Braun Blasing Smith Wynne for counsel.

Director Fennell arrived at 3:25 p.m.

The directors discussed creating a standing finance committee, a system for training new directors, the importance of retaining a distinct finance staff position, and the Board's ability to revisit staff positions in the future.

Chair Woo invited public comment. Schatz Energy Research Center Managing Research Engineer Jim Zoellick who was speaking as a member of the public commended the directors for their high level of commitment and responsibility and suggested looking at other CCEs' systems of checks and balances. Chair Woo closed public comment.

**M/S: Fennell, Miller: Approve the updated organizational chart and the associated elimination of the Director of Finance & Human Resources position and revision of the Director of Business Development and Planning position to the Director of Business Planning and Finance position.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Glaser, Miller, Sweeney, Wilson, Winkler. Noes: Woo. Absent: None. Abstentions: None.**

## **NEW BUSINESS - FY 16-17 Fiscal Audit**

Executive Director Marshall reported that the independent auditors David L. Moonie and Co. were not available to make a presentation to the directors but would be able to make a full report at the Board's January 2019 meeting, if desired. CPA Matthew Hague made a presentation to the Finance Subcommittee at their December 12 meeting.

The directors requested receipt of the auditors' report well in advance of meetings, more timely completion of annual audits and an auditors' report at the January Board meeting.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

**M/S: Fennell, Wilson; Amended: Miller: Accept and approve Fiscal Year 2016-17 Independent Fiscal Audit Report and request an auditors' report at the January 2019 RCEA Board of Directors meeting.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Glaser, Miller, Sweeney, Wilson, Winkler, Woo. Noes: None. Absent: None. Abstentions: None.**

## **COMMUNITY CHOICE ENERGY (CCE) BUSINESS**

Chair Woo determined a CCE quorum was present.

### **OLD CCE BUSINESS**

At 3:55 p.m. Chair Woo recused herself from discussion of agenda item 7.1 due to a conflict of interest. Chair Woo's conflict arises from her employment at SHN Engineers and Geologists, which performs work for Humboldt Redwood Company, of which the Humboldt Sawmill Company (HSC) is a subsidiary. Chair Woo is also an SHN shareholder. Chair Woo does not supervise any employees working with HSC and her interest in the HSC purchase agreement is remote. Director Wilson also recused himself at 3:55 p.m. because he is an HSC employee. Vice Chair Winkler facilitated the following discussion.

#### **7.1 Humboldt Sawmill Company Power Purchase Agreement**

Power Resources Director Richard Engle gave a report on current financial challenges triggered by the CPUC's Power Charge Indifference Adjustment (PCIA) decision and the need for RCEA's rates to remain competitive with PG&E's. Staff negotiated with Humboldt Sawmill Company on possible five- and ten-year adjustments to their power purchase agreement made possible by the contract's material change clause. The ten-year contract would help fulfil new rules to have 65% of renewable power procurement under long-term contracts by 2021. Both sets of renegotiated terms would result in ratepayer savings.

The Board discussed the effect of extending HSC's contract on DG Fairhaven's continued ability to provide biomass power, the effect of air quality violations on existing contracts, the necessity of local cogeneration power plants, efforts to enter into long term contracts with producers of other kinds of renewable energy, the Board's initial agreement to short-term biomass contracts while alternate mill waste uses were found, and how the combined production of the two current biomass energy providers compares with the CCE's launch-period targets.

Chair Winkler invited public comment.

Mary Sanger of 350 Humboldt expressed support for bringing biomass prices closer to market prices, long-term wind contracts, and RCEA's mission and work. Ms. Sanger strongly opposed longer contracts with HSC and decreasing greenhouse gas (GHG) free portfolio percentages to address financial challenges. She stated a need to address climate change.

Member of the public Dr. Wendy Ring stated that curtailing catastrophic temperature rise requires steep emissions reductions in 2020 and that biomass contract extensions are inconsistent with that goal and would decrease RCEA's ability to invest in wind and solar energy. Improving biomass facilities will increase pressure to renew contracts, Dr. Ring stated, and she requested planning for reducing CO2 emissions in 2020.

Member of the public Susan Parsons expressed distrust that air quality violations would be caught and stated opposition to a 10-year contract. She further stated a need for a definitive

shift away from supporting environment-harming companies and asked why the shift is not being made now if prices are similar to those of cleaner energy sources.

Member of the public Ellen Golla stated that HSC is a Title V polluter and that Scotia residents asked the North Coast Unified Air Quality Management District for help with the plant's particulate pollution at the beginning of their power contract with RCEA. She stated that it was time to move away from polluting energy sources that cause health problems.

An unidentified member of the public supported a shorter HSC contract while other renewable energy sources are developed and asked whether it is possible to purchase 100% renewable energy through solar, wind and hydropower. Member of the public Dr. Wendy Ring added that by 2020 there would be more locally-generated wind energy than can be consumed locally without biomass.

Jim Zoellick, speaking as a member of the public and not as a Schatz Energy Research Center representative, stated the Board's decision to use biomass makes sense as the electricity grid requires an exact match of generation and load. Wind and solar provide energy when the wind blows and the sun shines, Mr. Zoellick stated, and biomass provides base load to keep supply matching demand. Mr. Zoellick said RCEA is doing a good job navigating the need for local jobs, local energy and local energy security.

Chair Woo closed public comment.

Executive Director Marshall stated that biomass energy made up 12% of the CCE's Opt-Up, 100% renewables portfolio in 2017, and 15-20% in 2018. West Coast wind and solar make up the balance of the 2018 portfolio. The Directors discussed working with the County and other agencies for well-paying green energy jobs and to rapidly eliminate GHG and particulate emissions; the distinction between biomass and fossil fuel; creating biochar to process mill waste; aggressive statewide efforts to develop battery storage; the local airport microgrid project's storage development; efforts to steer people toward wood stove alternatives; fire safe clearing to prevent uncontrolled forest fire emissions; the need to develop non-battery and long-term storage options; biological energy storage as part of a long-term storage strategy, and the importance of switching away from fossil fuels.

Director Glaser left at 5:09 p.m.

**M/S: Fennell, Allison: Authorize the Executive Director to develop and execute, after review and approval of RCEA General Counsel, an amendment to the power purchase agreement with Humboldt Sawmill Company with the following contract adjustments:**

- **Extend contract end date to 2024.**
- **\$65/MWh unit price for the period March 1, 2019-December 31, 2019, thereafter increasing to a price of \$67/MWh, subject to an annual consumer price index adjustment beginning on the anniversary of the contract amendment in 2021.**

- **Volume of energy procurement remains the same as under the existing contract and the 90% guaranteed energy production in the existing contract is preserved.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Miller, Sweeney, Winkler. Noes: None. Absent: Glaser, Wilson (recused), Woo (recused). Abstentions: None.**

Chair Woo and Director Glaser returned to the dais at 5:24 p.m. and Chair Woo presided over the meeting once more.

## 7.2 Offshore Wind Project

Executive Director Marshall reported that the Harbor District Board unanimously approved the proposed memorandum of understanding with RCEA at its meeting last week and that more formal agreements would follow in the future.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

**M/S: Sweeney, Allison: Approve Memorandum of Understanding with the Humboldt Bay Harbor, Recreation and Conservation District and authorize the Executive Director to execute all associated documents pending final review and approval of any revisions by RCEA Legal Counsel.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Miller, Sweeney, Wilson, Winkler. Noes: None. Absent: Glaser. Abstentions: Woo (non-voting).**

Executive Director Marshall reported that the Bureau of Ocean Energy Management's call for information and nominations deadline is January 28, 2019, coinciding with the next RCEA Board meeting, and that the Offshore Wind Project partners intend to resubmit the lease request through that process with additional comments.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

**M/S: Miller, Sweeney: Authorize the Board Offshore Wind Subcommittee to approve RCEA comments for submission to the Bureau of Ocean Energy Management's call for information and nominations.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Miller, Sweeney, Wilson, Winkler. Noes: None. Absent: Glaser. Abstentions: Woo (non-voting).**



## **NEW CCE BUSINESS**

### **8.1 Energy Risk Management Policy**

Power Resources Director Engel presented a staff report recommending revision of RCEA's Energy Risk Management Policy with the revised organizational chart and addition of an energy risk hedging strategy.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

**M/S: Miller, Fennell: Adopt resolution 2018-8 of the Redwood Coast Energy Authority adopting updates to the Energy Risk Management Policy.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Miller, Sweeney, Wilson, Winkler. Noes: None. Absent: Glaser. Abstentions: Woo (non-voting).**

### **8.2 2019-2021 Hydropower Procurement**

Staff director Engel reported that RCEA's Energy Risk Management Policy requires Board approval to enter into a 36-month power purchase contract. The Energy Authority (TEA) advisors recommend agreeing to the hydropower purchase prices presented as hydropower rates are rising. Upon inquiry by Chair Woo, staff verified that TEA considers annual rainfall variations when making hydropower procurement decisions and recommendations.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

**M/S: Miller, Winkler: Authorize the Executive Director to approve hydropower purchases with 36-month contract terms with Morgan Stanley Capital Group and Tenaska.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Miller, Sweeney, Wilson, Winkler. Noes: None. Absent: Glaser. Abstentions: Woo (non-voting).**

## **END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS**

**STAFF REPORTS – None.**

## **FUTURE AGENDA ITEMS**

Directors requested: a study session on biochar, forest management, technology and the economy in early 2019; a combined discussion of energy source projections for the next five to ten years, RCEA's integrated resource plan, the local renewable power solicitation and power storage; and determining Board, committee and subcommittee roles during the January 2019 meeting.

## CLOSED SESSION

Chair Woo invited public comment. Schatz Energy Research Center Managing Research Engineer Jim Zoellick who was speaking as a member of the public stated his approval of and confidence in Mr. Marshall's leadership as RCEA's executive director. Director of Business Planning and Finance Lori Biondini spoke of Mr. Marshall as being a very good supervisor who is supportive of staff development. Chair Woo closed public comment.

The Redwood Coast Energy Authority Board of Directors convened in closed session at 5:49 p.m. to do the following:

- 11.1 Public Employee Performance Evaluation, pursuant to Government Code Section 54957(b)(1): Executive Director
- 11.2 Conference with labor negotiator pursuant to Government Code Section 54957.6:  
RCEA representative: Chair.  
Unrepresented employee: Executive Director

## RECONVENE TO OPEN SESSION

The Board reconvened to open session at 6:45 p.m.

## REPORT FROM CLOSED SESSION

**M/S: Miller, Sweeney: Extend current employment agreement with the Executive Director through February 28, 2019.**

**The motion passed on a unanimous voice vote. Ayes: Allison, Curran, Fennell, Miller, Sweeney, Wilson, Winkler, Woo. Noes: None. Absent: Glaser. Abstentions: None.**

## ADJOURNMENT

Chair Woo adjourned the meeting at 6:46 p.m.

Respectfully Submitted,

Lori Taketa  
Clerk of the Board

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**NEXT REGULAR MEETING**  
Monday, January 28, 2019, 3:15 p.m.  
Humboldt Bay Municipal Water District Office  
828 7<sup>th</sup> Street, Eureka, CA 95501



**REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION**  
**Regular meeting of the Board of Directors**  
At the Prosperity Center 520 E Street, Eureka  
**January 28, 2019 at 6:30 pm**  
**AGENDA**

- I. Call to Order & Flag Salute**
- II. Approval of Agenda and Minutes**
  - A. Approval of Agenda for January 28, 2019
  - B. Approval of Minutes of the Board of Directors Meeting November 26, 2018  
(December 24, 2018 Meeting cancelled due to lack of quorum)
- III. Public Input for non-agenda items**
- IV. Program – Introduction to Scott Adair, Economic Development Director, County of Humboldt Economic Development Department**
- V. Consent Calendar**
  - A. Acceptance of Agency-wide Financial Reports: November 30, 2018 & December 31, 2018
- VI. Reports – No Action Required**
  - A. Loan Portfolio Reports: November 2018 & December 2018
  - B. Executive Director's Report
- VII. Old Business**
  - A. None
- VIII. New Business**
  - A. Approval of Air Services Agreement contract with United Airlines for Service to Denver International Airport
  - B. Adoption of Updated RREDC Revolving Loan Fund Plan
  - C. Election of Board Officers and Executive Committee Members
  - D. Election of Board members and Financial Professional Alternate to Loan Committee
- IX. Member Reports**
- X. Agenda/Program Requests for future Board of Directors Meetings**
- XI. Adjourn**

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Community Services Districts Humboldt · Manila · McKinleyville · Orick · Orleans · Redway · Willow Creek  
Humboldt Bay Harbor, Recreation and Conservation District · Humboldt Bay Municipal Water District  
County of Humboldt · Hoopa Valley Tribe · Redwoods Community College District