

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Board of Directors Meeting

April 2019



Collector 4 bank erosion work

MINUTES



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Emergency Meeting of Board of Directors

March 11, 2019

A. ROLL CALL

Vice-President Latt called the meeting to order at 7:34 am. Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Latt and Rupp were present. President Woo was absent. General Manager John Friedenbach, Superintendent Dale Davidsen, and Board Secretary Sherrie Sobol were present. Pat Kaspari of GHD was also present.

B. FLAG SALUTE

Vice-President Latt led the flag salute.

C. ACCEPT AGENDA

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

D. COLLECTOR 4 and 5 SUPPLY PIPELINE

Mr. Friedenbach stated the recent storms not only affected Collector 4 and 5 supply pipelines but the cable car housing for Collector 2 as well. The Collector 2 cable car housing is damaged due a landslide and as a result, staff cannot access Collector 2.

The storm damage has caused massive erosion at Park 4, cutting away the bank and exposing the Collector 4 pipeline. Roughly sixteen to twenty feet of the bank is gone causing exposure of the pipeline. The river flow is causing a large amount of lateral pressure on the pipeline.

Mr. Friedenbach shared Resolution 2019-04 Declaring an Emergency in the District’s Service Area and the contracts for the emergency repairs needed. The GRS contract for Collector 2 repairs is \$12,000 and Collector 4 is \$200,000. The GHD contract for engineering and project management is \$20,000. Director Fuller asked Mr. Kaspari if \$200,000 was enough to take care of the work needed for Collector 4 pipeline exposure. Mr. Kaspari stated it is only a start to attempt to protect from further erosion and to re-direct the water away from the bank and pipeline. During the summer, additional assessment and work is anticipate to construct a more permanent solution. Mr. Friedenbach stated he is hoping the District will be reimbursed via FEMA and State disaster funds.

Director Rupp read Resolution 2019-04. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 by roll call vote to approve Resolution 2019-04 Declaring an Emergency in the District’s Service Area. On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 4-0 to approve the contracts for emergency work for GRS in the amount of \$12,000 and \$200,00 and for GHD in the amount of \$20,000.

ADJOURNMENT

The meeting adjourned at 7:51 am.

Attest:

Sheri Woo, President

Barbara Hecathorn, Assistant Secretary/Treasurer



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka

SECTION D1 PAGE NO. 2



Minutes for Meeting of Board of Directors

March 14, 2019

A. **ROLL CALL**

President Woo called the meeting to order at 9:01 am. Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Latt, Rupp and Woo were present. President Woo stated she need to leave by 2:15 due to work commitments. She left the meeting at 2:06 pm. 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**

President Woo suggested the Closed Session Item be discussed after lunch since she needs to leave at 2 pm and cannot be present for the full meeting. The Board concurred. On motion by Director Fuller, seconded by Director Rupp, the Board voted 5-0 to accept the agenda as amended.

D. **MINUTES**

On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to approve the minutes of February 12, 2019 Regular Board Meeting and February 15, 2019 Adjourned and Continued meeting.

E. **PUBLIC COMMENT**

Mr. Adam Jager, the new manager of Ruth Lake CSD introduced himself to the Board. He shared some background information, stated he had a productive meeting with HBMWD staff and is looking forward to his new job and working with the District in that capacity.

F. **CONSENT AGENDA**

President Woo requested Item 2 page 9 be pulled. On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 5-0 to approve the Consent Agenda, less Item 2. President Woo inquired if any staff were planning on attending the Sea Level Rise and Tsunami Safety workshop. Staff indicated they had not planned on attending but would if the Board felt it necessary. President Woo stated it was not necessary to attend. On motion by Director Fuller, seconded by Director Hecathorn the Board voted 5-0 to approve Item 2 of the Consent Agenda.

G. **CORRESPONDENCE**

1. Letter from Mitchell, Brisso, Delaney & Vrieze, LLP announcing Ryan Plotz as new partner to the firm

Mr. Friedenbach shared the letter from legal counsel announcing Ryan Plotz as a partner in the firm. Director Latt inquired if the firm is proposing that Mr. Plotz be our new legal counsel as Mr. Brisso is retiring. Mr. Friedenbach stated Mr. Plotz has been acting as District council when Mr. Brisso is not available. It is up the Board to decide if the District should keep Mr. Plotz or the firm as legal counsel. After discussion, staff was requested to bring the item back the Board for further discussion and possible action.

2. Notice re: PG&E Chapter 11 Bankruptcy Case

Mr. Friedenbach shared the PG&E Notice of Chapter 11 Bankruptcy and the article noting that the federal court denied FERC jurisdiction in PG&E Bankruptcy case. FERC asserted that it had



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

March 14, 2019

“concurrent jurisdiction” over the power purchase agreements held by PG&E and could prevent them from being altered in the bankruptcy proceeding. The federal court ruling was a victory for PG&E which could seek to exit some of its higher priced renewable energy PPA’s. The District has a PPA and we’ll have to wait and see what happens with our ReMAT agreement. If PG&E does decide to pull our contract, there is a clause that states they have to pay for loss of future economic benefit. Currently, PG&E owes the District nearly \$90,000. Mr. Friedenbach stated it his understanding that the District will be paid post-bankruptcy. Director Latt stated he wants to ensure we have the best plan to receive the money due.

3. District Letter to Municipal Customers re: information about domestic water use per Ordinance 16 requirements

Mr. Friedenbach shared the annual letter to the Municipal Customers transmitting information on their domestic water use per Ordinance 16 contracts. The information helps the Municipalities see prior year demands versus their peak rate allocation and helps with their budget process.

4. District Letter supporting SB 669 Safe Drinking Water Trust

Mr. Friedenbach discussed the letter sent to Senator McGuire and seven other senators and ACWA supporting SB 669: Safe Drinking Water Trust. Director Latt suggested that if another letter is sent, it should emphasize that the proposed water tax is regressive and water costs have steadily increased over the past two decades. Director Rupp stated that ACWA does emphasize the regressive approach of the proposed water tax and the supporters of a water tax are aware of this but keep trying to pass it anyway. The alternative, SB669 is a reasonable alternative and is gaining traction.

H. CONTINUING BUSINESS

1. Water Resource Planning

Mr. Friedenbach stated there is nothing to report in regards to the transport option. The Instream Flow Committee is in the process of scheduling a meeting with legal counsel David Aladjem and the State Water Resources Control Board. In regards to local sales, he provided an update on status of Nordic Aquafarms. He and Director Rupp met with Nordic Aquafarms, the Harbor District, and the County Economic Development. They presented the challenges with providing pre-treated water compared to industrial water for future water users. Director Rupp stated the District cannot subsidize costs. Mr. Friedenbach stated another potential customer is Enviva. They are a producer of wood pellets and are interested in the former Simpson Mill site. Enviva representatives will be visiting in April and staff requested a meeting with them to discuss water needs. The Harbor District and the County now realize that the District will not finance the infrastructure for the industrial use and District ratepayers will not pay for it. Staff will provide a focused study on costs to upgrade the Industrial System.

2. Cannabis Grows affecting Mad River Watershed

Mr. Friedenbach stated he included the article from the Lost Coast Outpost titled Weed and Water Diversion: State Fish and Wildlife Studying Environmental Effects of Cultivation in the Upper Mattole This Year for informational purposes only. Director Rupp sated he hopes they will take a look at the effects on the Mad River soon.

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

The Board entered into closed session at 1:30 pm.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka

SECTION DI, PAGE NO. 4



Minutes for Meeting of Board of Directors

March 14, 2019

The Board returned to Open Session at 2:01 pm. President Woo stated that based on the General Manager's evaluation, the Board would like to provide a merit increase of \$3,000 for a yearly total compensation of \$141,358. No public comment was received. The Board voted 5-0 by roll call vote to approve the increase of \$3,000 effective July 1, 2019.

4. Request to modify Ordinance 22

Mr. Friedenbach stated he has received requests to modify Ordinance 22. Mr. Uri Driscoll addressed the Board on behalf of the Northern California Horseman's Association. He stated that Ordinance 22 which was recently passed, prohibits horses on District property. The Annie & Mary Trail is a multi-modal trail and if Ordinance 22 remains unchanged, it will eliminate the horse group users from using the trail and going to Park 1 as a destination. It is his understanding that Ordinance 22 will be reviewed in six months and he requested the Board consider allowing horses on District property. The Board thanked Mr. Driscoll for his comments and a brief discussion followed.

I. NEW BUSINESS

1. Unum Employee Life & LTD renewal

The District switched to Unum in 2015 and received better coverage at a lower rate. The District saved \$54,000 in cumulative savings over the past four years since the switch. Staff has been notified that there will be a 5% increase in the rates this year. This increase equates to an increase of \$85.83 per month or \$1029.96 annually. Staff recommends continuing with Unum and accepting the rate increase. On motion by Director Latt, seconded by Director Hecathorn, the Board voted 5-0 to accept staff recommendation and remain with Unum.

2. DFW Quagga Inspection Training at Ruth Lake

Mr. Friedenbach stated DFW is conducting a two-day Quagga inspection training in Sonoma. Mr. Jager will be attending the training. Also, staff requested an abbreviated four-hour inspection training at Ruth Lake CSD that does not include the life-cycle of the invasive mussels. Mr. McAlexander will conduct the training this spring. A few HBMWD staff will be attending this abbreviated training at Ruth.

3. HR LaBounty Safety Awards Program Nomination

ACWA offers two opportunities to apply for/receive the H.R. LaBounty award which is presented at the Spring and Fall ACWA Conference. Mr. Friedenbach shared the Spring application submitted by the Maintenance Department for a portable gantry hoist. Director Rupp thanked Mr. Friedenbach for his encouragement and support of staff to submit nominations. This not only shows the state what our staff is doing but can also help other Districts by sharing knowledge.

4. District fees related to Ruth Lake

Mr. Friedenbach discussed the items at Ruth Lake for which the District receives fees. These include the cabin/bunkhouse, Sheriff's Cove gravel, permit to withdraw water from Ruth Lake, water sales outside the buffer strip, PG&E application for utility easement, the Don Bridge lease and merchantable timber. All of the fees have been in place for a number of years and are not adjusted to current market conditions. Staff requested direction from the Board as to whether the fees should be left as is or if staff should analyze their current market condition value and bring a proposal to the Board for new fees for consideration. Director Latt stated he would like staff to review each item and ensure that we are covering costs. The Board concurred.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

March 14, 2019

J. **REPORTS (from Staff)**

1. **Engineering**

Collector 2 Cable Car Landslide

Mr. Kaspari shared photos of the storm damaged Collector 2 Cable Car Shed due to a landslide. GRS has begun work to repair the landslide and GHD will work on a design for the shed replacement. The project should be completed in a few weeks.

Collector 4 bank erosion

Mr. Kaspari shared the photos of the bank erosion he sent to the Army Corps of Engineers (ACOE) to request emergency work to replace the previous bank stabilization with rock. He will meet with the and Dept of Fish and Wildlife tomorrow and has already met with NMFS.

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

Mr. Friedenbach stated the bid packet for the Surge Tower job stated \$5 million insurance requirement. The contractor requested a decrease in the insurance requirement from \$5 million to \$3 million. The demo of the tower must be accurate or the effects can be damaging. He is not in favor of reducing the insurance for these reasons. Mr. Kaspari concurred. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to deny to the request for a reduction in insurance coverage.

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

Mr. Kaspari stated the design is started and once it is thirty percent complete, they will meet with PG&E. An extension request for the grant was submitted and he doesn't anticipate any issues.

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

No update.

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

No update.

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

No update.

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

No update.

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

Mr. Kaspari stated the grant application is due April 18. A Local Project Fund Match Commitment Letter and Project Maintenance Letter must also be submitted. He requested the Board approve both letters. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the Match Fund and Maintenance Letters.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka

SECTION DI PAGE NO. 6



Minutes for Meeting of Board of Directors

March 14, 2019

Lazzar Development 27th

Mr. Friedenbach stated that Mr. Lazzar plans for the back parcel have changed and he now has one house and one mother-in-law unit planned and will allow the District a 55- foot easement. District legal counsel is drafting easement language with dedicated access to the back parcel. Mr. Lazzar will be providing the District a revised plot plan.

Status report re: other engineering work in progress

Mr. Kaspari stated the new round of NOI for grants is due March 15, 2019. The NOI being Submitted is for a 750kW emergency generator and larger fuel tank for the TRF. The current generator cannot power the backwash system.

2. **Financial**

a) Financial Report

Ms. Harris provided the February financial report. She noted that General Reserves is just over two million dollars. She also stated that overtime increased due to storm damage issues at Essex and learning new software at Eureka office. Director Hecathorn reviewed the bills and noted a check to Paul Helliker, former GM. Ms. Harris stated that during an audit review, it was discovered that during his last month of employment, a payment did not go to CalPers and as a result he was reimbursed directly. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve the February 2019 financial statement & vendor detail report in the amount of \$327,301.21.

b) Project Budget 2019/20

Ms. Harris inquired if there were any projects the Board would like the District to work on. If so, to please let her know soon so that it can be incorporated into the budget. She also shared the proposed budget schedule with a project budget meeting taking place on May 30, 2019 at 9 am at Essex. The Board concurred with the schedule.

c) Project Budget 2018/19 modification

Ms. Harris stated that the current fiscal year 2018/19 Project Budget approved by the Board has several industrial water system projects including: 1) I/W Pipeline Evaluation Project (\$26,000) and 2) Industrial and Domestic System Intertie Project (\$11,000). Base on recent discussion regarding potential future industrial customers on the Samoa Peninsula, staff is proposing a slight modification of the two already approved projects. The proposed new verbiage for the I/W Pipeline Evaluation Project will be “an overview of the industrial system, including: assessment of the assets; anticipated cost to refurbish the assets; and prioritized suggestions for the most cost-effective manner in which to accomplish this.” The Industrial and Domestic Intertie project proposed change is “to begin the planning for repairing the Industrial System, since the Harbor District has a client that needs enough water to warrant refurbishing Pump Station 6.” On motion by Director Fuller, seconded by Director Hecathorn, the Board voted 4-0 to change the verbiage as proposed by staff.

3. **Operations**

Mr. Davidsen provided the February Operational Report. It rained a lot in February! Rainfall recorded at Ruth Headquarters was 25.32 inches.

Interviews were conducted for the O&M Tech position and he made an offer. The applicant declined citing the cost of housing and the availability of housing did not make it feasible for him to relocate from Crescent City. Mr. Davidsen stated he has one more interview scheduled at this



Minutes for Meeting of Board of Directors

March 14, 2019

time. Filling this position has been very challenging and the position has been open for about nine months.

Mr. Davidsen shared that work on the cabin recently has been challenging due to the fact that there was eighteen inches of snow in front of the cabin. The bunkhouse remodel is going well overall and he shared pictures with the Board. He is pleased with the craftsmanship, diligence and communication of the contractor.

Mr. Davidsen shared operational challenges and damage resulting from winter storms on February 9-11 and 25-28. This included downed trees, power outages, TRF generator failure, severe erosion at Park 4 and the Collector 2 cable car shed that slid down the hill.

Hearing and respiratory exams for Essex and Ruth staff occurred on February 11 and 25. This is a regulatory requirement for all personnel that use respirators. Safety training for February was chlorine leak response and leak repair training.

K. MANAGEMENT

1. Annie & Mary Trail destination Park 1

President Woo stated she needed to recuse herself as she has a remote conflict of interest. She works for SHN who is working on the project. Although she does not supervise any staff that is working on the project, she did not want any perceived conflict, so she recused herself and left the room. Mr. Friedenbach stated the City of Arcata received a planning grant for a portion of the Annie & Mary Trail. The trail currently ends in Arcata near Wes Green Landscaping. The City of Arcata would like to make the District's Park 1 the end destination of the trail and need funding for the additional mile. Mr. Friedenbach stated he shared this with the Muni group. Arcata was in favor of the District assisting with funding but McKinleyville and Eureka expressed concerns.

Ms. Julie Neander from the City of Arcata provided a brief presentation on the trail, the grant received and what is needed to complete the trail destination to Park 1. Mr. Hank Seemann of the County provided additional information as well as they are partnering with the City of Arcata to complete the trail. He noted that the District previously approved Resolution 2008-07, Supporting the Development of the Proposed Annie & Mary Trail. He stated they are now requesting a financial contribution of \$5,000 from the District to fund the trail to Park 1. The Board discussed the request. Support for the trail was unanimous amongst the Board, however, they agreed that supporting the current funding request was not compatible with the District's mission. Mr. Seemann stated perhaps they could come back to the Board with more findings after initial studies are completed. He stated he understands the District's fiduciary commitment. The Board expressed their appreciation to the County and Trail folks and reiterated their support for extending the Annie & Mary trail to Park 1 however, stated they would have to deny the funding request. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to deny the request for financial support for the planning phase to extend the Annie & Mary Trail to Park 1. Director Woo returned after the discussion ended.

2. CSDA-

a. Call for nominations for Board of Directors

Mr. Friedenbach inquired if any Directors were interested in the call for nominations for the CSDA Board of Directors. No Directors expressed interest.



Minutes for Meeting of Board of Directors

March 14, 2019

b. Take Action Brief

Mr. Friedenbach shared the Take Action brief and called out AB510 Video Monitoring records Retention Modernization and AB 1486 requiring special districts to offer a right of first refusal to affordable housing developers, school agencies and park agencies before putting their land out to lease. He shared why he would like to send a support letter for AB510 and an oppose unless amended letter for AB1486. The Board concurred to send the letters supporting AB 510 and opposing AB 1486 unless amended.

3. New Municipal Customer Director orientation for Desiree Davenport of HCSD

Ms. Desiree Davenport of HCSD was the only new director who accepted the offer for a District orientation. Mr. Friedenbach stated the meeting went well and he shared the orientation agenda. Director Rupp stated it is a very comprehensive agenda.

4. New General Manager at Ruth Lake CSD

Mr. Friedenbach reiterated that the meeting with Mr. Jager went very well and he is looking forward to productive working relationship with Mr. Jager and Ruth Lake CSD. The Board concurred and were appreciative of Mr. Jager's pro-active approach.

5. Other

Mr. Friedenbach shared that the League of Women Voters asked him to be a guest speaker at their meeting on March 17th. The meeting will be in the District board room.

L. DIRECTOR REPORTS & DISCUSSION

1. General -comments or reports from Directors

No comments or reports were received.

2. ACWA – JPIA

a) Refund check for low ratio of "Paid Claims and Case Reserves"

Director Rupp stated ACWA/JPIA provides workers compensation, liability and property insurance as well as employee benefits. He was proud to report that there is no increase in worker's compensation, liability insurance rates decreased by nine percent, and there is no increase in property insurance. Employee benefits offered are the highest quality program options, provide the best coverage and has saved six million is costs over the past few years without compromising value. He was pleased to present the District with a refund check in the amount of \$36,113.

b) Resolution 2019-01 Nominating J. Bruce Rupp to the Executive Committee of ACWA/JPIA

Director Rupp read Resolution 2019-01. The Board voted 4-0 by roll call vote to approve Resolution 2019-01 Nominating J. Bruce Rupp to the Executive Committee of ACWA/JPIA.

c) Resolution 2019-02 Concurring in Nomination of E.G. "Jerry" Gladbach to the Executive Committee of ACWA/JPIA

Director Rupp read Resolution 2019-02. He stated he is not running against Mr. Gladbach and knows him very well. He is outstanding, effective and highly regarded. The Board voted 4-0 by roll call vote to approve Resolution 2019-02 Concurring in Nomination of E.G. "Jerry" Gladbach to the Executive Committee of ACWA/JPIA.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

March 14, 2019

d) Resolution 201-03 Concurring in Nomination of Brent Hastey to the Executive Committee of ACWA/JPIA

Director Rupp read Resolution 2019-03. He stated he is not running against Mr. Haste

y. Mr. Hastey is the current President of ACWA and is doing very good job. The Board voted 4-0 by roll call vote to approve Resolution 2019-03 Concurring in Nomination of Brent Hastey to the Executive Committee of ACWA/JPIA.

3. ACWA

a) Federal Regulatory Issues January 2019 Update

Mr. Friedenbach stated the update was included for informational purposes only. No action is needed.

b) Little Hoover Commission Releases 2017-18 Report

Mr. Friedenbach shared the summary of the Little Hoover Commission 2017-2018 Report. The Commission called for improved transparency and noted the recent enactment of SB 929 (McGuire) which requires all special districts to maintain a website to help the public understand the services available to them.

4. Organizations on which HBMWD Serves: RCEA, RREDC

Director Latt reported out on his attendance at the RREDC meeting. The program was about the legalization of cannabis. The guest speakers were Terra Carver, Executive Director and Natalynne DeLapp, Operations Director of Humboldt County Growers Alliance. Of the statewide cannabis licenses granted, 23% are in Humboldt County. This is second to Santa Cruz. The City of Eureka has over 55 applications for processing facilities.

ADJOURNMENT

The meeting adjourned at 3:30 pm.

Attest:

Sheri Woo, President

Barbara Hecathorn, Assistant Secretary/Treasurer

CONSENT



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

Website: 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

March 20, 2019

The Honorable Phil Ting
California State Assembly
State Capitol Building
Sacramento, CA 95814

RE: Assembly Bill 1486 (Ting) – Oppose Unless Amended

Dear Assembly Member Ting:

The Humboldt Bay Municipal Water District is respectfully opposed to AB 1489, which would require special districts to offer their land for development before leasing their property. We are a Municipal Water District that was formed in 1956 to develop a regional water system that provides a reliable water supply to customers in the greater Humboldt Bay area of Humboldt County. The District operates almost exclusively at the wholesale level. We supply drinking water to seven public agencies, who in turn, serve the residents, businesses and industries in our community comprising approximately 88,000 customers. Our source of water supply is Ruth Lake reservoir.

AB 1486 requires special districts and other local agencies to offer the right of first refusal to affordable housing developers, schools, and parks before selling, leasing, or otherwise conveying their land. The new requirements in the bill would be very problematic for many public agencies that have valid reasons to lease or otherwise protect land they own, such as buffer land surrounding a wastewater plant, or the long-term lease of cemetery district property that will be needed for future internments.

Under AB 1486, attempting to lease land in support of a special district's governmental function would trigger the requirements for the disposal of surplus land. As written, AB 1486 would require special districts to offer up property which may be incompatible for use for housing, schools, or parks. AB 1486 would also make it more difficult to protect a district's land for a future governmental use.

Our District owns and operates Ruth Lake and the R. W. Mathews Dam and Gosselin Hydroelectric Facility in Trinity County as well as substantial land holdings in Humboldt County

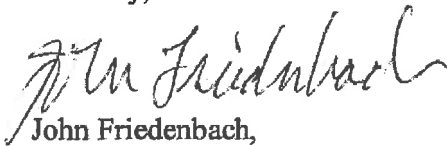
for our pumping, treatment and water distribution operations. Our Trinity County holdings are in a rural area and much of our land is used for recreational purposes. We also have a "buffer strip" immediately adjacent to and surrounding our reservoir. As a condition of the Davis Grunsky Act grant funding that was received in the 1960's to build recreational facilities at the reservoir, ground leases have been let to promote summer time use and recreation. Providing recreational opportunities were conditions of the grant. As we understand it, your bill as proposed, will require our district to offer for sale all of this property.

Our district currently does not have this type of arrangement, but it is very possible that others have leased small portions of their district property to cellular telephone providers for cell towers to enhance their district's revenue abilities. As we understand it, your proposal would require these properties to be sold, thus negatively impacting the revenue stream from this activity.

We respectfully request AB 1486 be amended to limit the scope of the bill to the **sale of surplus land** after such a determination of the governing body and **not include property for lease**. Our opposition is not a challenge to the need for affordable housing, but a validation of the need for local flexibility when it comes to proper governmental land use management. Other incentives to create affordable housing may have more effective results as is our belief in your proposed legislation. As written, the results will be leaving special district lands unused so as to not trigger the requirements under your proposed legislation.

For these reasons, Humboldt Bay Municipal Water District respectfully opposes AB 1486 unless amended.

Sincerely,



John Friedenbach,
General Manager

cc: Allison Lim, Office of Assembly Member Phil Ting [Allison.lim@asm.ca.gov]
Assembly Member Jim Wood
Senator Mike McGuire
Rylan Gervase, Legislative Representative, California Special Districts Association [rylang@cstda.net]



SECTION *F2* 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

Website: 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

March 20, 2019

The Honorable Ken Cooley
California State Assembly
State Capitol, Room 3013
Sacramento, CA 95814

RE: Assembly Bill 510 (Cooley) – Support [As Introduced February 13, 2019]

Dear Assembly Member Cooley:

The Humboldt Bay Municipal Water District is pleased to support Assembly Bill 510, which allows public agencies to diligently manage their financial and equipment resources by setting their own records retention policies for recordings related to routine video monitoring, radios, and telephones. Our District provides wholesale water to seven municipalities, servicing approximately 88,000 customers, two-thirds of Humboldt County.

AB 510 modernizes the Government Code to allow local public agencies, including special districts, to adopt records retention policies designed for modern digital recording technologies, while ensuring the proper retention of any records in which an incident may have occurred. This change in law will allow agencies to retain important records while deleting useless ones, thus saving a significant amount of taxpayer dollars on unnecessary data storage costs.

AB 510 modernizes existing law to catch up with the technology of today and will allow flexibility for our district to adapt to future technological advances, allowing our district to diligently manage our financial and equipment resources by setting our own records retention policies based on the needs and the use of our cameras, radios, and telephones.

For these reasons, Humboldt Bay Municipal Water District is pleased to support Assembly Bill 510. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John Friedenbach".

John Friedenbach
General Manager

cc: Dillon Gibbons, Senior Legislative Representative, California Special Districts Association

{advocacy@cdda.net}

Assembly Member Jim Wood

Senator Mike McGuire

PROPOSED WATER TAX BILL ADVANCES IN THE ASSEMBLY

- BY HEATHER ENGEL
- MAR 27, 2019
- WATER NEWS

A bill containing a modified version of Gov. Gavin Newsom's proposed statewide water tax passed out of committee Tuesday.

AB 217 (E. Garcia) was heard by the Assembly Environmental Safety and Toxic Materials Committee. ACWA has an oppose-unless-amended position on the bill with the primary concern being a proposed water tax.

ACWA Deputy Executive Director for Government Relations Cindy Tuck was among the witnesses to testify at the hearing. She told the committee that ACWA members agree that safe drinking water should be a priority for the state and that the problem can be solved this year.

Tuck noted several reasons for ACWA's opposition to a tax: it's bad policy to tax an essential resource; a tax would be costly for water systems to implement and manage, thereby increasing the cost of water to residents and businesses; and it would set a bad precedent for additional taxes on water.

She also thanked Assemblyman Eduardo Garcia for his willingness to listen to stakeholders in developing his bill and consider new ideas, such as a trust. Tuck noted that ACWA intended for the trust funding mechanism to replace the proposed water tax as opposed to adding to it.

In addition to the tax, the bill proposes agricultural assessments similar to those proposed in Gov. Brown's proposed budget trailer bill language in 2018, a modified version of ACWA's proposed Safe Drinking Water Trust and a commitment to allocate up to 20 % of the safe drinking water funds back to the region of the state in which they were raised.

The committee passed the bill by a 6-3 vote after the author accepted amendments that would require the public water systems to annually remit the tax collected to the State Water Resources Control Board in the amount of 50-cents per service connection. This amendment was made to address the very high implementation costs of having a state tax on the local water bill. Tuck noted that even with the amendment, the proposal is still a water tax.

AB 217 now moves to the Assembly Appropriations Committee.

ACWA and the California Municipal Utilities Association (CMUA) are sponsoring a better approach in SB 669 (Caballero). The bill would create The Safe Drinking Water Trust to be funded with an infusion of General Fund dollars during a budget surplus year. The state would invest the principal, and the net income would provide the needed ongoing revenue stream for drinking water solutions in disadvantaged communities.

SB 669 is scheduled to be heard by the Senate Environmental Quality Committee on April 10.

Details of Newsom's drinking water tax plan revealed

By Filipa Ioannou

Updated 12:53 pm PDT, Friday, March 22, 2019

California Gov. Gavin Newsom revealed new details of his plans to charge water customers in the state a new tax to fund safe drinking water for disadvantaged communities.

He announced Wednesday his plans to charge water customers an extra amount ranging from 95 cents to \$10 a month — money that, combined with fees on animal farmers, dairies and fertilizer sellers, he projects would raise \$140 million a year that could be put toward testing wells, aiding public water systems and treating contaminated water. The amount paid would depend on the size of one's water meter.

Newsom called the drinking water situation faced by some of the state's low-income communities "a moral disgrace and a medical emergency."

But some observers say that with limited appetite for more taxes, the plan faces an uphill battle in the state Legislature, where tax and fee increases must be approved by two-thirds of lawmakers, some of whom are wary after a vote to approve the gas tax led to the recall of a Democratic senator last year.

Democrats from agricultural districts may be hesitant to support the tax. One such senator, Anna Caballero, has introduced a competing proposal that would create a trust fund for water improvements using money from the state's existing surplus. On social media, some were incensed at Newsom's proposal.

"We are being taxed to death," wrote Twitter user @dcibbott.

"This \$120 water tax on top of the highest gas tax, vehicle registration fees, and one of the highest state income taxes. No! Work with what you have already," wrote Pamela Adger on Twitter. "Then start undoing all those tax breaks for corporations. Maybe Nestle can pay for the cleanup."

Newsom first floated the idea of the water tax back in January when he introduced his 2019-20 budget.

He called for establishing a "safe and affordable drinking water fund" to "enable the State Water Resources Control Board to assist communities, particularly disadvantaged

communities, in paying for the short-term and long-term costs of obtaining access to safe and affordable drinking water."

Six million Californians rely on water providers that have violated state standards at some point in the past six years, a McClatchy investigation found in 2018. According to the report, the majority of Californians that lack safe drinking water live in the southern San Joaquin Valley and the Mojave Desert.

Former Gov. Jerry Brown attempted a similar proposal last year, but it **died in the Legislature**. Under Brown's plan, residents would have been taxed a more modest sum than under the Newsom plan — 95 cents a month.

Earlier this year, Newsom took his Cabinet on a trip to the Central Valley to hear from residents who lack clean drinking water.

"We met with residents who cannot drink or bathe with the water in their homes, while paying more for it than those in Beverly Hills," Newsom tweeted. Central Valley residents who support the tax echoed those themes at Wednesday's press conference.

"We are the poorest families," said Lucy Hernandez, a resident of Tulare County, "and we are willing to pay the tax because we spend a lot more money than the tax buying water bottles for our families."

The AP and SFGATE staff writer Eric Ting contributed to this report.

Drinking Water Tax Proposed In California

March 20, 2019 at 9:31 pm

Filed Under: Clean Water, Governor Gavin Newsom, Sacramento News, water

SACRAMENTO, Calif. (AP) — Gov. Gavin Newsom wants to charge California water customers up to \$10 per month to help clean up contaminated water in low-income and rural areas, but he will face resistance from some legislative Democrats hesitant to impose new taxes.

The Democratic governor says up to 1 million California residents have some type of contaminated or unclean water coming through their taps that can cause health issues. He has called it “a moral disgrace and a medical emergency.”

“The fact that in California, in the fifth-largest economy, we have people who cannot drink their water, people who can’t even bathe in their water, there’s something absolutely wrong,” Democratic Assemblywoman Eloise Reyes said Wednesday during a hearing on Newsom’s plan.

The fee on water customers would affect households and businesses — an idea that lawmakers killed last session. Newsom wants to combine it with fees on animal farmers, dairies and fertilizer sellers to raise about \$140 million per year.

A competing proposal by Democratic Sen. Anna Caballero would use money from the state’s multibillion-dollar surplus to create a trust fund to pay for water improvements.

Newsom’s plan could be difficult to pass because tax and fee increases require support from two-thirds of lawmakers.

Democrats hold 75 percent of the legislative seats, but some who represent moderate or agricultural districts may balk at the proposal, particularly after voters recalled a Democratic senator last year after he voted to raise the gas tax. Caballero, for example, represents an agricultural district previously held by a Republican.

There was broad agreement at Wednesday's hearing that the lack of access to clean water for so many is a stain on the state, but lawmakers acknowledged a political solution has been elusive.

"I would be foolish, based on the history of this issue, to make promises about where we're going to end up at the end of this cycle," said Assemblyman Richard Bloom, chairman of the budget subcommittee. "But I will commit to doing my damndest to bring this to a conclusion."

Newsom's plan starting next year would charge water customers from 95 cents to \$10 a month, based on the size of their water meter, with exceptions for people in poverty.

Animal farmers, dairies and fertilizer producers and handlers also would pay a fee because their operations contribute to nitrate in groundwater.

The money raised would help public water systems, including those that serve schools, treat contaminated water, improve long-term maintenance and test the water quality of domestic wells.

Dozens of residents from the Central Valley testified in support of the fee, saying it would be a small price to pay to ensure access to water that wouldn't make them sick.

"We are the poorest families, and we are willing to pay the tax because we spend a lot more money than the tax buying water bottles for our families," said Lucy Hernandez, a resident of Tulare County in the Central Valley.

Water districts broadly oppose the user tax, instead calling on lawmakers to pass Caballero's plan. The nonpartisan Legislative Analyst's Office said most people who would pay the fee would not directly benefit from it.

"We don't think it makes sense to tax a resource that is essential to living," said Cindy Tuck of the Association of California Water Agencies.

California's proposed affordable drinking water fund could cost residents up to \$120 a year

By: Ashley Zavala

Posted: Mar 21, 2019 11:23 PM PDT

Updated: Mar 21, 2019 11:23 PM PDT

SACRAMENTO, California - As more than a million Californians don't have access to clean drinking water, there is an outpouring of lawmakers who are trying to help, but clashing on solutions.

Gov. Gavin newsom is proposing a safe affordable drinking water fund to clean up contaminated water in rural and low income areas.

The fund would come from water customers across California, proposing each pay between 95 cents to \$10 a month, depending on the water meter.

Assembly Republican Devon Mathis' district has areas where tap water is seriously contaminated.

Mathis and a bipartisan group of lawmakers are proposing a competing measure which would annually set aside two percent of the general fund to go toward a number of water improvement projects, including ground water clean up and emergency drinking water programs. It's final approval would be up to the voters.

"It keeps that promise the state of California made to its people. This isn't just one piece, it's let's get the water, let's capture the snowpack let's move it down, let's put it back in the ground, let's make sure we're covering the environmental things we need to, let's do everything we possibly can to cover all aspects in a hollistic fashion," he says.

Dozens of contaminated water customers from the Central Valley lined up at the state capitol this week with their concerns.

"It's our right to have that and not worry and have those concerns for our unborn children and for those that we already have," says Tulare County resident Isabel Valdez.

ACWA, MEMBERS TESTIFY AT ASSEMBLY BUDGET SUBCOMMITTEE HEARING

BY HEATHER ENGEL MAR 20, 2019 WATER NEWS

ACWA staff and several coalition members testified today at the Assembly Budget Subcommittee No. 3 hearing to voice opposition to the proposed statewide water tax and support for a better approach in ACWA-sponsored SB 669, The Safe Drinking Water Trust.

Gov. Gavin Newsom has proposed a statewide water tax that is based on the SB 623 (Monning) framework and appears in budget trailer bill language. The Legislature's Budget Conference Committee rejected very similar language proposed by the Brown Administration in the State Budget process in 2018.

"We agree with the governor that there's a problem and we agree that there needs to be action this year, but this can be solved without a water tax," ACWA Deputy Executive Director for Government Relations Cindy Tuck testified at the hearing.

Tuck and other proposed water tax opponents noted several reasons for their opposition, including: it's bad policy to tax an essential resource; a tax would be costly for water systems to implement and manage, thereby increasing the cost of water to residents and businesses; and it would set a bad precedent for additional taxes on water.

ACWA and the California Municipal Utilities Association (CMUA) are sponsoring a better alternative in SB 669 (Caballero), which would help community water systems in disadvantaged communities provide access to safe drinking water. The Trust would be funded with an infusion of General Fund dollars during a budget surplus year. The state would invest the principal, and the net income would provide the needed ongoing revenue stream for drinking water solutions in disadvantaged communities

In addition to testifying at today's hearing and the Senate Budget Subcommittee No. 2 on Thursday, an ACWA-led coalition of more than 200 organizations submitted a letter to the subcommittees to oppose the budget trailer bill language unless the water tax language is deleted.

SB 669 is expected to be heard by the Senate Environmental Quality Committee on April 10.

Lecture on sea level rise vulnerability in Humboldt County set for March 28

By **THE TIMES-STANDARD** |

PUBLISHED: March 15, 2019 at 6:49 pm | UPDATED: March 16, 2019 at 7:33 pm

As part of the Sustainable Futures Speaker Series, Aldaron Laird will present “Humboldt Bay on the Threshold of Change: Sea Level Rise Challenges to a Sustainable Future” on Thursday, March 28, at 5:30 p.m. in Founders Hall 118 on the Humboldt State University campus.

In this lecture, Laird will highlight the significant changes we could see on Humboldt Bay with just 2.0 meters of sea level rise, which could occur between 2070 and 2100, based on new probabilistic projections. He will discuss the changes and associated challenges to be expected to geography, land and water uses, transportation and utilities infrastructure and coastal cultural and environmental resources, and the need for millions of dollars to be invested to secure the future on Humboldt Bay.

An environmental planner, Laird specializes in sea level rise vulnerability assessments and adaptation planning, specifically in the Humboldt Bay region. He helped create the first baseline vulnerability assessment of the shoreline on Humboldt Bay, and was the lead planner for the Humboldt Bay Sea Level Rise Adaptation Planning Project. Laird has completed sea level rise vulnerability assessments for all the Local Coastal Program authorities on Humboldt Bay and participated in Caltrans' District 1 Climate Change Pilot Study on the U.S. Highway 101 corridor.

Recently, Laird authored a portion of the 4th California Climate Change Assessment that described sea level rise vulnerability and adaptation opportunities on the North Coast, specifically for Humboldt Bay; completed a diked shoreline sea level rise adaptation feasibility study of Humboldt Bay; and held public education and outreach workshops for three communities at risk from sea level rise. He serves as co-chair of HSU's Sea Level Rise Initiative.

The Sustainable Futures Speaker Series is sponsored by the Schatz Energy Research Center, the Environment and Community graduate program, and the College of Arts, Humanities & Social Sciences at HSU.

For more information, email envcomm1@humboldt.edu.

Trinidad Rancheria Unveils its Revised Hotel Proposal

POSTED BY ELAINE WEINREB ON **MON, MAR 18, 2019 AT 12:11 PM**

[click to enlarge](#)



• SUBMITTED

- An artistic rendering of the proposed hotel project at Cher-Ae Heights Casino off Scenic Drive south of Trinidad.

The Trinidad Rancheria recently presented its revised concept of a 100-room hotel on the bluffs of Scenic Drive but it aroused little enthusiasm from the residents of Trinidad.

David Tyson, CEO of the Trinidad Rancheria Economic Development Corporation (TREDC), gave the presentation during the March 13 meeting of the Trinidad City Council to an audience of about 40 people. Tyson said the Rancheria had reviewed the hundreds of comments received last October about the planned five-story Hyatt hotel and tried to address the concerns expressed. TREDC has hired a new developer, architect and hotel operator. Nonetheless, the plans still depict a five-story building, which is considerably larger than any other structure on the Trinidad coast.

The height of the building was reduced by about 20 feet, and the exterior now displays exposed timber and rock, which Tyson said is typical of northwestern architecture.

The audience was generally polite, with many people expressing appreciation for

the Rancheria's continued work to improve the project, but was clearly skeptical of the proposal, with 18 of the 19 people who addressed the council speaking critically of it.

Proposed water usage, which had been one of the most contentious issues, will be reduced to 3,500 gallons per day or less, Tyson said, because laundry will not be done onsite. This should also reduce the amount of wastewater entering the leachfield. The Rancheria also plans to use recycled graywater in the toilets, to help reduce water use.

In October, people expressed skepticism about the capacity of the Rancheria's leachfield to absorb a large amount of additional wastewater. If the leach field were to fail, excess wastewater could add to the instability of the bluffs over Scenic Drive. Tyson said that both issues — wastewater and slope stability — are still being studied by professionals.

The Rancheria hopes to obtain water for the hotel from the city of Trinidad but that could be problematic. The city, which contains only 367 residents, obtains all its water from Luffenholz Creek and is currently studying the creek and its treatment plant to determine the maximum amount of water available. Since the city must also be able to provide for all those who own property within the city limits, the amount that can be sold to property owners located outside city limits is limited.

Several members of the audience pointed out that water supply for city residents is already a problem during summer months in drought years and questioned the Rancheria's estimates for its water needs.

Jim Cuthbertson, a former Trinidad water commissioner, said the Rancheria might be better off trying to get water from the Humboldt Bay Municipal Water District (HBWMD), which supplies McKinleyville, Arcata, Eureka and several smaller communities with drinking water.

The *Journal* asked HBWMD if any communications had been received from the Rancheria concerning water availability. Two district board members stated that no such communications had been received, but a third later told the paper that a member of the Trinidad Tribal Council had informally inquired about the availability of water. The board member added that if a formal request were to be made, it would have to be agendized and publicized, as is required by law. The HBWMD is occasionally approached by businesses or communities wanting to purchase its water but the cost of providing the infrastructure for such services is usually prohibitive.

Tyson said that a new traffic study, done in February, showed there would be little impact on the town from the 100 daily occupants of the hotel. Trinidad resident Carol Mone asked why the study was done at a time of year when there is little tourist traffic, and heavy rains discourage even local people from driving. Tyson said that the study was a combination of Caltrans data and work done by a private consultant. The Journal asked for a copy of the study but Tyson refused, saying that it was still proprietary information.

Last year, the Humboldt County Association of Governments approved funding for a study of a new off-ramp from U.S. Highway 101 that would go directly to the Rancheria, an issue that has been controversial in Trinidad and the surrounding areas because it might involve eminent domain.

Several residents criticized the hotel's design and its effect upon the viewshed.

"This is not a high-rise community. This is a little town in a rural area," said Bryce Kenny, a Trinidad resident. "We don't allow high-rise development in the city of Trinidad. We would never approve something like this. And yet right outside of our boundaries, where we can see it, where visitors can see it, where it heavily impacts the character of our community, we're being asked to accept it.

"You look at the original drawing for the hotel, which was put out years ago when this was first being talked about; it looks nothing like this. ... The purpose of the hotel and the freeway interchange that is being proposed is to increase the competitive advantage and the market share for the casino. We have three other casinos in the county. Things are getting very competitive and everybody's looking for a way to get an edge on the market. We shouldn't be asked to sacrifice the character of our community and our values just to help our neighbors increase the revenue from the casino.

"They've been good neighbors, very good neighbors, but they're asking way too much of us to say, 'please support this,'" Kenny continued.

Westhaven resident Don Allan thanked the Rancheria for making improvements to the hotel's design but said more work is needed.

"This pig's going to need a lot more lipstick," he said.

Dave Hankin, former director of the Marine Lab, urged members of the public to visit the HSU campus and look at the Behavioral and Social Sciences Building to see what a five-story building actually looks like. He noted that if the Rancheria had designed a three story building, there would have been little opposition from

the community.

Hankin also explained the convoluted regulatory process that governs the approval of the hotel. Two agencies are involved: the Bureau of Indian Affairs (BIA), which is federal, and the California Coastal Commission, which is state. The BIA is the lead agency, meaning it makes the final decisions about the project.

As a sovereign nation, the Trinidad Rancheria is not required to follow California's environmental planning laws but must follow the federal environmental review process, which is roughly similar. The Rancheria wrote an environmental assessment two years ago that left many questions unanswered. Nonetheless, the BIA decided in February that the hotel will have no discernible effect upon the coastal environment.

The Coastal Commission does have the right to respond to the BIA (called a "concurrence"), provided it does so within 90 days. The Coastal Commission's own policies require its public hearing to be held in a city close to where the project will occur. The Coastal Commission, however, schedules its public hearings months in advance, and they occur in cities all over the state. The next meeting is scheduled for April in Salinas. The next North Coast meeting will not happen until August, well beyond the 90-day limit imposed by the BIA.

The commission requested an extension from the BIA so that local people can attend the hearing. Hankin urged the Trinidad City Council and the public to write to both the BIA and the Rancheria, asking them to support the Coastal Commission's request.

Hankin also asked how the BIA could possibly say there was no environmental effect when the environmental documentation has not yet been completed.

"I'm a scientist by training, and there's something logically wrong here," he said. "The cart's coming before the horse."

Trinidad Planning Commissioner Richard Johnson also thanked the Rancheria for its efforts to work with the public and said it is important to recognize that the hotel is part of a larger plan that the Rancheria had previously laid out for the public to view.

"When you consider the cumulative impact of all this development, this is going to change the Trinidad living experience forever. This is the largest project that we have seen in this area since the 1960s," he said. "We still lack the fundamental information required to determine if your water system and water supply is

stretched beyond capacity. ... This is a matter of great importance to the future."

The city council agreed that any proposed action items needed to go on a future agenda to avoid violating the Brown Act.

"What is a realistic timeline that some of these questions might be answered?" Mayor Steve Ladwig asked Tyson, referring to questions about the wastewater capacity and the slope stability.

"The primary item that we're waiting for is the wastewater treatment," replied Tyson. "The engineering firm that we have is working on that. I expect it to be done any day now because it's important. It's kind of the last step in answering all the comments that we did receive."

"At what point do you need some kind of statement from the city about the water?" asked Ladwig. "Because I believe that's a requirement, that you have to show that there is water."

"Obviously we need to have that discussion" replied Tyson. "The hotel project's going to need the water. ... The Coastal Commission, it's a suggestion, they don't have jurisdiction. ... We need (water), you have it. ... We have been waiting to have that discussion with you when you have the studies that you need so that you can have an informed discussion with us on that."

City Manager Dan Berman expressed surprise that the Coastal Commission could even consider making a determination before the environmental review is completed. He asked the council to request both the BIA and the Rancheria to wait until August to hold the consistency determination hearing, so that it could happen on the North Coast.

He also asked the Rancheria to write a letter to the city, formally asking to connect to the city's water system, describing in detail how much water they expected to use and how they came up with those figures.

Berman described the inherent uncertainties in studying the city's water supply. He described it as a puzzle consisting of three pieces. The first is how much water would be needed when all the land within the city limits is built out. The second is the capacity of the water treatment plant.

"Even if the creek was infinite, how much water can we really pump and clean and produce on an ongoing basis out of our treatment plant? ... If we try to turn everything up 20 percent at our plant, does it still work right?"

The third and most difficult piece of the puzzle is asking how much the entire watershed could support, especially considering climate change and drought.

A government-to-government meeting between the Trinidad City Council and the Trinidad Rancheria Tribal Council was planned for the next day. It was not open to the public.

Who keeps buying California's scarce water? Saudi Arabia

Red-winged blackbirds over an irrigation ditch in Blythe, California
Photograph: Trent Davis Bailey / The Guardian

Saudi-based Almarai owns 15,000 acres of an irrigated valley – but what business does a foreign food production company have drawing resources from a US desert?

by [Lauren Markham](#), photographs by Trent Davis Bailey

Mon 25 Mar 2019 05:00 EDT Last modified on Tue 26 Mar 2019 01:21 EDT

Four hours east of Los Angeles, in a drought-stricken area of a drought-afflicted state, is a small town called Blythe where alfalfa is king. More than half of the town's 94,000 acres are bushy blue-green fields growing the crop.

Massive industrial storehouses line the southern end of town, packed with thousands upon thousands of stacks of alfalfa bales ready to be fed to dairy cows – but not cows in California's Central Valley or Montana's rangelands.

Instead, the alfalfa will be fed to cows in [Saudi Arabia](#).

The storehouses belong to Fondomonte Farms, a subsidiary of the Saudi Arabia-based company Almarai – one of the largest food production companies in the world. The company sells milk, powdered milk and packaged items such as croissants, strudels and cupcakes in supermarkets and corner stores throughout the Middle East and North Africa, and in specialty grocers throughout the US.

Each month, Fondomonte Farms loads the alfalfa on to hulking metal shipping containers destined to arrive 24 days later at a massive port stationed on the Red Sea, just outside King Abdullah City in Saudi Arabia.

With the Saudi Arabian landscape there being mostly desert and alfalfa being a water-intensive crop, growing it there has always been expensive and draining on scarce water resources, to the point that the Saudi government finally outlawed the practice in 2016. In the wake of the ban, Almarai decided to purchase land wherever it is cheap and has favorable water conditions to produce enough feed for its 93,000 cows.

In 2012, they acquired 30,000 acres of land in Argentina, and in 2014, they bought their first swath of land in Arizona. Then, in 2015, they bought 1,700 acres in Blythe – a vast, loamy, agricultural metropolis abutting the Colorado river, where everything but the alfalfa seems cast in the hue of sand. Four years later, the company owns 15,000 acres – 16% of the entire irrigated valley.

But what business does a foreign company have drawing precious resources from a US desert to offset a lack of resources halfway around the globe?

What Fondomonte Farms is doing is merely a chapter in the long story of water management in the west, one that pierces the veil on the inanities of the global supply chain – how easy it is to move a commodity like alfalfa, or for that matter lettuce or clementines or iPhones, across more than 13,000 miles of land and sea, how much we rely on these crisscrossing supply lines, and at what cost to our own natural resources.

Though Blythe is a desert, it is adjacent to the lower Colorado river, a river that supplies water to roughly 40 million people and irrigates 4m acres of land.

Bart Miller, Western Resource Advocates' healthy rivers program director, says that over the last 80 years, due to the growth of proximate cities such as Denver, Los Angeles and Phoenix and the expansion of large-scale farms, demands on the river have steadily climbed. The river is also shrinking due to climate change. It has endured a nearly two-decade-long drought, with only waning rain and snowpacks to supply its flow. As a result, the river is at a record low.

The state of the Colorado river can be traced, in part, to a water claim approved by the federal government all the way back in the 1800s when a British gold rush-era prospector named Thomas Blythe first laid eyes on the desert expanse adjacent to the rushing Colorado river and submitted a water claim application to the federal government.

That 1877 water claim, now owned by the Palo Verde Irrigation District, ensures that Blythe has “unquantified water rights for beneficial use”; in other words, as much water as those living and farming within the district could possibly need in this water-scarce region, and for free.

The Palo Verde Irrigation District is not allowed to sell the water – not to the company Calistoga, say, for bottled water, but not to their farmers, either. Blythe farmers are thus only charged to cover the water district's overhead – \$77 an acre-foot a year, an astonishingly low rate.

In other places, people are charged according to how much water they use and are thus incentivized to use less. In Blythe, no matter how much he uses, a farmer gets his water for a cheap, flat rate.



Alfalfa fields and storage warehouses at Fondomonte Farms

It's no surprise, then, that Fondomonte chose to set up shop here. While Saudi Arabia has enacted laws to manage their water resources, in the US we are still governing our water based on compacts made in the 1800s – before the western cities had boomed, before suburban sprawl, before factory farming and a global supply chain and, of course, before climate change.

Water from the Colorado might be limited, but in Blythe, while they still have it, it's there for the taking.

Getting the water from the river to Blythe is a complicated engineering feat. "It's a really unique system," explains JR Echard, assistant manager of the Palo Verde Irrigation District, as he traces how the water moves throughout the valley on a map on his office wall.

"We're in the desert," Echard said, "but we live next to a massive river and have rights to it." Thomas Blythe might have appeared crazy to want to build an empire of agriculture out here in the desert but, in Echard's eyes, Blythe was on to something.

The Colorado river powers a meticulously managed system of canals and dams. Southern water districts like Palo Verde estimate their constituents' water needs and submit corresponding orders to the Parker and Hoover dams upstream which then release the requested water as though turning a great industrial tap. Once in Blythe, the diverted water moves downward into the valley below with the help of gravity and into a 250-mile system of canals that wind through 100,000 acres of cropland.

The canals are outfitted with electronic gates that can be opened and closed with the click of a mouse from the Palo Verde Irrigation District's offices.



- The Diversion dam on the lower Colorado river, regulated by the PVID

In California, everyone's after whatever water they can get. Because of the low supply, the Palo Verde Irrigation District is currently three years into a 30-year fallowing contract – when farmers

are paid not to plant a portion of their fields so the water can instead be sent to cities – with the Metropolitan Water District, which supplies water to big cities like San Diego and Los Angeles.

Fondomonte inherited a fallowing contract, so they are restricted from planting a portion of their land each year. This drives the company mad, an employee whom I will call Jim, told me. He asked not to be named for fear of reprisal from Fondomonte. Alfalfa-hungry Fondomonte would prefer to plant every inch.

Despite its agricultural prowess, 23% of Blythe residents live in poverty (compared with 12% nationally). The town is home to 21,000 people – 6,000 of whom are incarcerated in one of the town's two state prisons. "The prisons were supposed to bring economic development to the city," Echard told me on our way back from the dam as we sped alongside one of the primary canals. "But it hasn't done much at all."

Fondomonte, on the other hand, has been a boon. "Everyone wants to be working here," Jim told me. Not only does the company employ more than 100 locals full-time – as compared with the part-time or seasonal labor found on most farms – and with 401ks, vacation and health insurance, but they also support local farmers by purchasing their alfalfa to add to their bales and ship overseas.

"There are a lot of exporters here," Jim said of US farmers and farm operations selling their crops to overseas markets. "They have been exporting from here for 30 or 40 years. I don't see how this farm is any different."

"The Saudis, they're here buying up at a good price," Echard explained. "They're just the same as everyone else. They buy local. It's a shot in the arm for the economy."



- A field of alfalfa in Blythe, California

But is it an outrage?

The thing about alfalfa is that it's perennial; you can grow it all year and stagger the planting in the fields so that there's nearly always a new crop of alfalfa ready to be cut as well as planted. Once it's cut, it keeps growing, and they cut it again. A crop can last up to five years, but Fondomonte generally rips up and replants after two or three; any longer than that and the alfalfa grows more stem-heavy, and thus drops in quality.

Each day on their massive, gated farm headquarters, Fondomonte employees take samples of the alfalfa and test its quality: the higher the ratio of leaves to stems, the better the quality, and thus the better the milk the cows will produce.

"Almarai only wants the highest quality," Jim explained. He broke open a bale with his hands as if tearing off a piece of bread. The outside of the alfalfa was brown, but just inside, was a vivid and surprising green.

Fondomonte employs some of the most hi-tech mechanisms big ag has to offer – computer programs that combine with satellite and drone imagery to delineate the soil characteristics of each speck of land, drones take videos of production in progress, and the company is currently improving their own system of intra-farm canals and electronic gates so that they can irrigate each field with the touch of a button from behind a computer screen in the office. It's all part of their ongoing effort to maximize their efficiency and crop quality, thus their profit, thus their empire in Saudi Arabia – perhaps, eventually, here as well.

"If it's raining," the employee told me, the farm manager "can just farm from behind his desk". They are entirely self-sufficient, and have expertise in constructing a hi-tech alfalfa empire having already done it in Saudi Arabia.



- The storage barns at Fondomonte Farms and a PVID irrigation ditch in Blythe, California

Dan Putnam, an alfalfa expert and UC Davis professor, explained US-grown alfalfa has long been shipped overseas, long before Almarai. Alfalfa is the third largest economic product in the US, but only 4% is exported annually. In the western states, however, which are high producers close to shipping ports to major export markets like China, Saudi Arabia and Japan, about 15% is exported each year. These high-export states are also the states that happen to be grappling with drought, meaning that the most water-strapped states are shipping much of their water overseas, in the form of alfalfa.

When Almarai first began purchasing land in the western US, environmentalists, and many average citizens, were outraged. “Saudi Hay Farm in Arizona Tests State’s Supply of Groundwater,” said an NPR article in November of 2015. “Saudi Arabia is Outsourcing its [Drought](#) to California,” wrote Gizmodo.

Yet Putnam takes umbrage with the outrage over alfalfa exports. Why, he wonders, are people so much more outraged over alfalfa using water here only to be shipped overseas, what about almonds, a water intensive crop of which 70% of California’s harvest is shipped overseas. Or oranges? Or lettuce?

I suggested to him that it might have something to do with the fact that alfalfa isn’t seen as food – it’s just a plant, a mega-crop divorced, in common perception, from its value as food. But as the basic element of a larger food chain of the dairy and meat industry, alfalfa, Putnam claims, is critical.

“I have a T-shirt,” he told me. “Alfalfa: ice-cream in the making.”



- Grant Chaffin, owner of Chaffin Farms (left). The baby potatoes grown at Chaffin Farms, Blythe

Putnam, along with many farmers I spoke to, urges people to consider how much water crisscrosses the globe in the current supply chain. It's not just alfalfa, and it's not just agriculture. People will find goods at the cheapest prices, and companies in areas with unstable resources will relocate elsewhere.

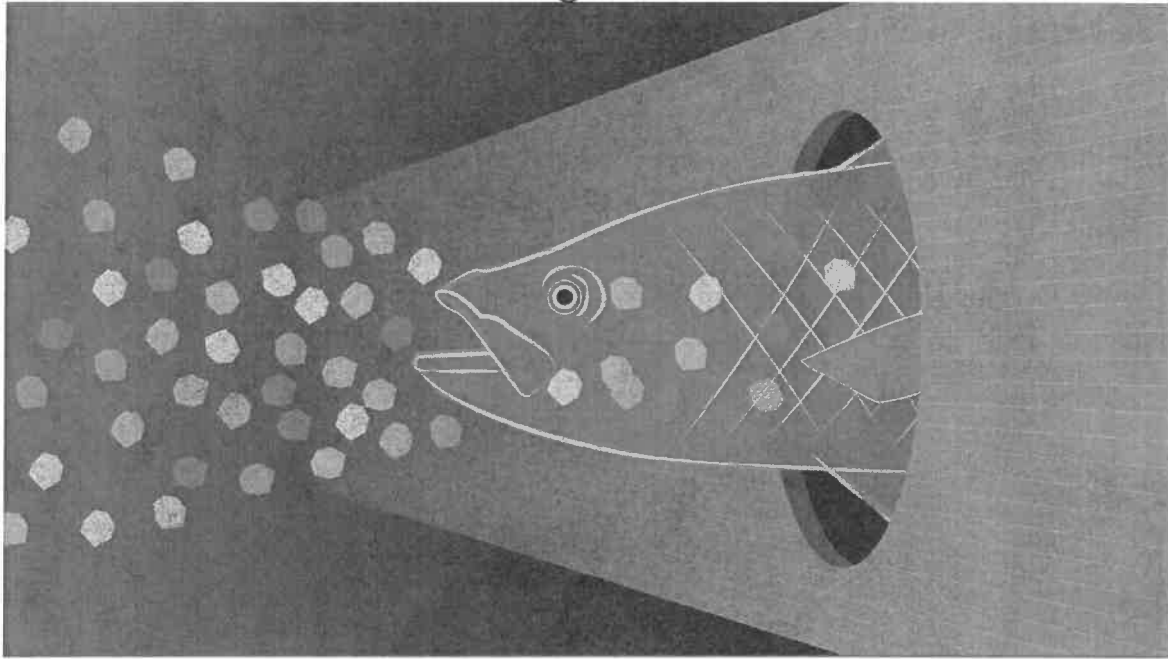
While it's hard to then make a clear calculation of exactly how much US water is being poured into alfalfa and then shipped overseas (some evaporates, some filters back into the soil, some is deposited back into the river downstream) it's clearly not nothing. But who knows how long it will last. "For the survival of that country," Putnam said of Saudi Arabia, "they will look to other parts of the world."

On our way back from the dam to the district offices, Echard drove me up along the access roads to get a panorama of the canals, and past some bright fields of alfalfa. We then drove to a part of valley where, in partnership with various environmental organizations, the Palo Verde Irrigation District had planted a large grove of trees to revive some of the habitat that once stretched so abundantly along this part of the Colorado. In August, he told me, it can be 115F (46C) outside, but under this canopy of trees, it might be 20 degrees cooler.

"Here in the middle of the desert, we've got a little forest," he said, proudly. Like the river, this forest, too, is a manmade environment; man's footprint is everywhere.

As we drove back to the office, I pointed out some nice bushy trees along the canal. "Oh, those are saltcedar," Echard said. An invasive species from Asia that drain the water table and leave salt deposits in the soil, which destroys the other plants. "No one wants it," he said, as he yanked the truck into gear and headed back out again amid the bright carpets of alfalfa stretching in all directions.

From Oceanus Magazine



[SHOW CAPTION]

Microplastics in the Ocean - Separating Fact from Fiction

By Evan Lubofsky :: Originally published online March 19, 2019

Last year, *Gizmodo* ran a story reporting on evidence that microplastics – plastic fragments less than five millimeters size (roughly a quarter inch) – are moving through the marine food web to top predators. The study, published by researchers at the University of Exeter, showed that when mackerel consumed microplastics and were later fed to seals, the plastic bits could be detected in the seals' fecal samples.

While the story reinforced a logical concept—that microplastics consumed by smaller marine animals may eventually end up in larger ones—it touched on the question of how harmful microplastics are to marine life and humans, if at all. One scientist, who was not involved in the study, commented, “There’s lots of work still needed before we understand microplastics’ potential harm to animals, how long those plastic bits stay in digestive tracts, and how they accumulate. There isn’t much convincing evidence of harm to humans yet.”

More recently, scientists from the University of Connecticut expressed a similar sentiment in a commentary published in the East Coast Shellfish Growers Association (ECSGA) newsletter. In the story, the authors questioned whether microplastics are having negative impacts on marine animals, and suggest that many of the published microplastics studies to date may not be based on sound science.

At Woods Hole Oceanographic Institution (WHOI), the message strikes a chord. WHOI has recently launched a research initiative to investigate the fate of microplastics in the ocean and their associated health and environmental impacts. According to the project’s website, “the field of marine plastics is at a crossroads, and is in danger of taking the path towards mediocrity.”

Marine microplastics are nothing new to the WHOI. Scientists there were finding the confetti-like particles in the ocean back as early as the 1970s, when they published studies on the discovery of microplastics in locations as nearby as the coastal waters of southern New England and as far away

as the Sargasso Sea. But today, the WHOI science team, which includes scientists spanning a range of disciplines including biology, chemistry, and physical oceanography, feels that more and better science is urgently needed to fully understand the issue of marine microplastics and what harm, if any, they are causing.

“The number of papers being published on microplastics has grown exponentially in the past few years, but the quality of the studies is highly variable,” said Mark Hahn, a toxicologist at WHOI who is part of the research initiative. “Some of these studies don’t use the most rigorous experimental designs and conditions. It’s like any new field where there’s a rush of people to get into it and a rush to get papers out.”

Hahn and his colleagues feel that one of the things getting in the way is the general lack of agreed-upon standards used in microplastics science—standardized materials, methods, technologies, and even terminology.

“There isn’t even agreement on how scientists define microplastics and nanoplastics,” Hahn said.

WHOI chemist Chris Reddy agrees that the lack of standards is an issue, and also feels that people generally have a very limited understanding of the complexities of plastic. He also recalls numerous examples in chemical oceanography where it took decades before accurate measurements of elements, like iron and lead, were comparable across the scientific community. But he cautioned that studying plastics is harder.

“Unfortunately, plastics are a considerably more challenging field of study,” he said. “There are six different types of consumer-based plastics, all made from different polymers with different sizes, thicknesses, colors, and additives. There’s been a misunderstanding out there that we know a lot about plastics, but in reality, we don’t. It’s a really complex problem.”

Reddy expects it may take a decade or two before the field of plastics matures to a point where robust discussions among scientists and engineers can take place. He says he wants to press the “reset button” on microplastics science, slow things down, and work with the science team to bring the science to a level where well-informed decisions and policy can be made.

“There’s too much hype, and too many microplastics papers coming out saying the sky is falling,” he said. “But we’re very much still in the wild west, and the data just isn’t there to support these claims.”

Both Hahn and Reddy do feel that in time, the quality of microplastics research will improve, provided that standards are developed and studies become more rigorous. Hahn says he already sees some positive signs in some of the latest published papers, and feels that the field as a whole is starting to recognize some of the past pitfalls in the science.

Reddy agrees, but feels that scientists need to also do a better job communicating what is good, acceptable plastic science to the scientific journals.

“Mediocre papers have been getting A+ plus scores that are C papers at best,” he said. “Good scientists are great skeptics, so we need to do what we can to help separate fact from fiction and encourage more rigor as the field continues to grow.”

He adds, “Good science takes time and scrutiny, and we will reach a point where plastics research will reach a higher-bar. I’m confident of it.”

THAT LARGE YELLOW PLUME IN THE MAD RIVER SATURDAY IS PART OF A PLANNED TEST

March 26, 2019 Kym Kemp

Press release:

The senior field project oceanography class at Humboldt State University will be releasing a concentrated mixture of Fluorescein dye into the Mad River on March 30th, 2019 at 11:00am local time. The dye will be released approximately seven hundred and fifty meters from the mouth of the river and create a large yellow plume that will be visible from an aerial view and be taken out to sea by the outgoing tide. This dye is FDA approved and will not harm the local ecosystem. Fluorescein dye degrades in sunlight and will dissipate within a weeks' time.

Project Purpose

The dye release is a qualitative study to help our class better understand how the flow of the Mad River is dispersed into the ocean. We have chosen to focus our attention on the area of coast affected by the Mad River outflow because we believe that the agricultural farmland through which the river runs will have enhanced its concentrations of the of the macronutrients nitrate, nitrite, phosphate, silicate, and ammonia We hypothesize that this nutrient-laden runoff from the Mad River will result in concentrations of macro-nutrients elevated above background levels during the springtime in adjacent coastal waters. It is our belief that these macronutrients will be transported southward from the river mouth and retained nearshore by currents, supporting increased local biomass of phytoplankton. The dye release will help us confirm the area of riverine influence and allow us to know where to take water samples in order to gather quantitative data about nutrient and phytoplankton concentrations.

THIS JUST IN ... United States Files Lawsuit Against California State Water Resources Control Board for Failure to Comply With California Environmental Quality Act

March 28, 2019 [Maven](#) [Breaking News](#)

Lawsuit says Bay Delta Plan as amended fails to comply with CEQA, will impair operation of New Melones Dam

From the US Department of Justice:



The Department of Justice and the U.S. Department of the Interior (DOI) today filed civil actions, in both federal and state court, against the California State Water Resources Control Board for failing to comply with the California Environmental Quality Act (CEQA).

On Dec. 12, 2018, the California State Water Resources Control Board (the Board) approved and adopted amendments to the Water Quality Control Plan for the San Francisco Bay/Sacramento–San Joaquin Delta Estuary (amended plan) and the related Substitute Environmental Document (SED). According to the complaint, the Amended Plan fails to comply with CEQA and, once implemented, will impair DOI’s ability to operate the New Melones Dam consistent with Congressional directives for the project.

“The environmental analysis by the California State Water Resources Control Board hid the true impacts of their plan and could put substantial operational constraints on the Department of the Interior’s ability to effectively operate the New Melones Dam, which plays a critical role in flood control, irrigation, and power generation in the Sacramento region,” said Assistant Attorney General Jeffrey Bossert Clark for the Department of Justice’s Environment and Natural Resources Division. “The Department of Justice will continue to advocate on behalf of our federal partners, especially when it comes to the proper application of federal and state environmental laws.”

“As stated in our letter to the Board on July 27, 2018, today’s lawsuit affirms the Bureau of Reclamation’s continued opposition to the State Water Board plan. The plan poses an unacceptable risk to Reclamation’s water storage and power generation capabilities at the New Melones Project in California and to local recreational opportunities,” said Bureau of Reclamation Commissioner Brenda Burman. “We pledge our commitment to environmentally and economically sound water management for California’s farms, families, business, and natural resources, and the American public as a whole.”

CEQA is a California statute which requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible. The lawsuits filed today allege that in approving the amended plan and final SED, the Board failed to comply with the requirements of CEQA in a number of ways:

- The Board failed to provide an accurate, stable and finite project description, because the Board analyzed a project materially different from the project described in the project description;
- The Board improperly masked potential environmental impacts of the amended plan by including carryover storage targets and other reservoir controls – mitigation measures – in its impacts analysis and by not analyzing the impacts of the amended plan on the environment without reservoir controls; and
- The Board failed to adequately analyze the impacts of the amended plan, including with respect to water temperature and related water quality conditions, and water supply.

As alleged in the lawsuits, the United States will be directly and substantially impacted by the Board’s actions, which impacts include, but are not limited to, operational constraints on the New Melones Project, loss of available surface water supplies for New Melones Project purposes, including Central Valley Project (CVP) water service contracts, and involuntary dedication of federal reservoir space for Board purposes.

The New Melones Dam is a federally owned Reclamation facility and a component of the federal CVP. The Dam stores water under permits issued by the State of California, and delivers water from storage to irrigation and water districts under contracts entered into under federal reclamation law. The lawsuits further allege that the new flow objectives will significantly reduce the amount of water available in New Melones reservoir for meeting

congressionally authorized purposes of the New Melones Project, including irrigation, municipal and industrial purposes, power generation, and recreational opportunities at New Melones. The reduced water available for New Melones Project purposes would also impair Reclamation's delivery of water under contracts it presently holds with irrigation and water districts.

The United States is represented in this action by Assistant Attorney General Clark and United States Attorney McGregor W. Scott; with lead counsel Stephen M. Macfarlane, Romney Philpott, Erika Norman of the Natural Resources Section; and Kelli L. Taylor of the U.S. Attorney's Office for the Eastern District of California.

California Water Blog

Climate Warming Brings New Water to California's Delta

Posted on April 1, 2019 by [jaylund](#)



First ice berg test for fitting under the Golden Gate Bridge:Photo by Mustafa Dogan

April 1, 2019

By Nestle J. Frobish

The California Department of Water Resources is working to employ the ongoing break-up of the Antarctic ice cap to provide a vast supply of water for California. Current plans are to employ ocean tugs to bring ice bergs into San Francisco Bay for docking in the State Water Project's Clifton Court Forebay. [Several propulsion designs](#) are being explored.

The resulting meltwater will provide a salt-free source of water in the south Delta for local and Delta export water users, cold water for Delta Smelt, and a summer winter-sports recreation activity in the southern Delta. Satisfying the entire roughly 7 maf/year of total Delta export water demand will require roughly 8.6 billion tons of ice berg annually (9.2 cubic kilometers of ice).

“We decided that we needed a new source where we could be the senior appropriator, and use the water to help contribute cold environmental flows in a warmer climate. In this case, as soon as the ice drops off the Antarctic coast, it is ours to divert,” said Russell Berg of DWR.

“The operating costs are high, but this drought-proof source will mean we don’t need expensive new Delta conveyance,” said Bob Apple of the Southern California’s Metropolitan Water Authority. Other savings also are likely. “With this immense new water source, we can stop studying cloud seeding, desalination, and fog capture,” said a spokesman for LBL.

Environmental experts are particularly excited about adding cold water to the Delta. “Before this solution, we haven’t had a way of keeping parts of the Delta cool enough for Delta Smelt with a warmer climate,” said Allison Ick of UC Davis. As an adaptation to climate change, rising sea levels will allow deeper ice bergs to be brought through the Golden Gate and into the Delta.

ReSnore the Delta, a formerly-sleepy local environmental group, has raised concerns about the impacts of deepening Delta channels to allow the bergs to be brought into the Delta. However, the Byron Chamber of Commerce welcomes the prospect of summer-time winter sports for the local economy. “The southern Delta will be a place for winter sports in the summertime. We already sell ice, bait, and beer for bass fishermen. Renting ice-axes, crampons, and skates for winter sports will bring additional summer business,” said spokeswoman Bethany Brentwood.

Restore Hetch Hetchy expressed enthusiasm for the idea as a substitute form of cold water storage for the people of San Francisco. “SFPUC can park pure glacier water at Pier 39, and no longer need Hetch Hetchy reservoir,” said a spokesperson.

Titanic Cruise Lines has raised safety concerns that transporting ice bergs to San Francisco Bay might bring hazards to navigation.

ICE-MAR corporation, the world’s largest cultivator of ice fields, also working to bring smaller ice bergs to just outside of Bakersfield for aquifer recharge. “Infiltrating another couple of cubic kilometers of ice could end groundwater overdraft in the San Joaquin Valley, and be quite an attraction during our hot summer,” said a company spokesperson.

In the nearer term, calving bergs from glaciers in nearer-by Alaska and British Columbia could be used, although ice bergs being shed at growing rate from Antarctica are seen as a more sustainable supply.

Water from the ice bergs would return to the ocean as Delta outflow, urban wastewater, and precipitation from agricultural evapotranspiration, and so would be unavailable for combatting sea level rise. “More research is needed,” said Jay Lund of UC Davis.

Nestle J. Frobish, former chairman of the [Worldwide Fair Play for Frogs Committee](#), is Innovation Chair at the UC Davis Center for Climate Adaptation.

Winter storms leave county with \$20 million price tag on repairs

Caltrans invests in fixes to Avenue of the Giants



Panther Gap Road in Southern Humboldt has suffered **severe** damage over the winter and remains closed. It's one of the top priorities for county public works as repairs on damaged roadways begin. (Humboldt County Public Works — contributed)

By [DAN SQUIER](#) | dsquier@times-standard.com | Eureka Times-Standard
March 30, 2019 at 1:20 am

Winter storms dumped a lot of rain on Humboldt County and while the calendar tells us it's officially spring, the rain continues to fall, hampering efforts to fix local roads that have suffered damage.

Humboldt County Public Works has plenty of work to do as far as repairs are concerned and, according to Director Tom Mattson, the total amount of damage caused to local roadways is up from an estimate of \$15 million made at the beginning of March.

"We're roughly at \$20 million right now, and Alderpoint Road has suffered damage," Mattson said of the recent rains that added to the damage caused earlier in the winter. "The normal areas that get damaged got damaged again."

The county has applied for disaster funding from both the state and the **federal government**. Mattson said California has submitted its disaster declaration to the federal government as well and they now await a decision.

“The biggest thing for us is the state has met the federal minimum damage declaration but the federal declaration has not come back yet,” Mattson said, adding that counties from the Oregon border to San Diego have applied for disaster funding following the winter storms.

The most pressing need for road repairs is in Southern Humboldt between Honeydew and Myers Flat and the recent rains haven’t helped Public Works get the roadway fixed.

“At the top of the list is Panther Gap Road because there are people back there who don’t have access and the access is very limited at Mattole Road,” he said. “As you go through the state park all the way to the top of the hill, it’s a struggle to get in and out unless you have a really good 4×4. It’s a struggle to get the roadway into good shape and we will need four or five dry days in a row before we get back out there.”

Mattson said there are between 35 and 50 people who live in the area who are being directly impacted by the closure of Panther Gap and there is a shuttle service to move them from one location to another. Other roadways in the county have suffered damage as well but none of them to the extent of Panther Gap Road.

“That’s the big one,” Mattson said of Panther Gap. “There are others that are urgent but people can get back and forth to their homes without major issues.”

The county isn’t the only entity working on road repairs following winter storms. Caltrans has allocated \$1.5 million for repairs and upgrades to State Route 254, also known as the Avenue of the Giants. The work will take place at various locations from south of the Miranda post office to south of the Bear Creek Bridge.

“The project will upgrade seven culverts over roughly 35 miles of the Avenue of the Giants. As we’ve seen in recent news, any work that can reduce the possibility of flooding along the Avenue is good work,” wrote Caltrans spokesman Myles Cochrane.

The work is scheduled to occur over the summer and should begin by June.

“If all goes according to plan construction could begin as early as this summer and motorists will likely see delays, as is typical for summers on state highways here as we try to prepare ourselves for winter,” Cochrane said.

The Avenue of the Giants was closed regularly over the winter due to localized flooding and it’s hoped the work will keep more of the popular tourist destinations open for visitors.

“People do avoid the Avenue as water loads up and a lot of those businesses are dependent on foot traffic and drive-bys,” said Michelle Bushnell, president of the Southern Humboldt Chamber of Commerce. “And I think (closures) would impact

tourists and they will be irritated at times and if they choose to bypass those areas, the towns would be impacted that way as well.”

Bushnell said the winter [weather](#) has kept people away these past few months but as the weather warms up the area is dependent on tourists being able to take in the entire Avenue.

“It’s been quieter because of the weather and people aren’t going out as often on the Avenue because there has been debris,” Bushnell said, adding they are still open for business in the southern part of the county. “It’s been a quiet winter and we don’t want a quiet summer. We have lots to offer and great places to visit so don’t avoid us.”

Dan Squier can be reached at 707-441-0528.

Planner: No harm in dunes work

Daniel Mintz
MAD RIVER UNION

MANILA - The county's Planning Director has responded to complaints about the Friends of the Dunes (FOD) invasive grass removal and restoration work in Manila, saying

that loss of fore dune and wetland impacts are not occurring on the group's property.



Uri Driscoll
Planning Director

John Ford updated the group's permitting status at the Planning Commission's March 21 meeting. At issue is FOD's permit compliance and its request to expand permitting to trail access and restoration work on a newly-acquired 3.6-acre property south of its Humboldt Coastal Nature Center in Manila.

Ford told commissioners that although FOD has been late in filing monitoring reports and didn't hire a restoration

DUNES ❖ B3

3/27/19 Mad River Union

Dunes | Any anomalies weren't on FOD property

❖ FROM A1

manager as required, those situations have been corrected and the group has not been "doing anything in violation of their permit."

The commission had asked for the update after criticism emerged during public comment sessions of previous meetings.

At last week's meeting, Uri Driscoll, one of the most active commenters, said FOD has violated its permit "on numerous fronts."

He said Ford acknowledged wetland impacts by sending the group a letter directing it to "reduce sand mobilization into wetlands."

Driscoll also referenced a letter sent to the county last July from Eureka attorney Allison Jackson which called for a more thorough environmental impact analysis.

"This project, if it's to continue, should go through a brand new permitting process," he said.

But in his update presentation, Ford said that "one of the things that got very, very confusing" with regard to the criticism is that "a lot of the information that was presented was relevant to state or federal property."

An exposed water line and areas where fore-dune has been washed away are not on FOD property, he told commissioners, and the group has been "operating very much in compliance with their permit."

The permit "allowed them to remove vegetation in a checkerboard pattern and to never do it in a manner that resulted in decimation of the foredune," he said. "And if you go out there, the only area that actually still has a foredune is FOD's property."

He added, "Are there things that have happened that caused sand to blow in other places, and sand to blow into wetlands - yes. Is that on (FOD) prop-

erty? No."

Ford said the permit expansion request has spurred a collaborative evaluation of the existing environmental review, and the group "has been out to meet with neighbors."

The county will also hold a "public meeting" before the expansion request returns to the commission for review.

Segmenting rezones

No one spoke during the public comment session of the meeting's hearing on General Plan rezoning because the commission didn't get to the matters they wanted to talk about - a situation that will be avoided in the future.

A new structure for the commission's rezoning hearings was set as the commission discussed an initial phase.

Implementing the General Plan's land use zoning is a sprawling process that involves text amendments, land use map changes and multiple new designations, and commissioners agreed to break the process up into clearly defined segments.

At the end of the hearing, commissioners voted to recommend approval of the first grouping of text amendments, for the General Plan's new Mineral Resources, Railroad Rights of Way, Public Resources and Recreation, and Tribal Lands zones.

The commission continued its rezoning work to the April 4 meeting. Ford said the county will issue a press release describing the next steps in the segmented process prior to that.

The Board of Supervisors is scheduled to consider General Plan text amendments in May. Public outreach on a more controversial phase, land-use map changes, will begin in April and the commission is scheduled to review them in June, with the Board of Supervisors holding its hearings in July or August.

OPINION

❖ LETTERS

Undermining planning

Planning Director Ford was brought documents two years ago indicating that Friends of the Dunes (FOD) had violated their permit obligations. Violations included a lack of a qualified restoration manager who had retired three years ago, lack of required review and lack of a Restoration Plan update nine years ago. He agreed. None of those requirements have yet to be met.

Additionally, Local Coastal Plan policy states invasive plant removal projects are to last for up to 10 years and require a review as noted. This project started in 2007. So yes, for several reasons the permit FOD has used is dead. What this essentially means is work has been done without accountability or review for nine years. Yet work continues.

Remember, this is not about whether targeted vegetation should be dug out of the dunes or not. It is about how would we know if this is a valid project or not without qualified and transparent oversight. The simple answer is we don't.

Importantly, Mr. Ford recently indicated significant damage to the dunes, wetlands and potentially critical infrastructure were caused by the same methods FOD was using but somehow ignored the connection.

Ironically these same adverse impacts are applauded in FOD's own literature. The last time Mr. Ford visited the FOD site was two years ago. With all this said it remains unclear how he reached conclusions that everything is hunky dory.

Recently FOD has hired yet another Executive Director Mike Cipra, who to his credit reached out to me recently to hear my concerns. It is unfortunate that the tack he chose was not appropriate. He seemed intent to blame neighbors and community members for the myriad of troubles FOD is facing.

Hopefully, Mr. Cipra will soon begin to understand that the difficulty FOD has in recruiting and maintaining board members

and staff is a direct reflection of their relationship with the neighbors and community. His success is dependent on whether he develops a less accusatory and more inclusive approach.

It also doesn't help their cause to coerce young children to tear out dune plants. Several young people including former California Conservation Corp members have let me know it is something they detest doing.

Friends of the Dunes and those few people still intent on digging up dune plants are not the only members of the community that hold these dunes dear. There is a value in maintaining the existing habitat. There is a real danger of accelerated negative impacts to the community of Manila by altering it.

Trying to somehow justify multiple adverse impacts under a violated and outdated permit simply undermines the true purpose of effective planning and permit process.

Uri Driscoll
Arcata

What

"What is time? coed enquired and distinguished philo answer. Think about What-the-heck is "

With apologies reader, allow me su

1. A serious impo
- clocks are advanced
2. What happens
3. Scarce when y
- dundant when you'
4. The brief recess

eral Elections. A day is a life-tim

is a micro-nano-sec

You probably hea

ago, when you were

ing time. "Early to b

a man, Healthy, wea

A second stanza i

bed, Late to rise, Look

❖ Sign your letter Union with city of origin, p ber (which won identity verifc opinion@madv

ts her family

ng journey home. I've ourney's far and near. boys always with me, y were and if alive.

d a friend to play de- them again. With the sion of others, my m has come to its 61 ng story of four boys ago.

it all of them. To my e passed. My brother vville, Jody in Yount- ra gift of a step broth- se.

ng walk back through ry. We've all had our years of life's stories.

y are gone, so there ind one step brother, e fit, I'll make it back ore it's too late.

ing over me all my life, t here on Earth also.

rother gift in the form e is the daughter of Somehow she heard boys and called Kevin

is journey, there has ief, joy, tears and ine, I found my fam-

amazing world and ng people along the family and roots and here.

ie in person yet; we ne. Someday I'll get on the ground where ice flowers on their ye. I never got to do he closing for them.

Guy, Jody and step this world, as I know is far for me to not. when and where.


called Kevin and said st thing I wanted to t? I've never had one."

, and has pictures to sting to see if any of can tell me about her

ate for now.


lay, mer Montgomery nd Junction, Colo.

EASY HAZARDOUS W DISPOSAL



No-Charge
Residential
Drop Off

Call today for details!
(707) 441-2005
or visit
hwma.net



CORRESPONDENCE



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

Website: 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

March 28, 2019

Mr. Frank Blackett, P.E.
Regional Engineer
Federal Energy Regulatory Commission
Division of Dam Safety and Inspections
100 First Street, Suite 2300
San Francisco, CA 94105

**Re: R.W. Matthews Dam - 2018 Dam Safety Surveillance and Monitoring Report (DSSMR)
FERC Project No. 3430-CA, NATDAM No. 00833**

Dear Mr. Blackett,

Attached please find 2 copies of the 2018 Dam Safety Surveillance and Monitoring Report (DSSMR) for the R.W. Matthews Dam. An electronic copy is being submitted to FERC eFiling. This DSSMR has been updated to FERC's most recent DSSMR guideline (as of September 2014). Our DSSMR has also been reviewed by a qualified third party dam safety engineering consultant and includes the consultant's annual statement that the dam is safe for continued operation.

If you have any questions, please call our office at (707) 443-5018.

Sincerely,


John Friedenbach
General Manager

cc: Sharon K. Tapia, DSOD (with attachments)
Pat Kaspari, GHD (with attachments)
William Rettberg, GEI Consultants Inc. (with attachments)
Dale Davidsen, Brian Newell and Samantha Ryan, HBMWD (w/o attachments)



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

Website: 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

April 3, 2019

Humboldt County Planning Department

John Ford Director

Via Email: JFord@co.humboldt.ca.us

Re: Humboldt County Zoning Language Updates

Dear Mr. Ford,

This letter addresses the Humboldt Bay Municipal Water District's renewed concerns with the General Plan Update, Zoning Text Amendments to be discussed at your April 4, 2019 Planning Commission meeting. We operate four intake wells along the Mad River where we collect groundwater to provide drinking water to over 88,000 customers in Humboldt County. Immediately adjacent to the wells is APN 504-161-010-000, also known as the Mercer Fraser property, wherein mining, and other unpermitted activities such as processing and storage occur. This poses a continuing threat to our community's health and water security and the District continues to be concerned that the zoning ordinance will be used to summarily permit previously unpermitted activities or prior potentially illegal activities rather than being a forward-looking tool to adequately protect the health, safety, and welfare of your constituents.

We understand that you are only considering text amendments at this point. However, to the extent that the text amendments will affect the Mercer Fraser property and other properties along the Mad River watershed, we have the following objections and concerns.

1. Section 314-7.1 adds surface mining as a use permitted with a use permit in the AE zone. This is inconsistent with the Humboldt County General Plan Table 4-G. In approving the General Plan, the County determined that surface mining is not a use compatible with the County's vision or interests and, thus, made the decision not to permit surface mining in AE. To approve the proposed zoning text would be directly contrary to the County's General Plan. We oppose this change.
2. Section 314-7.4 adds oil and gas drilling and processing, mineral mining, and surface mining as uses permitted with a use permit in TPZ-Timberland Production Zones. It is unclear whether the impacts of allowing these uses were studied in the EIR. The District is concerned that the potential environmental impacts of oil and gas drilling in the Mad River watershed could negatively impact water quality. We oppose this change.
3. The limitations applicable to streamside management areas in 314-61.1 do not apply to mining operations. Section 61.1.9.2.5 provides "Development within Streamside Management Areas shall be limited to the following: ... Normal, usual and historical agricultural and surface mining practices and uses which are principally permitted within the SMA shall not be considered development for the purposes of this standard." There is no reason not to apply the streamside management protections to mining operations where, as a preliminary matter, the zone is established to abate erosion, runoff, and debris and encourage vegetation. These goals are at odds with the carte blanche permission to allow mining operations in the zone. Further, the term "historical" is vague; a plain reading shows that it would allow mining operations that operated at any time in the past on the site, whether permitted or not.

Finally, there is no limitation on the size of such an operation so any current or historic use could be expanded without any review. If mining operations are to be permitted in the zone at all, such use would be appropriately analyzed and permitted by the County via individual application. We oppose this change.

We have raised these concerns multiple times in previous correspondence with the Planning Department and/or Planning Commission. We specifically submitted written comments via email March 21, 2019, albeit the day of the meeting, comments that were excluded from the staff report prepared for your April 4th meeting on these issues.

We look forward to working with you on addressing these concerns before the text amendments are approved. Thank you for considering our comments and concerns.

Respectfully,



John Friedenbach
General Manager

Cc: Leslie Walker, Thomas Law Group
John Miller, Senior Planner, Humboldt County Planning & Building

THE MITCHELL LAW FIRM, LLP

CLIFFORD B. MITCHELL (1927 – 2010)

PAUL A. BRISSE
NANCY K. DELANEY
WILLIAM F. MITCHELL
RUSSELL S. GANS
NICHOLAS R. KLOEPEL
RYAN T. PLOTZ
AMY A. HUNT, Associate

ATTORNEYS AT LAW
814 SEVENTH STREET
EUREKA, CALIFORNIA 95501-1114

www.mitchelllawfirm.com

TELEPHONE (707) 443-5643
FACSIMILE (707) 444-9586
E-MAIL general@mitchelllawfirm.com

P.O. DRAWER 1008
EUREKA, CA 95502

JOHN M. VRIEZE (Retired)
EMERY F. MITCHELL (1896 - 1991)
WALTER J. CARTER (1949 - 1993)
R.C. DEDEKAM (1929 - 2011)

H.B.M.W.D. MAR 28 2019
March 27, 2019

HBMWD Board of Directors
C/O John Friedenbach, General Mgr.
Humboldt Bay Municipal Water District
P.O. Box 95
Eureka, CA 95502

Dear Board Members:

I am writing this letter to inform you about my professional transition in 2019. After over forty years of the full-time practice of law, I intend to work significantly less in 2019. I am still available and working with our law firm, but largely in a consulting capacity as to new matters and in assisting with the cost-effective transition of many existing matters. My involvement in the details of day-to-day practice of law in 2019 will be more limited.

The HBMWD is one of the firm's clients I most enjoy working with and I would like to continue working with the District in a general capacity. I can be contacted at or through the law firm as issues arise, but if an urgent matter surfaces I have suggested that you contact Ryan Plotz of our firm for a more immediate response. Ryan regularly handles matters for other public entities, and also business and real estate issues. In recent years Ryan has worked with me on public entity issues, including several matters for you. I will still monitor the District's issues and will supervise and review Ryan's work, while avoiding duplicative work and billing.

I am available to answer any questions you may have. Although I have every confidence Ryan can smoothly and competently handle the required detailed work, please do not hesitate to contact me if there is any problem (or ask John to do so). My email address and firm contact information remain the same. As I enter this transition, I want to thank you for the privilege of our professional relationship. Although I am looking

forward to the reduced work load and more personal time, I am going to miss working more closely with District's representatives, which has been my privilege over the years.

Very truly yours,

THE MITCHELL LAW FIRM



Paul A. Brisso

DEPARTMENT OF WATER RESOURCES1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791

March 27, 2019

H.B.M.W.D. MAR 29 2019**SUBJECT: Notification of Fee Increases Effective July 1, 2019
California Dam Safety Program**

The Department of Water Resources, Division of Safety of Dams (DSOD) is committed to its mission of protecting life and property from dam failures in California in the most cost-effective manner. The Dam Safety Program (Program) is funded solely through annual fees and application filing fees. Assessment of fees are governed by section 6307 of the California Water Code, and all revenue collected from annual fees are used entirely to support the Program.

As projected in DSOD's April 2018 notification to dam owners, a 20-percent fee increase will be effective on July 1, 2019. This fee increase will fund the remaining portion of the Program's 2017/18 expansion, cost-of-living increases, state-level administrative costs, and the second of four payments to the State's General Fund for a \$6.5 million loan from Fiscal Year 2017/18.

As required by Senate Bill 92 (Chapter 26, Amended Statutes of 2017), DSOD is adopting an annual schedule of fees through regulations and is currently in the rule making process. DSOD will notify dam owners once permanent regulations are in effect and of any anticipated changes for the next billing cycle effective July 1, 2020.

Enclosed is a comparison of the current 2018 Fee Schedule with the new 2019 Fee Schedule with a 20% rate adjustment effective July 1, 2019.

This letter is for notification purposes only. You will be receiving the invoice for your annual fees by April 30, 2019. If you have any questions, please call Andrew Mangney, Chief of the Field Engineering Branch, at (916) 227-9800.

Sincerely,

Handwritten signature of Sharon K. Tapia in cursive.

Sharon K. Tapia, Chief
Division of Safety of Dams

Enclosures

**DAM SAFETY PROGRAM
ANNUAL DAM FEE SCHEDULE
MAY 2019 BILLING**

Fees adjusted and rounded to the nearest dollar from the May 2018 Billing

Annual Dam Fees

General Rate⁽¹⁾

2018 Billing Rate: \$841 per dam plus \$235 per foot of height

2019 Billing Rate: \$1008 per dam plus \$282 per foot of height

Reduced Rate: Farm and Ranch or Small and Privately Owned Dams Rate⁽²⁾

2018 Billing Rate: \$168 per dam plus \$47 per foot of height

2019 Billing Rate: \$202 per dam plus \$56 per foot of height

Limited Rate: Inoperable Dams and Special Exclusion⁽³⁾

2018 Billing Rate: \$841 per dam under the General Rate

\$168 per dam under the Reduced Rate

2019 Billing Rate: \$1008 per dam under the General Rate

\$202 per dam under the Reduced Rate

Application Filing Fees

The fee structure for dam application work remains unchanged.

Application fees for dam removal projects are the same as those for construction, enlargement, alteration, and repair projects.

⁽¹⁾ Division 3, Part 1, Chapter 6, section 6307(a) of the California Water Code

⁽²⁾ Division 3, Part 1, Chapter 6, sections 6307(e & f) of the California Water Code

⁽³⁾ Division 3, Part 1, Chapter 6, section 6307(d) of the California Water Code and Title 23. Waters, section 316 of the California Code of Regulations

FEDERAL ENERGY REGULATORY COMMISSION
Office of Energy Projects
Division of Dam Safety and Inspections – San Francisco Regional Office
100 First Street, Suite 2300
San Francisco, CA 94105-3084
(415) 369-3300 Office – (415) 369-3322 Facsimile

April 5, 2019

H.B.M.W.D. APR - 8 2019

In reply refer to:
Project No. 3430-CA
NATDAM No. CA00833

Mr. John Friedenbach
General Manager
Humboldt Bay Municipal Water District
P.O. Box 95
Eureka, CA 95502-0095

Re: Updated Owner's Dam Safety Program Organizational Chart

Dear Mr. Friedenbach:

This is in response to a letter dated March 24, 2017 from Mr. Thavisak Syphanthong that submitted an updated Organizational Chart for Humboldt Bay Municipal Water District's (HBMWD's) Owner's Dam Safety Program for the R. W. Matthews Dam, FERC Project No. 3430. We have reviewed the submittal, and we have the following comments:

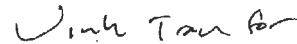
1. Per our most recent Annual Letter: *"In addition, please notify this office immediately upon the designation of a new Chief Dam Safety Engineer (CDSE) or Chief Dam Safety Coordinator (CDSC). The CDSE or CDSC should be well-versed in dam safety and this should be documented on the individual's resume. The CDSE or CDSC should receive regular training such as attending dam safety training courses, and become involved in professional dam safety organizations such as the United States Society on Dams (USSD) and the Association of State Dam Safety Officials (ASDSO)."* Since you are now the CDSC, please submit your resume and include your dam safety experience.
2. HBMWD is also reminded that an external audit of the ODSP is required every five years. Submit a plan and schedule for the next ODSP audit for the project. Please refer to our website and Annual Letter for more information regarding

the audit and the requirement to submit the resume of the proposed auditor for our acceptance.

<https://www.ferc.gov/industries/hydropower/safety/initiatives/odsp.asp>

Within 30 days of the date of this letter, please address our comments. We appreciate your continued efforts in this aspect of the Commission's dam safety program. If you have any questions, please contact Mr. Samuel Lee at (415) 369-3393.

Sincerely,



Frank L. Blackett, P.E.
Regional Engineer



THE LEAGUE OF WOMEN VOTERS OF HUMBOLDT COUNTY

P. O. Box 3219, Eureka, CA 95502-3219
vote@lwvhc.org(707) 444-9252
www.lwvhc.org/vote

March 20, 2019

H.B.M.W.D. MAR 21 2019

Dear John,

On behalf of the League of Women Voters of Humboldt County, I thank you so much for the excellent presentation you gave last Sunday.

The past, present, and future format made it easy to follow. I'm sure most of the people in the audience learned something. In fact, most of the people in the audience learned a great deal. In addition, your willingness to answer questions as you spoke was admirable. Many speakers ask audience members to hold their question until the end of a presentation. Speakers who answer questions during their presentations as you did demonstrate their thorough knowledge of their subject matter.

I also thank you personally for all you did. You always got back to me quickly during the process of arranging the presentation, and that saved me from a good deal of stress. It was generous of you to allow us to serve refreshments in the conference room.

In addition I appreciated all you did in setting up the conference room, including providing extra coffee cups and a pitcher of water.

Overall, the meeting was well attended. Your help in everything and especially the

presentation itself made the meeting a success.

Very sincerely yours,

Bessie R. Beach
Natural Resources Director
LWVHC

CONTINUING BUSINESS

To: Board of Directors

From: John Friedenbach

Date: April 8, 2019

Subject: Water Resource Planning (WRP) – Status Report

.....

The purpose of this memo is to summarize recent activities and introduce next steps for discussion.

1) Top-Tier Water Use Options

a) Local Sales

Nordic Aqua Culture public forums. Enviva site visit on April 17th. Internal analysis of industrial system rejuvenation continues.

b) Transport

Transport Committee meeting set for April 22nd.

c) Instream Flow Dedication

Progress continues with the tasks contained in our WCB instream flow grant. Setting up a meeting in Sacramento with the Water Board staff to discuss our project. President Woo and I will attend in person with David Aladjem. Others will participate via video conferencing. Sheri Woo – presentation at Humboldt Bay Symposium 2019.

Thursday April 11, 2019

- 9:00 AM Symposium Introduction
Joe Tyburczy, California Sea Grant Extension
 Symposium Welcome
Ted Hernandez, Wiyot Tribe
- Session One: Sea Level Rise**
Organizer: Aldaron Laird, Humboldt State University, Sea Level Rise Institute
- 9:20 AM Sea Level Rise Adaptation Plan for Eureka Slough Hydrographic Area, Humboldt Bay
Hank Seemann, Humboldt County Public Works
- 9:40 AM Dune Vulnerability and Adaptation Study
Andrea Pickart, US Fish & Wildlife Service
- 10:00 AM Fine-Sediment Supply and Salt Marsh Accretion, Humboldt Bay, CA
Jennifer Curtis, US Geological Survey
- 10:20 AM Break
- 10:40 AM Ethnobotany at Sea Level: Research and Conservation of Wiyot Traditional Cultural Plants
Adam Canter, Wiyot Tribe
- 11:00 AM Coastal Commission Guidance for Sea Level Rise Adaptation Planning in the Context of Humboldt Bay
Robert Merrill, California Coastal Commission
- 11:20 AM Sea Level Rise and the Coastal Storm Modeling System for the North Coast of CA
Juliette Finzi Hart, US Geological Survey
- 11:40 AM Lunch

Session Two: Restoration

- Organizers: Emily Allee, The Wetlands Conservancy & Lisa Schmoele, US Fish & Wildlife Service*
- 1:00 PM Water Rights Petition for Change on the Mad River
Sheri Woo, Humboldt Bay Municipal Water District
- 1:20 PM Jacoby Creek Watershed Restoration
Emily Benvie, City of Arcata
- 1:40 PM PALCO Marsh Enhancement: Phragmites Eradication
Miles Slattery, City of Eureka
- 2:00 PM Humboldt Bay Invasive *Spartina* Regional Eradication Effort: Ten-Year Progress Report
Joel Gerwein, State Coastal Conservancy
- 2:20 PM Break
- 2:40 PM The Elk River Recovery Assessment and Framework: Identifying Long-term Solutions to Sediment-Related Impairments in Elk River
Jay Stallman, Stillwater Sciences
- 3:00 PM Elk River Tidal Restoration
Miles Slattery, City of Eureka
- 3:20 PM White Slough's Living Shoreline Project
Kurt Rablek, US Fish & Wildlife Service
- 3:40 PM Triple Junction Restoration at the CDFW Eel River Wildlife Area Ocean Ranch Unit
Gordon Leppig, California Department of Fish & Wildlife

Friday April 12, 2019

Session Three: Ocean Science

- Organizers: Frank Shaughnessy, Humboldt State University & Joe Tyburczy, California Sea Grant Extension*
- 9:00 AM North Coast Otters: Merging Citizen Art and Science
Jeffrey Black, Humboldt State University
- 9:20 AM Climate, Krill, and Contaminated Crabs on the North Coast: Insights from Ocean Observing in the California Current
Eric Bjorkstedt, NOAA Southwest Fisheries Science Center
- 9:40 AM Monitoring Ocean Acidification, Eelgrass, and Implications for Oysters in Humboldt Bay
Joe Tyburczy, California Sea Grant Extension
- 10:00 AM Establishing a High-Resolution Spatial Component to Eelgrass Monitoring in Humboldt Bay
Whelan Gilkerson, Merkel and Associates
- 10:20 AM Break
- 10:40 AM Collaborative Fisheries Monitoring of Rocky Reef Fish Inside/outside North Coast MPAs
Jay Statton, Humboldt State University
- 11:00 AM North Coast MPA SCUBA Surveys: Insights from the First Five Years of Humboldt State University's Rocky Reef Monitoring Program
Chris Teague, Humboldt State University
- 11:20 AM The Old Man and the SEE: Lessons Learned From 15 Years of Coho Salmon Life History and Habitat Restoration Monitoring in the Stream-Estuary Ecotone
Mike Wallace, California Department of Fish & Wildlife (retired)
- 11:40 AM Tsunami Hazard Mitigation Efforts Around and on Humboldt Bay
Troy Nicolini, National Weather Service
- 12:00 PM Lunch

Session Four: Economic Development

- Organizers: Bernadette Cluett, Humboldt Bay Harbor, Recreation, & Conservation District*
- 1:00 PM Harbor District Update
Larry Oetker, Bernadette Cluett, and Stephen Kullmann, Humboldt Bay Harbor, Recreation, & Conservation District
- 1:40 PM Nordic Aquafarms: A Future for Land-Based Aquaculture in Humboldt
Erik Heim and Marianne Naess, Nordic Aquafarms
- 2:00 PM California and Offshore Wind, What's Coming?
Sharon Kramer, HT Hayes & Associates
- 2:20 PM Break
- 2:40 PM 2017-2018 Eureka Marina Dredging
Miles Slattery, City of Eureka
- 3:00 PM Fishing Community Sustainability Plan for Eureka
Laura Cohen, Strategic Earth Consulting and Rob Dumouchel, City of Eureka
- 3:20 PM Trails of the Humboldt Bay Region: From the Coast to the Redwood Forests
Hank Seemann, Humboldt County Public Works

4:30 - 6:00 PM Poster Session

Downstairs in the Bay Room

LOCO STAFF / 04/03/19 @ 7:53 A.M. / BUSINESS

Nordic Aquafarms, the Company Planning a Massive Land-Based Fish Farm in Samoa, Will Hold a Public Forum to Talk About the Idea Next Week

Press release from Nordic Aquafarms:

Nordic Aquafarms, a leading international developer of land-based aquaculture, will be presenting an overview of their planned Humboldt County facility on Thursday, April 11, at 2 p.m. at Humboldt State University's Kate Buchanan Room, located on the 2nd floor of the University Center Building. The company has developed significant innovations in Recirculating Aquaculture System (RAS) technology, which uses large, independent tanks and water treatment systems. The Humboldt facility is anticipated to meet the growing US demand for fresh seafood, 90% of which is currently imported, in a sustainable, environmentally responsible manner.

Background

On February 11, 2019, Nordic Aquafarms signed a lease-option agreement with the Humboldt Bay Harbor, Recreation and Conservation District in order to pursue final due diligence for a land-based fish farm on the Samoa Peninsula. If the due diligence and permitting goes as planned, the project will bring major investments, tax revenue, employment and business opportunities to the North Coast.

This project has also been designated as an anchor project at the peninsula that is expected to attract other businesses to the area. The company's strategy is to provide an alternative to seafood imports and not to compete with existing local fisheries and businesses. As such, the effort also brings potential synergies and opportunities for cooperation and supports within a developing aquaculture cluster, contributing to a diverse and robust seafood industry in Humboldt County.

Additional information

The US imports 90% of the fresh seafood consumed and demand continues to grow. To meet current demand, most of the fresh fish consumed in the US is air-freighted at a significant cost and with considerable CO2 footprint. To achieve growth in domestic supply of fresh local fish in a sustainable, environmentally responsible manner, land-based fish farming is a solution.

Land-based fish farming (RAS) is based on indoor production in a controlled environment using large, independent tanks and water treatment systems. Its benefits include:

- ability to recycle and treat water on site to reduce water consumption;
- recycling of waste resources and nutrients;
- prevention of sea lice and parasites;

- elimination of fish escape into the sea and co-mingling with wild species;
- application of renewable energy concepts;
- a shorter distance to market for a high quality, fresh product
- consistent quality and traceability all year round

In its presentation, Nordic Aquafarms will introduce its plans for the project in Humboldt to serve West Coast markets.

It Took a While, But California Is Now Almost Completely Out of Drought

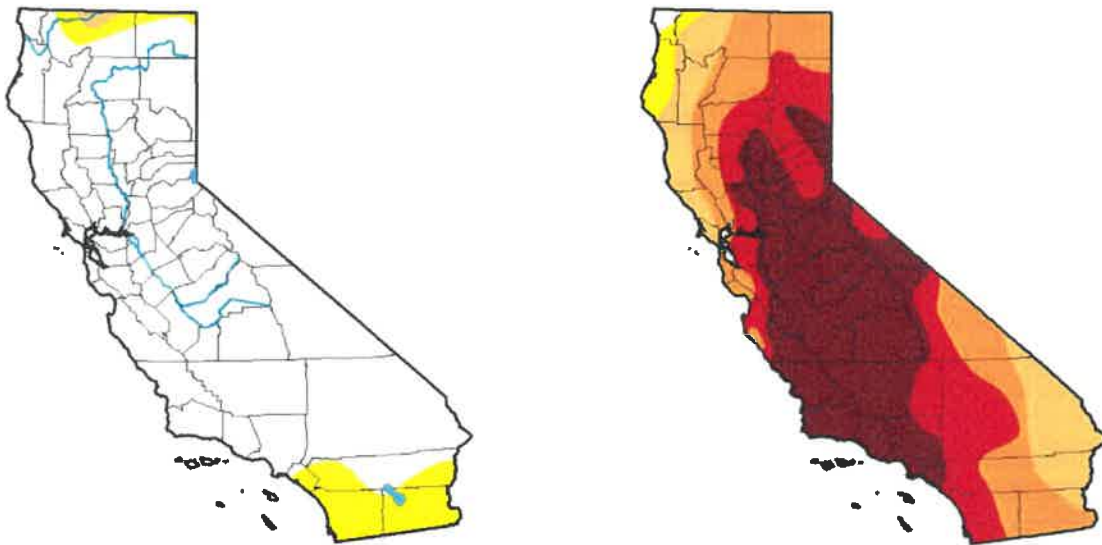
KQED Science
Mar 11, 2019

This particular California winter has unfolded in good news/bad news fashion. Courtesy of a string of recurring [atmospheric rivers](#), potent storms have caused flooding, power outages and canceled flights. But they have also lifted all but a thin slice of the state near the Oregon border completely out of drought.

On the left, below, you can see the [map](#) released last week by the U.S. Drought Monitor, which is almost completely devoid of colors indicating [various levels of](#) parchedness. On the right is the same map from three years ago, bleeding brick-red and showing nearly 40 percent of the state in the most advanced stage of drought.

Drought Classification

None D0 (Abnormally Dry) D1 (Moderate Drought) D2 (Severe Drought) D3 (Extreme Drought) D4 (Exceptional Drought)



The California drought map as of March 5, 2019 is on the left. On the right is the map from March 8, 2016. (*U.S. Drought Monitor*)

KQED Science Managing Editor **Paul Rogers** recently [wrote](#) about the state's stunning water comeback for the San Jose Mercury News, where he reports on science and the environment. Here are some key points from Rogers about current water conditions in California, taken from an interview with KQED's Brian Watt.

People were worried at one point about another drought developing. How about now?

After a dry winter last year and a dry December this year, people were starting to worry that the kind of drought conditions we saw between 2012 and 2016 might be coming back. But then it

started raining like crazy, particularly in February and through early March, and those rains have really washed away fears of a returning drought. The new report showed that less than 1 percent of California, a tiny sliver up near Oregon, is still in a drought, and it's classified as "moderate." So our reservoirs are full, our rivers are full, and things are looking good in terms of the state's water supply.

How long has it been since the state's water tank has been this full?

You have to go back to December 2011 to find a time when such a small amount of the state has been in drought.

Just by comparison, a year ago, 47 percent of California was in drought. In March 2016, 97 percent of California was in a drought. Now we're at 1 percent.

How do the storms of this year compare to those of the past?

We have a really good [historical rainfall record](#) in San Francisco, going all the way back to 1850. In February, San Francisco saw 7.6 inches of rain. That's twice as much as the historical average and the largest amount of rain in 10 years. The month's rain total was the 16th most in a February in 169 years, according to the records.

What happened to cause the turnaround in precipitation?

Remember the "[Ridiculously Resilient Ridge](#)?" That was a big mass of high pressure air sitting in the Pacific Ocean. It acted like a large boulder in a river, blocking the storms trying to make their way to California, pushing them up into Canada and other places. That ridge is long gone, and low-pressure zones are setting up conditions where these wet atmospheric river storms from the tropics just keep barreling into the state, one after the other.

From Capital Public Radio

'A California Water Supply Dream': Record Snowpack Measured In Sierra Nevada, Lake Tahoe Region

- Ezra David Romero
Tuesday, April 2, 2019 | Sacramento, CA | [Permalink](#)



The fourth snow survey of the water year recorded 106.5 inches of snow depth and a snow water equivalent of 51 inches, which is 200 percent of average for this location, 90 miles east of Sacramento in El Dorado County.

*Department of Water Resources /
Courtesy*

California received some good news on Tuesday for the state's water supply: The Sierra Nevada snowpack is well above normal, at 162 percent of average.

This amount of snow is thanks to the more than 30 “atmospheric rivers” that brought storms this winter and spring. Chris Orrock, with the California Department of Water Resources, says the cold storms have helped preserve the snow.

“The snowpack is nice and cold. It's a little different than 2017, where it was warmer winter ... and [the snowpack] melted quicker,” Orrock said while reporting measurements at Phillips Station near Lake Tahoe. His crew found 106.5 inches of snow at the spot.

As it melts and ends up in reservoirs, the snowpack provides about 30 percent of the state's water supply, and water managers use the snowpack-measurement data to plan releases from the state's reservoirs.

Orrock explained that the amount of snowpack this year is significant. “If all the snow in the field we are standing in right now melted right now,” he said on Tuesday while taking measurements, “we would be standing in 51 inches of water.”

He says this is the fourth largest amount of snow in recorded history. The April results are usually a sign of what to expect in spring and summer, including water amounts for farms and cities downstream. But Jon Ericson, chief of the Division of Flood Management, says “with great water supply benefits comes some risk.”

“We have the potential for some minor flooding due to melting snow,” Ericson added.

The early April survey is typically the last one of the year. But DWR officials say that, because of the sheer amount of snow, another will be conducted in May.

DWR director Karla Nemeth called the state's full reservoirs and robust snowpack "a California water supply dream."

"However, we know our long-term water supply reliability cannot rely on annual snowpack alone," she added. "It will take an all-of-the-above approach to build resiliency for the future."

Nevada is also having a really good snow year, according to Natural Resources Conservation Service hydrologist Jeff Anderson. He took measurements at a site near Mount Rose on Monday and says that snowpack is the fourth-largest in recorded history for the Tahoe Basin.

"We've had two of the four biggest years in the past couple of years, and it's really interesting to see that side of our snowpack record getting bigger and bigger," Anderson said. "But at the same time, we came out of 2012-2015 with some of the lowest snow amounts."

He says snow could stick around at high elevations into late July or August.

THIS JUST IN ... Snow survey boosts runoff predictions

April 2, 2019 Maven Breaking News



Snowpack is 162% of average statewide

From the Department of Water Resources:



The Department of Water Resources (DWR) today conducted the fourth Phillips Station snow survey of 2019. The manual survey recorded 106.5 inches of snow depth and a snow water equivalent (SWE) of 51 inches, which is 200 percent of average for this location.

Statewide, the Sierra Nevada snowpack is 162 percent of average. California has experienced more than 30 atmospheric rivers since the start of the water year, with six in February alone, and statewide snow water equivalent has nearly tripled since February 1. Snow water equivalent is the depth of water that theoretically would result if the entire snowpack melted instantaneously. It is an important tool used by water managers across the state to estimate anticipated spring runoff.

“With full reservoirs and a dense snowpack, this year is practically a California water supply dream,” said DWR Director Karla Nemeth. “However, we know our long-term water supply

reliability cannot rely on annual snowpack alone. It will take an all-of-the-above approach to build resiliency for the future.”


Snowpack is an important factor in determining how DWR manages California’s water resources each year to meet demands. On average, the Sierra snowpack supplies about 30 percent of California’s water needs as it melts into streams and reservoirs in the spring and early summer to meet water demands throughout the year. The April results are a key indicator for the rest of the year’s water supply. The snowpack’s water content typically peaks around April 1, after which the sun’s higher position in the sky begins to accelerate snow melt.

While the April 1 snowpack data is good news for water supply, state officials warn there could be flooding risks later this spring.

“With great water supply benefits comes some risk,” said Jon Ericson, DWR Chief of the Division of Flood Management. “Based on snowpack numbers, we have the potential for some minor flooding due to melting snow so we remind folks to always stay vigilant and aware.”

The state’s largest six reservoirs currently hold between 106 percent (Oroville) and 132 percent (Melones) of their historical averages for this date. Lake Shasta, California’s largest surface reservoir, is 109 percent of its historical average and sits at 89 percent of capacity.

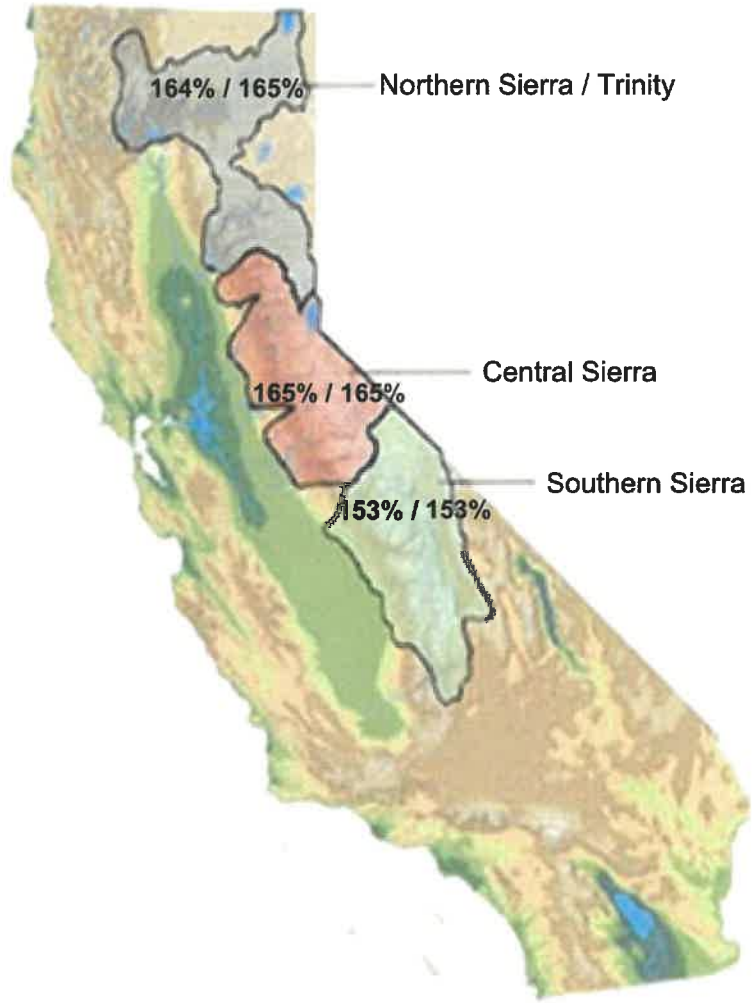
DWR conducts up to five snow surveys each winter – near the first of January, February, March, April and, if necessary, May – at Phillips Station in the Sierra Nevada just off Highway 50 near Sierra-at-Tahoe. The Phillips snow course is one of hundreds that is surveyed manually throughout the winter. 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.



Statewide Summary of Snow Water Content

Current Regional Snowpack from Automated Snow Sensors

% of April 1 Average / % of Normal for This Date



NORTH	
Data as of April 2, 2019	
Number of Stations Reporting	30
Average snow water equivalent (Inches)	47.9
Percent of April 1 Average (%)	164
Percent of normal for this date (%)	165

CENTRAL	
Data as of April 2, 2019	
Number of Stations Reporting	39
Average snow water equivalent (Inches)	47.7
Percent of April 1 Average (%)	165
Percent of normal for this date (%)	165

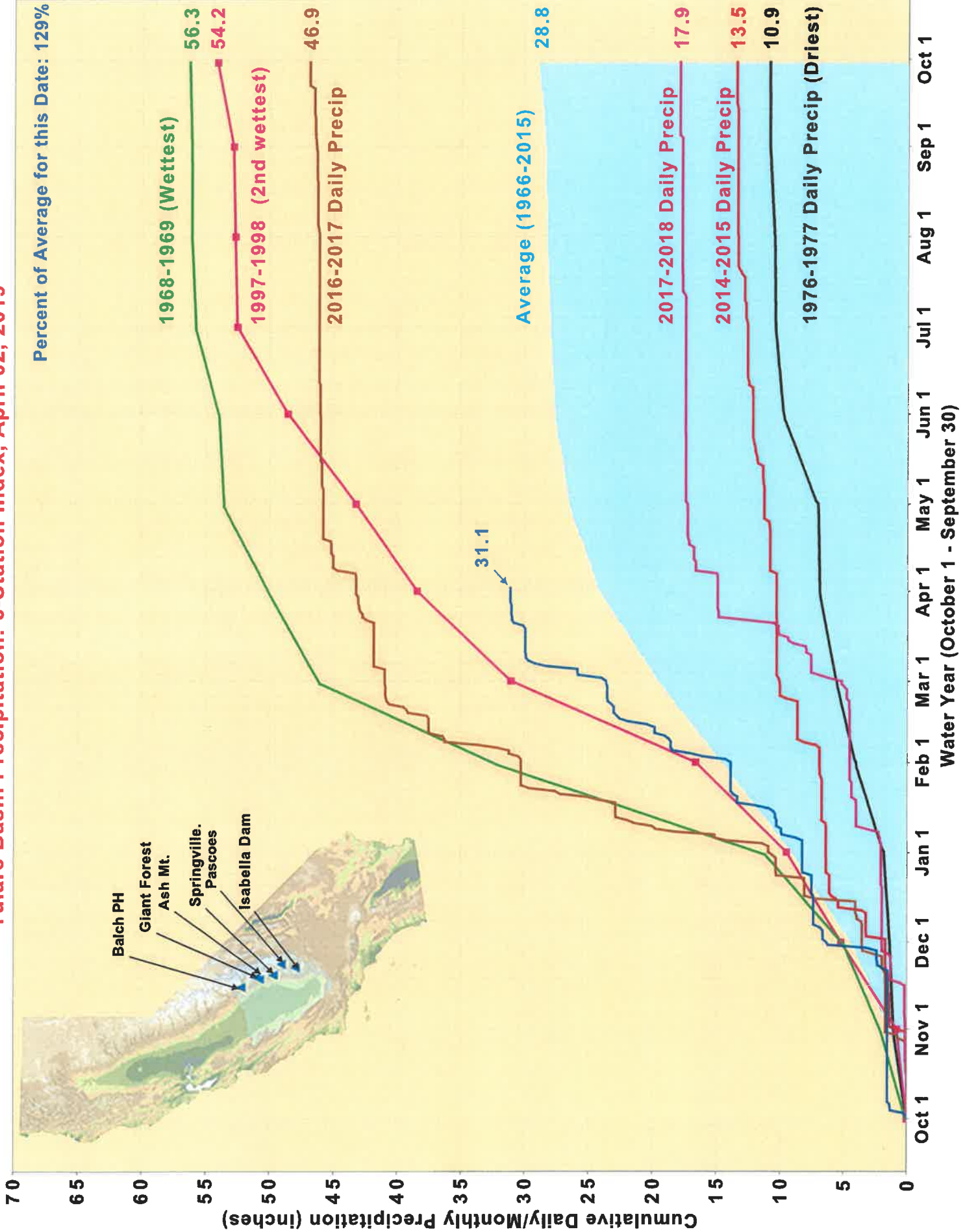
SOUTH	
Data as of April 2, 2019	
Number of Stations Reporting	28
Average snow water equivalent (Inches)	38.5
Percent of April 1 Average (%)	153
Percent of normal for this date (%)	153

STATE	
Data as of April 2, 2019	
Number of Stations Reporting	97
Average snow water equivalent (Inches)	45.1
Percent of April 1 Average (%)	162
Percent of normal for this date (%)	162

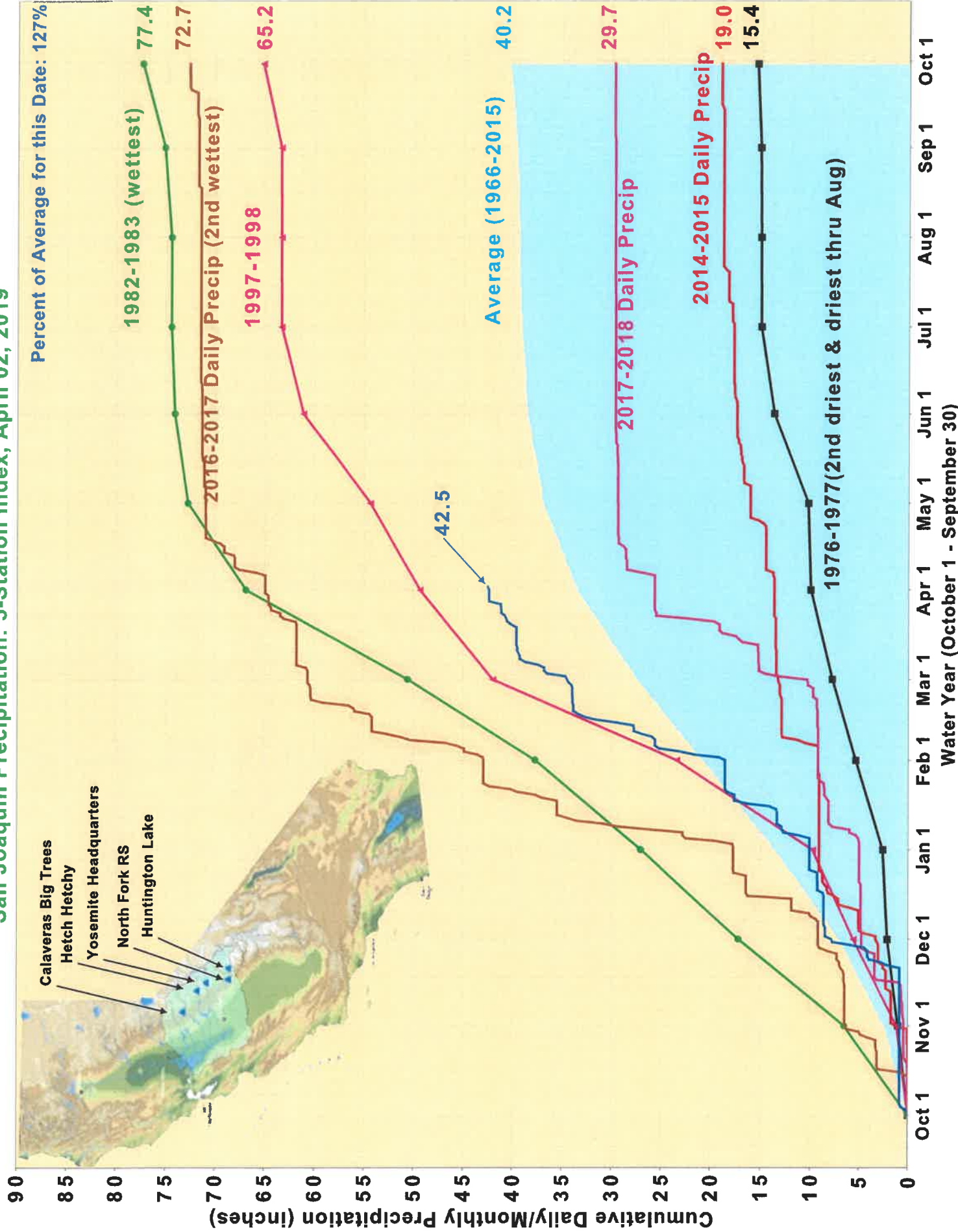
Statewide Average: 162% / 162%

Data as of April 2, 2019

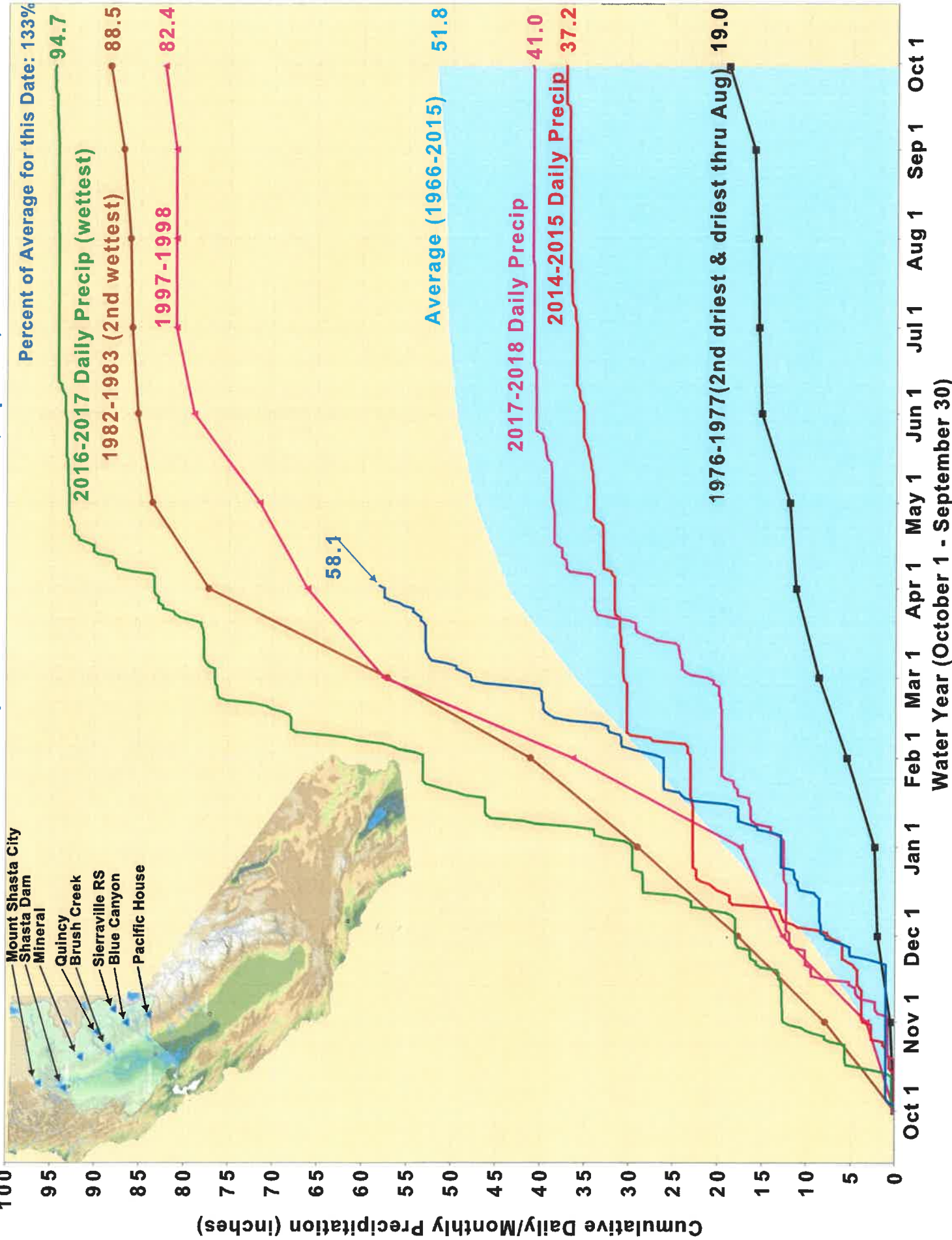
Tulare Basin Precipitation: 6-Station Index, April 02, 2019



San Joaquin Precipitation: 5-Station Index, April 02, 2019



Northern Sierra Precipitation: 8-Station Index, April 02, 2019



SECTION 3 – NUMERIC AND NARRATIVE INSTREAM FLOW REQUIREMENTS (INCLUDING GAGING)

This section outlines the numeric and narrative instream flow Requirements established in this Policy.

Narrative instream flow Requirements apply to all diversions of surface water and groundwater for cannabis cultivation throughout California. Numeric instream flow requirements are developed at compliance gages throughout California. The compliance gages are divided into 14 geographic regions (Section 4).

Narrative Instream Flow Requirements

Instream Flow Requirements for Surface Water Diversions

1. **Applicability:** Surface water instream flow Requirements apply to anyone diverting water for cannabis cultivation from a waterbody. A waterbody is defined as any significant accumulation of water, such as: lakes, ponds, rivers, streams, creeks, springs²⁷, artesian wells, wetlands, and canals. Surface water instream flow Requirements also apply to water diverted from a subterranean stream flowing through a known and definite channel.
2. **Retail Water Suppliers²⁸:** The instream flow Requirements and forbearance period listed in this section shall not apply to retail water suppliers, as defined in Section 13575 of the Water Code²⁹, whose primary beneficial use is municipal or domestic, unless any of the following circumstances are present:
 - a. the retail water supplier has 10 or fewer customers and delivers water that is used for cannabis cultivation;
 - b. the retail water supplier delivers 10 percent or more of the diverted water to one or more cannabis cultivator(s) or cannabis cultivation site(s), as established by an assessor's parcel number;
 - c. 25 percent or more of the water delivered by the retail water supplier is used for cannabis cultivation; or
 - d. a cannabis cultivator and the retail water supplier are affiliates, as defined in California Code of Regulations, title 23, section 2814.20.
3. **Exempt Springs:** Cannabis cultivators claiming, pursuant to Business and Professions Code section 26060.1(a)(2)(A)(iv) or section 26060.1(a)(2)(B)(iii), that a spring or artesian well does not flow off their property by surface or subterranean (subsurface) means in the absence of diversion, may request an exemption from the Policy's Narrative Instream Flow Requirements 4 (Surface Water Dry Season Forbearance Period) and 5 (Surface Water Wet Season Diversion Period). When requesting such an

²⁷ A spring is an area where there is concentrated discharge of groundwater that flows at the ground surface. A spring may flow any part of the year. For the purpose of this Policy, a spring does not have a defined bed and banks. Surface water instream flow Requirements apply to both natural springs and springs that are modified to improve production such as, installing piping and spring boxes/wells.

²⁸ Business and Professions Code section 26060.1(a)(1)(B).

²⁹ Under Water Code section 13575(b)(5), "Retail water supplier" means any local entity, including a public agency, city, county, or private water company that provides retail water service.

exemption, cannabis cultivators shall provide substantial evidence demonstrating that, in the absence of diversions, the spring or artesian well does not have surface or subsurface hydrologic connectivity to a surface water at any time of year during all water year types³⁰. The substantial evidence must be documented by a qualified professional. For purposes of this Requirement, qualified professionals include California-registered Professional Geologists or other classifications of professions approved by the Deputy Director for Water Rights (Deputy Director). A list of qualified professionals that may document the substantial evidence required per this Requirement will be maintained on the Water Rights section of the State Water Board's Cannabis Cultivation webpage³¹. The Deputy Director may require additional information from the cannabis cultivator to support the request. If, after reviewing the submitted evidence and analysis, the Deputy Director concurs that the cannabis cultivator has made the required showing, the cannabis cultivator may be exempted from the Policy's Narrative Instream Flow Requirements 4 and 5. Springs or artesian wells that are deemed exempt shall comply with the Policy's 50 percent visual bypass requirement (Narrative Instream Flow Requirement 6) to support aquatic and riparian habitat. In addition, springs or artesian wells that are deemed exempt shall be subject to the Requirements for Groundwater Diversions (Narrative Instream Flow Requirement 8) to address the potential cumulative impacts of groundwater diversions, to which diversions from the spring or artesian well may contribute. Notwithstanding such exemptions, all other applicable Requirements of this Policy remain in force.

4. **Surface Water Dry Season Forbearance Period:** Cannabis cultivators shall not divert surface water for cannabis cultivation activities at any time from April 1 through October 31 of each calendar year, unless the water diverted is delivered from storage in compliance with Narrative Flow Requirement 4.
 - a. The following requirements apply only to cannabis cultivators diverting under a valid water right or claim of right and without authorized storage:
 - i. The first year of the Surface Water Dry Season Forbearance Period (April 1, 2018 through October 31, 2018) is waived. Cannabis cultivators subject to Requirement 4.a. may only divert during this period in a manner consistent with their permit/license or claim of right. All other applicable requirements of the Policy shall remain in force.
 - ii. Cannabis cultivators subject to Requirement 4.a shall file for a Cannabis SIUR or submit an application for an appropriative water right permit to obtain storage sufficient to support their cannabis cultivation during the forbearance period prior to diverting water for cannabis cultivation during the 2018 forbearance period.
 - iii. As soon as possible after storage has been authorized, following the conclusion of the winter period, cannabis cultivators subject to Requirement 4.a shall begin installing and diverting to off-stream storage to prepare for a potential curtailment during the dry season of 2018 (triggered by the Aquatic Base Flow Numeric Instream Flow Requirement).

³⁰ Including during any precipitation and runoff events.

³¹ State Water Board's Cannabis Cultivation webpage: <http://www.waterboards.ca.gov/cannabis/>
<http://www.waterboards.ca.gov/cannabis/>

- iv. Requirement 4 shall apply with full force to cannabis cultivators described in Requirement 4.a who fail to comply with Requirement 4.a.ii and/or 4.a.iii.

5. **Surface Water Wet Season Diversion Period:** The authorized surface water diversion period is November 1 through March 31. During this diversion period, cannabis cultivators may only divert surface water for cannabis cultivation when water is available for diversion under the cannabis cultivator's priority of right and the applicable Numeric Flow Requirement (Section 4) is met at the assigned compliance gage. This includes direct diversion and diversion to storage.

From November 1 through December 14 of each year, the surface water diversion period shall not begin until after seven consecutive days in which the surface waterbody's real-time daily average flow is greater than the Numeric Flow Requirement (applicable minimum monthly instream flow Requirement in Section 4). The first day of the seven consecutive days must occur on or after October 25. After the seventh consecutive day with average flow greater than the Numeric Flow Requirement, surface water diversions may occur on any subsequent days in which the real-time daily average flow is greater than the Numeric Instream Flow Requirement (applicable minimum monthly instream flow Requirement in Section 4)³².

Numeric instream flow Requirements are established throughout the State and are calculated for the majority of USGS National Hydrologic Database plus 2 stream reaches where the USGS flow modeling data are available. Cannabis cultivators that divert water from a waterbody with an assigned compliance gage in Section 4 of this Policy are required to ensure that the real-time daily average flow, as published on a designated compliance gage website identified by the Deputy Director for Water Rights, exceeds the minimum monthly instream flow Requirement at the cannabis cultivator's assigned compliance gage. Cannabis cultivators shall verify and document compliance with the applicable Numeric Flow Requirement on a daily basis for each day of surface water diversion.

6. **Surface Water Flow Bypass:** In addition to Narrative Flow Requirement 5, at all times cannabis cultivators shall bypass a minimum of 50 percent of the surface water flow past their point of diversion, as estimated based on visually observing surface water flow at least daily. The surface water flow bypass requirement applies to cannabis cultivators diverting under a riparian or a pre-1914 appropriative claim of right and without authorized storage even if they qualify for the 2018 Surface Water Dry Season Forbearance Period waiver (Requirement 4.a.)
7. **Numeric Instream Flow Requirements:** The State Water Board has developed Numeric Instream Flow Requirements (minimum instream flow requirements) for each

³² For example, if the daily average flows on each day from October 27 through November 2 of a given year are greater than the Numeric Instream Flow Requirement for November (applicable November monthly minimum flow Requirement), diversion may begin on November 3 if the daily average flow on November 3 is also greater than the November Numeric Instream Flow Requirement. From December 15 through March 31 of each surface water diversion period, surface water diversions may occur on any day in which the surface waterbody's real-time daily average flow is greater than the Numeric Instream Flow Requirement (applicable minimum monthly instream flow Requirement).

compliance gage in Section 4, Table 1 through Table 14, to ensure that individual and cumulative effects of water diversion and discharge associated with cannabis cultivation do not affect the instream flows needed for fish spawning, migration, and rearing, and the flows needed to maintain natural flow variability. If the individual and cumulative effects of diversions result in unanticipated impacts, however, the State Water Board may revise the narrative and/or numeric instream flow Requirements to better protect instream resources, habitat, and natural flow variability.

Requirements for Groundwater Diversions and Springs Qualifying for an Exemption under Narrative Instream Flow Requirement 3 (Exempt Springs)

8. **Aquatic Base Flow:** This Policy establishes an Aquatic Base Flow, calculated by applying the New England Aquatic Base Flow Standard, as one mechanism to help monitor whether groundwater diverters and diverters from exempt springs are having a cumulative negative impact on surface flows. The State Water Board may develop additional requirements for groundwater diversions and diversions from exempt springs for cannabis cultivation in locations where there are a significant number of groundwater diversions and/or diversions from exempt springs or locations where significant numbers of surface water diverters are switching to groundwater diversions and those diversions have the potential to have negative localized impact on surface flows.
9. **Retail Water Suppliers³³:** The instream flow Requirements listed in narrative flow Requirement 8 (Aquatic Base Flow) shall not apply to retail water suppliers, as defined in Section 13575 of the Water Code³⁴, whose primary beneficial use is municipal or domestic, unless any of the following circumstances are present:
 - a. the retail water supplier has 10 or fewer customers and delivers water that is used for cannabis cultivation;
 - b. the retail water supplier delivers 10 percent or more of the diverted water to one or more cannabis cultivator(s) or cannabis cultivation site(s), as established by an assessor's parcel number;
 - c. 25 percent or more of the water delivered by the retail water supplier is used for cannabis cultivation; or
 - d. a cannabis cultivator and the retail water supplier are affiliates, as defined in California Code of Regulations, title 23, section 2814.20.

Gage Installation, Maintenance, and Operation Requirements

The Deputy Director for Water Rights (Deputy Director) may assign a new compliance gage or require cannabis cultivators to install and operate a local telemetry gage in ungaged watersheds or localized watershed areas if the Deputy Director determines that use of the assigned compliance gage does not adequately protect instream flows or does not adequately represent the localized water demand.

Cannabis cultivators shall ensure that gages required by the Deputy Director are installed, maintained, and operated by a qualified professional. For purposes of this Requirement,

³³ Business and Professions Code section 26060.1(a)(1)(B).

³⁴ Water Code Chapter 7.5. Water Recycling Act of 1991, Section 13575(b)(5) "Retail water supplier" means any local entity, including a public agency, city, county, or private water company that provides retail water service.

qualified professionals include California-registered Professional Civil Engineers, or other classifications of professions approved by the Deputy Director. A list of qualified professionals that may document compliance with this Requirement will be maintained in the Water Rights section of the State Water Board's Cannabis Cultivation webpage³⁵. Gage equipment shall meet the applicable technical specifications for telemetered measuring devices in California Code of Regulations, title 23, section 933, that apply to diversions of over 10,000 acre-feet per year or more. Gages shall record data at a minimum of 15-minute intervals and report the recorded real-time data hourly, at a minimum, via a public website designated by the State Water Board's Division of Water Rights (Division of Water Rights).

Cannabis cultivators, or an entity acting on behalf of cannabis cultivators, shall submit a gage operation and maintenance (O&M) plan prepared by a qualified professional, as defined in the preceding paragraph, to the Deputy Director or the Deputy Director's designee for approval. At a minimum, the gage O&M plan shall include qualifications and names of entities responsible for gage installation, maintenance, and operation; gage specifications and accuracy; gage location; gage installation procedures that ensure accurate operation during the wet season and stability during high flow events; stream flow measurement procedures for development of rating curves that represent wet season flows; telemetry equipment; and an O&M schedule and procedures. The Deputy Director may require additional information from the cannabis cultivator to support the request. The Deputy Director may include additional requirements as part of any approval of a gage O&M plan.

Prior to October 31, during each water year of gage operation, an annual maintenance and operation summary report prepared by a qualified professional, as defined above in this Requirement, shall be submitted to the Division of Water Rights that includes, at a minimum: qualifications and names of entities responsible for maintenance and operation; maintenance activities or operational issues for the prior water year of operation; quality assured gage stage and flow data collected and analyzed for prior water year; rating curves for prior and upcoming water year of operation; data collected to establish rating curves for prior and upcoming water year of operation; and any anticipated maintenance plans or operational issues for the upcoming water year. The gage data shall be provided to the Division of Water Rights in a format retrievable and viewable using Microsoft Excel, Microsoft Access, or other software program authorized by the Deputy Director.

³⁵ State Water Board's cannabis cultivation webpage:
http://www.waterboards.ca.gov/water_issues/programs/cannabis/index.shtml

The Sacramento Bee California is growing so much marijuana it could crash the market

BY ANDREW SHEELER

MARCH 19, 2019 11:04 AM, UPDATED MARCH 19, 2019 01:00 PM

California has too many marijuana farms — growing too much product — and if nothing is done it will devastate the industry, according to a 2019 cannabis harvest projection.

Vessel Logistics, a San Francisco-based cannabis distribution company, found that more than 1,142 acres of cannabis farms hold state permits. They can produce up to 9 million pounds of crop every year, but the permitted wholesale market can realistically support 1.8 million to 2.2 million pounds.

“Thus, even when a 50 percent cut in production is accounted for, a significant oversupply is unavoidable in 2019,” the report concluded.

California isn't the only state to grapple with an overproduction of bud. A state audit found that Oregon growers are producing twice as much cannabis as the state market can support, and that there is “more than six year's worth of supply sitting on shelves and farms,” according to Oregon Public Broadcasting.

“We'll be in the same boat, but it will be more actual material,” said Daniel D'Ancona, president and founder of Vessel Logistics.

Until now, growers with a temporary license have relied on the black market to sell any product that couldn't measure up to the state's pesticide testing program or when there was a better price to be found, D'Ancona said. He said that all goes away as more growers are subject to the state's Track-and-Trace program.

The program records “the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain — from cultivation to sale,” according to a state FAQ on the program.

Growers with a provisional or annual license are required to use Track-and-Trace. Temporary permit-holders are not. Instead, they are required to document all sales using paper invoices or shipping manifests.

“As soon as Track-and-Trace goes in place, it'll be like trying to fit an elephant through a keyhole,” D'Ancona said.

The Vessel Logistics report concluded that because the cannabis industry in California has over-relied on both the black market and out-of-state sales, producers and manufacturers over-estimated the actual wholesale demand in the state.

“The impact will be felt across the entire supply side as permitted companies compete for a wholesale market that is a fraction of its pre-Track-and-Trace size,” the report found.

Over-production is just one of many hurdles that the cannabis industry faces in the Golden State.

Thousands of growers with a temporary license could soon be thrown onto the black market or forced to shut down unless the Legislature passes a law to push back the deadline for an extension application.

California also is a messy patchwork of legal statuses for cannabis cultivation and sales.

“The retail sector has been primarily restrained by city and county governments restricting retail and delivery businesses within their jurisdictions,” the report found.

The report recommends that cannabis cultivators create “strong relationships with processors and distributors,” that farmers partner with teams that have experience with the state’s Track-and-Trace program, and that farmers seek the advice of distributors “to gauge product demand before planting the wrong crop or over-planting.”

Or, as D’Ancona put it, “They need to grow less. If they grow like they’re used to growing ... the products are going to be selling for less than the cost of production.”

So what do others in the industry think?

Jacqueline McGowan, a cannabis lobbyist with the firm K Street Consulting, says that while she is a self-confessed “doom-and-gloomer” about the cannabis industry in California, she would need more information about the Vessel Logistics report methodology before agreeing with the findings.

“Businesses without a product that consumers demand and without relationships with competent distribution partners will in fact be devastated, but the industry as a whole will be able to offer cheaper products to consumers, which is the best way to compete with the unregulated market,” McGowan said.

She added that other factors that have to be looked at are how much of the over-production will qualify for the licensed market, how much of that would pass the state’s strict pesticide policy and how many growers with temporary licenses (which are free) will go on to get provisional or annual licenses (which are not).

“Will this cause another ‘extinction event?’ Absolutely. But will it cause the industry to collapse? No it will not,” she said.

John Friedenbach

From: lyris@swrcb18.waterboards.ca.gov
Sent: Friday, March 29, 2019 4:09 PM
To: John Friedenbach
Subject: Reminder: Upcoming Start of Surface Water Dry Season Forbearance Period – April 1 to October 31

**This is a message from the State Water Resources Control Board.**

This is a reminder that the surface water dry season forbearance period starts April 1, 2019. **Cannabis cultivators are not allowed to divert surface water for cannabis cultivation activities at any time from April 1 through October 31** unless the water diverted is from storage. For the specific requirements related to the surface water diversion forbearance period please see Attachment A, Section 3, Requirement 4 of the Cannabis Policy. Cannabis cultivators are also required to comply with additional requirements related to diversion, storage, and reporting during the forbearance period (see Attachment A, Section 2, Requirements 77, 89, 95 and 98).

In anticipation of the upcoming cultivation season, please take time to review and come up to speed on the requirements in Attachment A of the Cannabis Policy that may apply to your operations. If you have questions regarding the requirements please reach out to staff at the email or phone number below.

Email: CannabisWR@waterboards.ca.gov
Phone Number: 916.341.5363

If you diverted water during the 2018 calendar year the deadline for water use reporting for appropriative water rights, registrations, and stockponds is April 1. The deadline for statements of diversion and use and groundwater recordations is July 1. Questions regarding reporting can be directed to Division of Water Rights staff by email at rms@waterboards.ca.gov or by phone at 916.341.5431.

If you are receiving this notice in a forwarded message and would like to subscribe to the "Cannabis Cultivators" email notification lists, go to:
http://www.waterboards.ca.gov/resources/email_subscriptions/

You are currently subscribed to cannabis_cultivators as: friedenbach@hbmwd.com.

To unsubscribe click here: leave-7187616-5398115.d451c08903bb3b566f2703a37debc910@swrcb18.waterboards.ca.gov

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors

Date: April 8, 2019

From: John Friedenbach

RE: HBMWD Fees Related to Ruth Lake

At the March Board meeting, staff introduced the concept of adjusting the District's fees charged for various services/items that take place in or around Ruth Lake. The Board instructed staff to review the various items to ensure that we are covering costs. This month, since the cabin will be ready for occupancy in May with the completion of the remodel in April, staff reviewed the fee charged for the use of the HBMWD Cabin/Bunkhouse first.

Background: HBMWD Cabin/Bunkhouse

On June 11, 1981 General Manager Art Bölli recommended that the employees and their families, as well as board members, be allowed to use the Ruth Bunkhouse facilities, when not being used for District purposes. Additionally, guidelines would be adopted by management for use of the bunkhouse and a fee of \$8.00 per night would be charged for its use. The recommendation was approved. In August of 2000, General Manger Carol Rische recommended and the Board approved increasing the fee to \$15 per night. A current list of the rules for reserving the cabin and cabin use is attached.

Discussion

Staff proposes that current District employees and Directors be allowed to utilize the Cabin under the current reservation system, provided it is not needed for District Maintenance staff. As the use of the cabin to some extent should be characterized as a benefit of working at the District, former employees and Directors would not be allowed to use the cabin. It is challenging to perform a numerical formula to determine an equitable rate for use of the cabin. This pragmatic approach seems more appropriate in this circumstance.

The total remodel cost was \$475K. Assuming a useful life of 50 years, this results in a monthly depreciation value of \$792. The primary purpose of keeping and maintaining the cabin is for onsite housing of District Maintenance staff for dam and hydro plant maintenance. On site District housing reduces commute times between Essex and Ruth and increases staff efficiency by providing longer work days without commute. Moreover, there is limited alternative accommodations available at Ruth. (Journey's End currently rents rooms for \$80 per night with limited availability)

Assuming rental availability of four weekends during a month and two rental nights per weekend, at \$40 per night, the monthly rental revenue would be \$320. In addition, weekly rentals of up to 5 days are possibly under the current terms and conditions. Assuming one of these transactions per month, an additional \$200 rental revenue would be generated for a combined monthly revenue of \$520 or 66% of

the monthly depreciation value. This seems to be a reasonable rate of value recovery assuming a portion of the value is an employee benefit.

This new daily rental rate of \$40 was discussed at employee meetings at Essex and Eureka and was acknowledged as reasonable.

Staff Recommendation

Staff recommends increasing the fee for use of the Ruth Cabin from \$15 per night to \$40 per night effective immediately. The Cabin would be available for use by current employees or Directors under the attached reservation terms and conditions. The Cabin would not be made available to the public or former employees or directors.



Ruth Cabin Rules



Below are some guidelines on the use of the Ruth Cabin. The District Resident is not responsible for the cleaning of the cabin following each use. That is up to you! Thank you and the people using the cabin after you also thank you.

- 1. Please be careful where you park your vehicles. Do not park on the grass. Park in the rock area only.**
- 2. No running on the boathouse walkways or swim dock.**
- 3. No fish entrails left around the yard – please put them in the garbage cans.**
- 4. Please clean the cabin before you leave.**
- 5. Notify the District Resident if something requires repairs or if any cleaning supplies need replenishing. (You can leave a note on the kitchen counter)**



Ruth Cabin Cleaning Checklist –
(before you leave please make sure you go through the checklist below)

Kitchen

- Clean all countertops**
- Dishwasher**
- Stove**
- Refrigerator**
- Wash all dishes and put away**
- Put all garbage in outside cans**
- Sweep and mop floor**



Living Room

- Sweep and mop floor**



Bathroom

- Sweep and mop floor**
- Clean sink**
- Clean tub**
- Clean toilet**



Bedrooms

- Clean and vacuum as needed**



Heater

- Turn down to pilot if used**

Notify the District Resident if something requires repairs or if any cleaning supplies need replenishing. (You can leave a note on the kitchen counter)

**Garbage cans will be handled by the District Resident.
Thank you and enjoy your stay.**

New Business

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors
From: Sherrie Sobol
Date: April 10, 2019
Subject: Prevention Plan Update for Quagga and Zebra Mussels at Ruth Lake

.....

The District and Ruth Lake CSD are committed to keeping invasive mussels out of Ruth Lake. In January 2009, both Boards approved the Prevention Plan for Quagga and Zebra Mussels at Ruth Lake. HBMWD was the first water district in California to have a Prevention Plan for Quagga and Zebra Mussels.

Background

In January of 2016, new dreissenid mussel regulations were proposed. These new regulations, Title 14, sections 672, 672.1, and 672.2, developed under the authority of Fish and Game Code sections 702, 2301, and 2302, became effective April 1, 2016.

Title 14, sections 672, 672.1, and 672.2 provide CDFW with the authority to verify that efforts are taking place to prevent and control dreissenid mussels throughout the state, provide a process to impound conveyances which may be carrying dreissenid mussels, and enable a permitting process for the possession of dead dreissenid mussels. These authorities benefit the state of California by reducing the number and severity of dreissenid mussel infestations, and these actions will help maintain recreational opportunities at reservoirs and prevent adverse impacts to local businesses that rely upon water-based recreation. Water supply infrastructure also benefits due to an infestation's ability to stop the flow of water within the infrastructure leading to economic impacts for local agencies and the public.

What this means for the District

CDFW is the authority that verifies efforts are taking place to prevent the infestation of invasive mussels in waterbodies. The District's Prevention Plan is proof of our efforts. Breck McAlexander, CDFW Invasive Species Specialist has been working with the District and conducting Quagga inspections at Ruth Lake since June 2009 and is aware of the District's efforts.

For the past three years, the District applied for and received grant funding from the Department of Boating and Waterway to assist RLCSD with implementing our Prevention Plan to prevent invasive mussels at Ruth Lake. Staff is interested in submitting another grant application. The next application for grant cycle FY18/19 is due in May and has new requirements, one of which is a CDFW updated and approved Prevention Plan for Quagga and Zebra Mussels. I have been working with Mr. McAlexander to update our plan to comply with the current CDFW requirements for approval. See attached Updated Prevention Plan in Track Changes.

Staff Recommendation

Staff recommends approval of the 2019 Updated Prevention Plan for Quagga and Zebra Mussel at Ruth Lake.

**Humboldt Bay Municipal Water District
and
Ruth Lake Community Services District**

Prevention Plan for Quagga and Zebra Mussels at Ruth Lake

Updated April 2019

Updated September 2015

Updated August 2013

January 2009

Approved by Ruth Lake CSD Board of Directors ~~January 8, 2009~~ April 2019
and the HBMWD Board of Directors ~~January 15, 2009~~ April 2019

Prevention Plan for Quagga and Zebra Mussels at Ruth Lake

Table of Contents

	<u>Page</u>
Introduction	1
Background	1
Desired Outcomes	3
Key Assumptions	4
Elements of the Prevention Plan	
1. Assessment of Vulnerability.....	4
2. Management of Recreational Activities, Including Public Education and Outreach	5
a) Education and Outreach	5
i. Continued Education and Outreach.....	5
ii. Placement of Signs.....	5
b) Control Measures – Watercraft	7
i.. Segregation of Watercraft and Requirements for Each	7
ii. Summary of Inspection Requirements.....	9
iii Quarantine Requirements	9
iv. Launch Sites – Generally	10
v. Launch Site at Old Ruth Day-Use Area	11
vi. Launch Site at Ruth Rec Campground	11
vii. Launch Site at Ruth Lake CSD Marina	12
c) Other Control Measures.....	14
i. Organized Recreational Events	14
ii. System to Track Watercraft Registration and Quarantines..	14
iii. Fish Stocking.....	14
iv. Wildfire Suppression	14
v. Enforcement.....	14
3. Monitoring Program for Adult and Juvenile Dreissenid Mussels.....	15
4. Water Quality Monitoring plan and Threat Assessment	15

Appendix A	Maps Showing Quagga and Zebra Mussel Sightings
Appendix B	Registration Form and Affidavit for Watercraft in Category 1 and Area from which Watercraft must reside year round to qualify for Category 1
Appendix C	Watercraft Inspection and Banding Procedures (Watercraft in Category 2) <ul style="list-style-type: none"> ▪ Instructions for Inspectors ▪ Watercraft Inspection Checklist ▪ Watercraft Survey ▪ Watercraft Inspection Failure Notice
Appendix D	Quarantine Time Estimation for northern California (from 100 th Meridian)
Appendix E	Informational Material from CA Dept of Fish and Game
Appendix F	—Zebra and Quagga Mussel Artificial Substrate Monitoring Protocol
Appendix G	Water Quality Monitoring Plan to Assess Mussel Colonization Potential
Appendix H	Ordinance 19-An Ordinance of the Board of Directors of HBMWD Adopting a Registration and Inspection Program For All Watercraft at Ruth Lake

**Humboldt Bay Municipal Water District
and
Ruth Lake Community Services District**

Prevention Plan for Quagga and Zebra Mussels at Ruth Lake

INTRODUCTION

The Humboldt Bay Municipal Water District (HBMWD) and the Ruth Lake Community Services District (Ruth Lake CSD) are committed to protecting the long-term water quality and water supply interests of the regional drinking water system, the ecosystem and fisheries at Ruth Lake and in the Mad River, as well as recreational and sport fishing opportunities at Ruth Lake. To that end, this Prevention Plan has been developed to protect the water resource, and to preserve the ecosystem and recreational opportunities at Ruth Lake by preventing the introduction of two very destructive aquatic invasive species – quagga and zebra mussels.

This plan presents a number of control measures aimed at preventing these invasive species from being introduced into Ruth Lake from other water bodies that are known to be infested, or are potentially infested. These measures must be fully implemented and strictly adhered to at all time if the objective of this plan is to be achieved over the longer-term. The plan also serves as a guide for education and outreach efforts and for monitoring to facilitate early detection should the mussels be introduced into Ruth Lake.

Currently, this plan applies only to quagga and zebra mussels since these species present similar threats and given that their spread is prevented by identical methods. While this plan does not address the prevention of other aquatic invasive species, some of the strategies used to prevent the spread of zebra or quagga mussels may also assist in preventing the spread of other invasive species. This plan may be updated to address other invasive species as needed over time.

BACKGROUND

Quagga (*dreissena rostriformis bugensis*) and Zebra (*dreissena polymorpha*) mussels are small freshwater mollusks that are native to the Ukraine. Zebra mussels were first discovered in the United States in Lake St. Clair in 1988. They most likely arrived in the Great Lake region via ballast water discharged from transoceanic ships. The Zebra and Quagga mussels quickly spread and have since colonized most of the Great Lakes, the Mississippi River watershed, and many other water bodies in the Midwest and East. There was an extensive, multi-agency effort to try to keep these mussels contained in the eastern United States (known as the 100th Meridian). However, that effort failed.

In January 2007, Quagga mussels were discovered in the lower Colorado River system at Lake Mead, and shortly thereafter, in Lake Mohave and Lake Havasu. By August 2007, they were discovered in reservoirs in the San Diego region.

~~Today there are~~In 2008 there were 18 lakes and reservoirs in California with known infestations of Quagga mussels and one lake with a known infestation of Zebra mussels. ~~As of December 2017, there were 41 lakes and reservoirs with know infestations of Quagga mussels and two reservoirs with known infestations of Zebra mussels.~~ Appendix A contains a map depicting the reservoirs and lakes with known infestations.

Quagga and Zebra mussels in the larval or veliger stage are so small that they cannot be seen. In this state, they are highly mobile floating near the water's surface for up to five weeks before settling and attaching to a surface. The mussels are able to attach to almost any solid or semi-solid surface. Common attachment points are docks, piers, boat hulls and trailers, water intakes and water conveyance pipes/canals. Once adults take hold in a lake or reservoir, they multiply very quickly – a single mussel may release 40,000 eggs at one time and up to 1,000,000 eggs in a spawning season.

These mussels spread quickly and easily via water released from an infested water body; therefore, the Mad River may become infested if these mussels are introduced into Ruth Lake. They also spread easily via watercraft which have been in an infested lake or reservoir and then launch in another water body. Once an infestation occurs in a water body, there is currently no known eradication method available.

The invasive mussels cause physical, environmental and economic damage. Physical damage includes clogging water system infrastructure (intakes, outlet works, screens, pumps, pipes/canals, hydro-electric facilities), colonizing on docks, ramps and other marina facilities, and colonizing on boats and clogging their intakes or engines.

Environmental impacts include damage to the ecosystem since the mussels filter organic nutrients and plankton, thereby altering the aquatic food chain in the water body. Over the long-term, they harm native and sports fisheries as well. When significant infestation occurs, their consumption of organic material causes the water to become too clear, allowing sunlight to penetrate deeper, which stimulates growth of nuisance aquatic weeds and algae. This in turn may cause fish kills, given oxygen deprivation at certain times. Over the long term if a significant infestation occurs, the shoreline may become littered with dead, decomposing mussels.

If an infestation occurs, economic impacts will most likely be significant. ~~In 2008~~ the federal government reported \$3 billion direct costs and \$5 billion indirect costs associated with the infestation in the Great Lakes region. For water agencies, maintenance costs have and will continue to increase, in some cases, quite significantly. Millions of dollars have already been spent by water agencies in southern and central California to address this issue. For marinas and recreational boaters, costs will increase too. Furthermore, once an infestation occurs, measures to prevent further spread must be implemented – either via installation of expensive decontamination facilities or closure of the lake to all recreational boating.

Fish and Game Code Section 2302 requires that:

(a) Any person, or federal, state, or local agency, district, or authority that owns or manages a reservoir, as defined in Section 6004.5 of the Water Code, where recreational, boating, or fishing activities are permitted, except a privately owned reservoir that is not open to the public, shall do both of the following: (1) Assess the vulnerability of the reservoir for the introduction of nonnative dreissenid mussel species. (2) Develop and implement a program designed to prevent the introduction of nonnative dreissenid mussel species. (b) The program shall include, at a minimum, all of the following: (1) Public education. (2) Monitoring. (3) Management of those recreational, boating, or fishing activities that are permitted. (c) Any person, or federal, state, or local agency, district, or authority, that owns or manages a reservoir, as defined in Section 6004.5 of the Water Code, where recreational, boating, or fishing activities of any kind are not permitted, except a privately owned reservoir that is not open to the public, shall, based on its available resources and staffing, include visual monitoring for the presence of mussels as part of its routine field activities. (d) Any entity that owns or manages a reservoir, as defined in Section 6004.5 of the Water Code, except a privately owned reservoir that is not open to the public for recreational, boating, or fishing activities, may refuse the planting of fish in that reservoir by the department unless the department can demonstrate that the fish are not known to be infected with nonnative dreissenid mussels. (e) Except as specifically set forth in this section, this section applies both to reservoirs that are owned or managed by governmental entities and reservoirs that are owned or managed by private persons or entities. (f) Violation of this section is not subject to the sanctions set forth in Section 12000. In lieu of any other penalty provided by law, a person who violates this section shall, instead, be subject to a civil penalty, in an amount not to exceed one thousand dollars (\$1,000) per violation, that is imposed administratively by the department. To the extent that sufficient funds and personnel are available to do so, the department may adopt regulations establishing procedures to implement this subdivision and enforce this section. (Amended by Stats.2009, Ch.140, Sec. 73 (AB 1164) Effective January 1, 2010)

DESIRED OUTCOMES

1. Keeping the invasive mussels out of Ruth Lake and the Mad River, now and in the future, thereby protecting the water resource and maintaining a healthy ecosystem and fisheries
2. Maintaining recreational opportunities at Ruth Lake
3. Minimizing adverse economic impacts to stakeholders - HBMWD; Ruth Lake CSD; and leaseholders, property owners and businesses around Ruth Lake
4. Raising awareness in the boating, fishing and community at-large and enlisting their support to combat this issue

KEY ASSUMPTIONS

The following assumptions have been used in the development of this plan, and are based on the best information available at the time the plan was prepared:

1. Quagga/zebra mussels are destructive invasive species that have the potential to infest not only Ruth Lake, but also the Mad River and other lakes/reservoirs in northern California.
2. There is a time lag (up to two years) between when the larvae are introduced into a lake or reservoir and when adult mussels are actually detected. Therefore, mussels in their larvae state may be in neighboring lakes/reservoirs (e.g. Trinity, Lewiston, Whiskeytown, Clear Lake) before an infestation is known to exist.
3. There are significant risks of “doing nothing,” and yet there are still risks of “doing something.” However, by “doing something” – by introducing prudent prevention and control measures – HBMWD and Ruth Lake CSD will increase the likelihood that these mussels are not introduced into Ruth Lake.
4. If a quagga or zebra mussel infestation occurs in Ruth Lake, there is no known method to eradicate them.
5. Such an infestation will adversely impact:
 - o HBMWD’s regional water system and will increase maintenance costs to water ratepayers;
 - o Ruth Lake CSD’s infrastructure;
 - o Recreational boating and sport fishing at Ruth Lake, which would adversely affect leaseholders, property owners, businesses, and the public;
 - o The ecosystem and fisheries in Ruth Lake, and possibly the Mad River.The exact nature of the impacts and costs are not known.

ELEMENTS OF THE PREVENTION PLAN

1. ASSESSMENT OF VULNERABILITY

The most common pathways of introduction of quagga and zebra mussels to Ruth Lake are through recreational use of the lake by watercraft and fisherman, facilities maintenance and firefighting aircraft. The District identified the most common points of entry for watercraft and permanently closed off two of the five launch sites. The three remaining sites are blocked and access allowed only after passing an inspection. District staff provides maintenance on the log boom and dam. Staff conducts self inspection and follows decontamination procedures when conducting facilities maintenance. On occasion, the USFS and CalFire will utilize the lake water in their firefighting efforts. Both entities have their own inspection and decontamination process as well.

2. MANAGEMENT OF RECREATIONAL ACTIVITIES, INCLUDING PUBLIC EDUCATION AND OUTREACH

a) EDUCATION AND OUTREACH Education and Outreach

A broad-based education and outreach effort was launched by HBMWD in July 2008 to begin to educate key stakeholders and the public at-large.

Letters were sent to the Humboldt and Trinity County Boards of Supervisors and the District's wholesale customers. Two letters were sent to stakeholders at Ruth Lake – to all leaseholders, and approximately 200 private property owners, including local businesses. Two letters were also sent to marina operators, marine/boat stores and fishing/tackle shops in Humboldt, Trinity, Shasta and Del Norte Counties. In total, over 1,000 letters were mailed to these parties in July and August 2008 to raise awareness of this important issue and to solicit support in addressing it.

Additional modes and methods to communicate were also initiated including: 1) notice to out-of-town parties who had reservations at Ruth Lake CSD campgrounds, 2) placement of signs at various locations around Ruth Lake, 3) posting information on HBMWD's website, 4) creation of a telephone hotline for boaters, 5) issuance of several Press Releases which generated articles in local newspapers, and 6) advertisements in newspapers and on radio stations in Eureka, Ukiah and Redding markets.

i. Continued Education and Outreach

Communication efforts will continue to targeted audiences as follows:

- Stakeholders around Ruth Lake (US Forest Service, leaseholders, private property owners, and local businesses)
- HBMWD's wholesale customers
- Trinity and Humboldt County
- State legislative representatives
- Boat owners/fishermen in Humboldt, Trinity and neighboring counties
- The public at-large in Trinity and Humboldt Counties

The timing and manner in which communication occurs will be tailored to the audience and specific needs at the time.

ii. Placement of Signs

Once this Prevention Plan was approved, the 13 "STOP" signs which were placed at various locations around Ruth Lake in July 2008 will be were removed and replaced with new signs with appropriate content. The

13 “Don’t Move a Mussel” signs will remain in place at this time at various locations around Ruth Lake since they communicate general information to the boating community and provide DFG’s contact information.

“Permanent” signs are proposed to be placed on all highway and county roads leading to Ruth Lake pending approval from CalTrans and the County. Proposed Location of Highway Signs:

- Highway 36 just west of Red Bluff
- Highway 36, just west of the Highway 3 junction
- Highway 36, east of the junction with Rohnerville Road near Carlotta
- Lower Mad River Road (County Road 504) just after turn off from Highway 36
- Alderpoint Road just east of Highway 101 near Garberville

Proposed Locations for Signs Around Ruth Lake:

- Ruth Lake CSD Marina
- Ruth Lake CSD Ruth Recreation Campground
- Sheriff’s Cove Day-use area
- Old Ruth Day-use area
- Ruth Lake CSD Hobart Creek Campground
- Ruth Lake CSD Barlow Group Campsite
- Ruth Lake CSD Hetton (Boyscout) Cove Day-use and primitive camping area
- USFS Fir Cove Campground
- USFS Bailey Canyon Campground
- USFS Mad River Campground (just downstream of Ruth Lake)

HBMWD and Ruth Lake CSD will work with the US Forest Service on signs they can place in their campgrounds given internal standards and requirements.

b) CONTROL MEASURES Control Measures - WATERCRAFT
Watercraft

i. Segregation of Watercraft and Requirements for Each

Watercraft shall be segmented into two categories as follows with specific requirements tailored to each segment.

Category 1 – Watercraft *Resident to Ruth Lake*

Watercraft in this category must be: 1) *resident* to the immediate area around Ruth Lake, 2) only launched in Ruth Lake, and 3) remain in this immediate area at all times (except for the one allowance noted below).

The area in which a watercraft may be designated *resident* is within the boundaries of the Ruth Lake CSD and the Southern Trinity Joint Unified School District, which Districts have contiguous boundaries. Appendix B contains a map illustrating this area.

Owners of *Resident Watercraft* shall register their watercraft and sign a sworn affidavit that their watercraft is only used in Ruth Lake and never leaves the immediate area, but for one possible exception. If a watercraft meets the resident requirement and remains at all times in the immediate area during the boating season, but is then removed from the immediate area for winter storage on land, that watercraft must be banded with a tamper proof band upon leaving the Ruth Lake area (see banding details in next section). Upon return to Ruth Lake the following year, if the band is still in tact, that watercraft may reregister in Category 1 without an inspection. However, if the band is not in tact, that boat will be subject to an inspection prior to registration.

Upon successful registration and payment of an annual fee, the owner will be issued two **Yellow** stickers. One sticker must be affixed to the watercraft and the other sticker must be affixed to the trailer.

Each sticker will have a unique registration number, and the year in which the sticker is valid. Each year, owners of *Resident Watercraft* must re-register, sign the sworn affidavit, and pay the annual fee to obtain a new sticker.

The registration form and sworn affidavit for this category are contained in Appendix B.

Category 2 – All other Watercraft

All watercraft which do not qualify for Category 1, are in this second Category 2. Many watercraft in this category reportedly are from Trinity and Humboldt Counties, and quite often only frequent Ruth Lake (per information provided by Ruth Lake CSD and the Ruth Lake Leaseholders Association). Given that, owners of watercraft in this category may take advantage of a “banding” program that, once initiated, will allow them to launch at Ruth Lake without further registration or inspection until the next year.

All owners must register their watercraft and undergo an initial inspection. If the watercraft passes inspection, it will be issued two **Red** stickers and the watercraft (if trailered) is eligible for “banding” which secures the boat to the trailer with a tamper-proof band. Non-trailered watercraft must be inspected before launching.

Regarding banding, its purpose is to ensure that a watercraft has not been launched elsewhere thereby protecting Ruth Lake, yet allows that watercraft to quickly and efficiently launch at Ruth Lake if the tamper-proof band is still in tact. If the band is in place, watercraft in this category will be allowed to launch without further registration or inspection. When the watercraft exits Ruth Lake, the owner/operator may request that a new band be installed. If a band is not in place, watercraft in this Category will be subject to the registration and inspection process again.

Furthermore, if a watercraft which passed inspection and been issued a **Red** sticker, will be staying at Ruth Lake for consecutive days in one of the Ruth Lake CSD or USFS campgrounds, or on a Ruth Lake CSD Lease Site, a “duration pass” may be obtained allowing that watercraft to launch at any authorized site during that time period without further processing.

Regarding the **Red** stickers which are issued for this category, one must be affixed to the watercraft and the other must be affixed to the trailer (if a trailered watercraft). Each sticker will have a unique registration number, and the year in which the sticker is valid. Each year, owners of watercraft in this category must re-register their watercraft and pay the fee (annual or per launch) to obtain new stickers.

Appendix C contains detailed instructions for the registration and inspection process.

HBMWD and Ruth Lake CSD ~~plan to provide~~ ~~one or two~~ ~~several~~ registration and inspection opportunities within the local community ~~this the first~~ winter season (2008-09) ~~(pending funding being available to do so)~~. This ~~will~~ ~~allowed~~ owners to pre-register their watercraft, undergo the required inspection, and be banded prior to the start of the 2009 boating season at Ruth Lake. The timing and location of these registration opportunities ~~will be~~ ~~were~~ announced and advertised

in advance. [Currently there are three locations outside of the Ruth Lake CSD boundaries that have trained inspectors conducting inspections for Ruth Lake.](#)

Note Regarding Non-motorized Watercraft

Risk factors associated with non-motorized watercraft (e.g. kayaks, canoes, sailboats) are generally less than risk factors associated with motorized watercraft. However, non-motorized watercraft still pose some risk if they were launched in another body and still contain water from that water body upon entering Ruth Lake. Non-motorized watercraft will also be segmented into one of the two Categories outlined above, and all requirements for the applicable category must be satisfied prior to launch. Obviously, the banding option would not be available to most non-motorized watercraft since they are not trailered. Each non-motorized craft will be inspected on a case by case basis to see if a band can be used.

ii. Summary of Inspection Requirements

The registration and inspection requirements for watercraft in each Category were introduced above and are outlined in greater detail in Appendix C. They are summarized here to help the reader quickly understand the requirements.

Inspections must be done by trained and certified inspectors. Inspectors, as well as HBMWD and Ruth Lake CSD staff who are consulted on inspection requirements, must at all times adhere to a “zero-tolerance” policy related to the inspection policy and procedures. If a watercraft fails any step in the inspection process, that watercraft will be denied access to Ruth Lake and placed on the quarantine list for the minimum specified time.

Inspections are required on all watercraft wishing to launch at Ruth Lake with the only exceptions as follows:

- Watercraft approved in Category 1 (“*Resident*”) which have been issued a **Yellow** sticker for the current year; and
- Watercraft in Category 2 (all other watercraft) which previously passed an inspection and have been issued a **Red** sticker for the current year, and which have either: 1) the tamper-proof band in tact which ties the watercraft to the trailer, or 2) a valid “duration pass”. Boats which are not banded or do not possess a valid “duration pass” must be inspected and registered prior to launch.

iii. Quarantine Times (During Which Watercraft May Not Launch)

If a watercraft is *from a high-risk area, or has been used in a high-risk area*, permission to launch at Ruth Lake is revoked for a period of **thirty (30) days** (provided that boat remains in quarantine during the 30-day period). High-risk

areas are defined in Appendix C, but generally include San Benito County, any areas south of the Tehachapi Mountains in Southern California, or outside the State of California. High-risk areas are subject to change over time as understanding of infested water bodies grows. If infestations occur in lakes and reservoirs closer to Ruth Lake, this policy may be revisited with consideration given to permanent revocation of right to launch at Ruth Lake if watercraft are from or have been in infested water bodies.

All other watercraft which fail the required inspection shall not be allowed to launch at Ruth Lake and will be placed on “quarantine” for the following period of time:

- If in July or August, either **five (5) days or twelve (12) days**, depending on where the boat will be staying for that time period (see Appendices C and D for details); or
- At all other times of the year, **thirty (30) days**.

The quarantine times were established based on discussions with CA DFG staff and by utilizing the “Quarantine Estimator” from the 100th Meridian Initiative. Information from the 100th Meridian Initiative regarding recommended quarantine times is included in Appendix D.

If a watercraft is determined to have Quagga Mussels or Zebra Mussels on it, permission to launch at Ruth Lake will be revoked indefinitely, and the results will immediately be reported to the California State Department of Fish and Game.

iv. Launch Sites - Generally

There ~~are currently~~ ~~were~~ five launch ramps around Ruth Lake where trailered watercraft ~~can~~ ~~could~~ launch. ~~Effective immediately,~~ ~~T~~the boat launch ramps at Hobart Creek Campground and Hetton Cove day-use/primitive camp area (also called Boy Scout) ~~were immediately and~~ ~~are~~ indefinitely closed. Access to these ramps ~~will~~ ~~are~~ permanently ~~be~~ blocked (note – access has already been blocked by large rocks).

Gates with key card locks ~~will~~ ~~are~~ ~~be~~ installed across the entry to the three remaining boat launch sites at Old Ruth day-use area, the Ruth Recreation Campground and the Ruth Lake CSD Marina. All motorized watercraft must launch from these sites in accordance with the provisions outlined below. Motorized watercraft are prohibited from launching at all other locations.

There are certain locations around the lake from which motorized watercraft are capable of launching from the shore without using a boat ramp. One such area is Hetton Cove day-use/primitive camp area. Access to the lake at Hetton Cove ~~shall~~ ~~be~~ ~~is~~ blocked by placement of large rocks (or other means) to prevent boats from launching from the shore. Another location is the Ruth Rec Campground. Access shall be blocked at Ruth Rec by rocks, or other means, to prevent boats

from launching from the shore. Any other location around the lake from which boats are found to be launching from the shore shall have rock placed to prevent such access.

There are numerous sites around Ruth Lake from which non-motorized watercraft – such as canoes and kayaks - may launch. After registration, inspection, and issuance of either a Yellow or Red sticker, and possibly a “duration pass”, non-motorized watercraft will be allowed to launch from any location around Ruth Lake for the authorized time period.

v. Launch Site at Old Ruth Day-Use Area

As noted above, locked gates will be installed across all existing boat launch sites. Access to the launch site at Old Ruth will be as previously only granted to owners of Resident watercraft (Category 1) who have registered their watercraft, signed the sworn affidavit that their watercraft is only used in Ruth Lake and never leaves the immediate area, and have a valid Yellow sticker on their boat and trailer. ~~No other watercraft may use this launch site. Owners of Resident watercraft which meet the criteria above shall be given access through this gate (either via the combination or key to the lock, whichever relevant).~~

~~Owners of Resident watercraft are strictly prohibited from sharing the key/combination to this gate with anyone else, or otherwise allowing another boat to launch at this location at any time. If an owner of a Resident watercraft violates this provision, he/she will immediately and indefinitely lose privileges to access Ruth Lake and will be fined in accordance with amounts established in HBMWD's Ordinance.~~

~~If the gate at this location is torn down, or otherwise vandalized rendering it ineffective, access to the launch will immediately be blocked by large rocks (or other means) and all boating access to Ruth Lake will be directed to the Ruth Recreation Campground (if open) or the Marina. Access shall remain blocked until such time as the Ruth Lake CSD replaces the gate and lock system. The HBMWD received a grant for fiscal year 16/17 from the Department of Boating and Waterways to convert Old Ruth to public launch site. This launch site is now public and not restricted to residents. Key cards are required to access this gate once watercraft have passed inspections.~~

~~If the gate at this location is torn down, or otherwise vandalized rendering it ineffective, access to the launch will immediately be blocked by large rocks (or other means) and all boating access to Ruth Lake will be directed to the Ruth Recreation Campground (if open) or the Marina. Access shall remain blocked until such time as the Ruth Lake CSD replaces the gate and key card system.~~

vi. Launch Site at Ruth Rec Campground

As noted above, gates ~~will be installed~~ are installed across existing boat launch sites, including the one at Ruth Rec Campground. ~~One gate is proposed to be installed here.~~ The gate ~~will be is~~ automatic with an electronic card key system. The purpose of the card key system is to allow watercraft that are properly registered and authorized, to enter Ruth Lake without additional process or procedure. A manual mechanism will also be installed across the boat ramp, which will be closed if the cross arms of the automatic gate is broken or otherwise breached. Access shall remain blocked until such time as the Ruth Lake CSD replaces the gate and lock system.

~~The launch ramp at the campground will be open year round to those boats with a valid yellow sticker, or red sticker with band in place, or a (Blue) duration sticker. All require a current card key.~~

Ruth Rec Campground is the primary one of the locations at which watercraft registration and inspections will occur. All boats that possess a yellow sticker, or a red sticker with a band, and have a valid card key may launch immediately. All other boats must check in at Ruth Rec or the Marina for inspection and processing. All boats, that are properly registered and pass inspection, will be issued a "card key". This card key may then be used to access the boat launch at Ruth Rec, Old Ruth or the Marina during the hours of operation for the valid duration. For non-trailer water craft (e.g. kayaks, canoes) a "duration pass" will consist of a **Blue** sticker noting the duration of the current visit to Ruth Lake.

Trained inspector(s) shall be present on-site. The inspector shall:

1. register watercraft which have not previously been registered and issue the appropriate sticker;
2. for Category 2 watercraft, confirm a valid **Red** sticker has been issued, *and* confirm the band is in place, or that a valid "duration pass" has been issued and is in place;
3. conduct inspections for all Category 2 boats which are not banded or do not possess a valid "duration" sticker;
4. place watercraft which do not pass inspection on quarantine and prohibit their entry into the lake for the entire quarantine period; and
5. re-band Category 2 watercraft when they exit the lake.

Registration and inspections shall be done in accordance with the procedures in Appendix C.

Watercraft may launch from the Ruth Rec boat launch during the season and hours of operation noted above, subject to the following conditions being met.

- i. Category 1 - Owners of *Resident* watercraft who have registered their watercraft, signed the sworn affidavit that their watercraft is only used in Ruth Lake and never leaves the immediate area, and have a valid **Yellow** sticker on their boat and trailer.

- ii. Category 2 -- Owners/operators of all other watercraft whose watercraft has been registered, displays a valid **Red** sticker on the boat and trailer, **and** which has the tamper-proof band in place, **or** possesses a valid “duration pass”. If the watercraft does not meet the above criteria, it must register and successfully pass inspection.

vii. Launch Site at Ruth Lake CSD’s Marina

As noted above, gates ~~will be~~ installed across existing boat launch sites, including at the Marina. Two gates are ~~proposed to be~~ installed. The two gates ~~will be~~ automatic with an electronic card key system. The purpose of the card key system is to allow watercraft that are properly registered and authorized, to enter Ruth Lake without additional process or procedure. A manual gate ~~will is also be~~ installed across the boat ramp, which will be closed if the cross arms of the automatic gates are broken or otherwise breached. Access shall remain blocked until such time as the Ruth Lake CSD replaces the gate and lock system.

The Marina will be open year-round to those boats with a valid yellow sticker, or red sticker with band in place, or a (Blue) duration sticker. All require a current card key.

All boats wishing to launch at the Marina, except Category 1, or Banded with a valid card key, or having a (Blue) duration sticker, must first ~~check in at Ruth Rec campground (the primary location for registration and inspection). At Ruth Rec, all boats, that are be~~ properly registered and pass inspection, ~~then~~ will be issued a “duration pass”. For trailered watercraft, this “duration pass” consists of card key which is programmed to allow access only for the duration of the current visit to Ruth Lake. This card key may then be used to access the boat launch at Ruth Rec or the Marina ~~or Old Ruth~~ during the hours of operation for the valid duration. For non-trailered water craft (e.g. kayaks, canoes) the “duration pass” will consist of a **Blue** sticker noting the duration of the current visit to Ruth Lake.

At Ruth Lake CSD’s discretion, watercraft registration and inspection may also be done at the Marina. This may occur on weekends to help expedite boat launches (especially on busy weekends). At such times, a trained inspector shall be present on-site. The inspector shall:

1. confirm requirements for any Category 1 watercraft wishing to launch and confirm a valid **Yellow** sticker is in place;
2. register watercraft which have not previously been registered and issue the appropriate sticker;
3. for Category 2 watercraft, confirm a valid **Red** sticker has been issued, **and** confirm the band is in place, or that a valid “duration pass” has been issued and is in place;

4. conduct inspections for all Category 2 boats which are not banded or do not possess a valid "duration" sticker;
5. place watercraft which do not pass inspection on quarantine and prohibit their entry into the lake for the entire quarantine period; and
6. re-band Category 2 watercraft when they exit the lake.

Registration and inspections shall be done in accordance with the procedures in Appendix C.

Watercraft may launch from the Marina subject to the following conditions being met:

- i. Category 1 - Owners of *Resident* watercraft who have registered their watercraft, signed the sworn affidavit that their watercraft is only used in Ruth Lake and never leaves the immediate area, and have a valid **Yellow** sticker on their boat and trailer.
- ii. Category 2 - Owners/operators of all other watercraft whose watercraft has been registered, displays valid **Red** stickers on the boat and trailer, *and* which has the tamper-proof band in place, *or* possesses a valid "duration pass" at the time of launch. If the watercraft does not meet the above criteria, it must register and successfully pass inspection.

c) OTHER CONTROL MEASURES Other Control Measures

i. Organized Recreational Events

The sponsor of Bass Tournaments, or other organized events on the lake, shall develop procedures for the tournament or other event. The procedures must, at a minimum, include provisions for registration and inspection of all watercraft, in accordance with the requirements outlined in Appendix C.

ii. System to Track Watercraft Registration and Quarantine Periods

A system ~~will be~~ was developed to track all watercraft that are registered at Ruth Lake in each Category, the results of the inspection process for each watercraft, and quarantine periods for any watercraft which did not pass inspection. This tracking system ~~will be~~ is used by inspectors during the registration process to confirm that a boat is not on the quarantine list and is eligible to launch. It ~~will be~~ is also ~~be~~ used to generate any reports of interest to HBMWD, Ruth Lake CSD, ~~and the CA Department of Fish and Game if requirements are imposed given passage of AB 2065.~~

iii. Fish Stocking

The California Department of Fish and ~~Game~~ Wildlife currently stocks Ruth Lake with Rainbow Trout. HBMWD ~~will~~ request that ~~DFG~~ DFW protect Ruth Lake from introduction of these invasive mussels, and expects that ~~DFG~~ DFW will confirm the water quality before the lake is stocked.

iv. Wildfire Suppression

HBMWD has allowed agencies to draw water from Ruth Lake for fighting wildfires in the Mad River basin. HBMWD ~~has~~ initiated discussions with the Forest Service (given their land holdings around Ruth Lake) regarding policies or practices to protect water bodies from invasive species during fire fighting activities. The Forest Service has informed HBMWD that Region 6 has adopted a policy to address this issue, but Region 5, which includes Six River National Forest, has not. HBMWD ~~will request that the~~ has had discussions with the Forest Service (and CalFire ~~as appropriate~~) put regarding the appropriate measures in place, to the extent feasible, to protect Ruth Lake from introduction of quagga and zebra mussels.

ev. Enforcement

~~(To be developed in consultation with HBMWD's attorney)~~

Ruth Lake CSD will endeavor to have law enforcement on the lake during weekends and high volume times such as Memorial Day, Independence Day, etc. The District will budget \$5,000 annually to assist with enforcement on the lake including checking to see that watercraft have the proper stickers proving they passed the Quagga inspection process. There may be times when Ruth Lake CSD is unable to procure enforcement on the lake. The District will provide financial assistance for law enforcement only when enforcement services on the lake are available.

4.3. Monitoring Program for Adult and Juvenile Dreissenid Mussels

The California Department of Fish and ~~Game~~ ~~(DFG Wildlife (CDFW))~~ has placed three substrate-monitoring devices in Ruth Lake at locations where quagga or zebra mussels would potentially colonize if introduced into the lake. ~~DFG CDFW~~, with support from HBMWD and Ruth Lake staff, ~~will conduct~~ has conducted ongoing monitoring of these substrate devices since 2009 to determine if the mussels have colonized. To date, no mussels have colonized. This ~~will help~~ determine if quagga/zebra mussels are present in Ruth Lake. HBMWD and Ruth Lake CSD staff ~~will also~~ visually monitor other structures too (e.g. piers and docks at the Marina and the log boom) to see if the mussels have colonized. To date, no mussels have colonized.

Appendix F contains DFG's Substrate Monitoring Protocol and reporting procedures which HBMWD and Ruth Lake CSD staff will reference and utilize.

5.4. Water Quality Monitoring Plan and Threat Assessment

HBMWD engaged Stillwater Science to develop a Water Quality Monitoring Plan for Ruth Lake. This purpose of this plan is to:

- 1) collect and record certain water quality parameters for Ruth Lake to establish “baseline” data for comparative purposes and future analysis;
- 2) determine certain water quality parameters to assess the potential for quagga and zebra colonization; and
- 3) determine other water quality parameters to assess the potential for blue green algae (microcystis aeruginosa).

[The Water Quality Monitoring Plan is contained in Appendix G.](#)

Water quality parameters and samples ~~will be~~ collected at five locations and various depths at four times of the year as follows: August 2008, October 2008, December 2008 and April 2009.

Once the water quality parameters ~~have been~~ collected and laboratory results obtained for the four time periods, Stillwater Science ~~will~~ conducted a threat assessment for Ruth Lake. They ~~will~~ compare ~~d~~ the in-situ and analytical data collected to quagga/zebra mussel habitat requirements as established in the scientific literature. ~~They also did a similar assessment for blue-green algae. The report, The Water Quality Assessment for Colonization of Quagga Mussels and Microcystis Aeruginosa in Ruth Lake, California is contained in Appendix G. They will do a similar assessment for blue green algae.~~

While this analysis ~~will most likely~~ may not be conclusive, ~~it should~~ provides a general indication as to how conducive an environment Ruth Lake is for quagga/zebra mussel colonization, and ~~will~~ also provides valuable “baseline” data for future use.

Prevention Plan for Quagga and Zebra Mussels at Ruth Lake

APPENDICES

- Appendix A Maps Showing Quagga and Zebra Mussel Sightings
- Appendix B Registration Form and Affidavit for Watercraft in Category 1 and Area from which Watercraft must reside year round to qualify for Category 1
- Appendix C Watercraft Inspection and Banding Procedures
- Instructions for Inspectors
 - Watercraft Inspection Checklist (to be completed by Inspector)
 - Watercraft Survey (to be completed by owner/operator)
 - Watercraft Inspection Failure Notice (to be completed by Inspector following inspection)
- Appendix D Quarantine Time Estimation for northern California (from 100th Meridian's Quarantine Estimator)
- Appendix E Informational Material from CA Dept of Fish and Game:
- Invasive Mussel Guidebook for Recreational Water Managers and Users – Strategies for Local Involvement
 - A Guide to Cleaning Boats and Preventing Mussel Damage
- Appendix F Zebra and Quagga Mussel Artificial Substrate Monitoring Protocol (from CA Dept of Fish and Game)
- Appendix G Water Quality Monitoring Plan to Assess Quagga Mussel Colonization Potential and *Microcystis Aeruginosa* and *Microcystin* Levels in Ruth Lake
- Appendix H Ordinance 19-An Ordinance of the Board of Directors of HBMWD Adopting a Registration and Inspection Program For All Watercraft at Ruth Lake

Resolution No. 2019-06**Resolution of the Humboldt Bay Municipal Water District Board of Directors for the Quagga/Zebra Mussel Infestation Prevention Grant Program Application and Funding Agreement 2018-19**

WHEREAS, prior to the State of California, Department of Parks and Recreation Division of Boating and Waterways' (DBW) approval of an executed Grant Agreement, Humboldt Bay Municipal Water District's Board of Directors is required to pass a resolution, authorizing a designated representative(s) to execute said Application, Grant Agreement, amendments, and certifications, designating a representative to approve claims for reimbursement, designating a representative to sign the Reimbursement Claim Form and Quarterly Progress Reports, designating a representative to sign Project Completion Certification, and designating a representative to sign the Contractor's Release Form (as applicable); and

WHEREAS, Humboldt Bay Municipal Water District has the legal authority to manage the water, construct, operate, and maintain infrastructure, post signage, prepare Prevention Plan documentation, monitor for water chemistry and quagga and zebra mussels, conduct and monitor boater inspections and decontamination activities, and conduct public outreach for Ruth Lake; and to apply to DBW for a grant up to the amount of \$400,000 for the Quagga and Zebra Mussel Infestation Prevention Grant Program; and

WHEREAS, Humboldt Bay Municipal Water District desires to improve and maintain the implementation plan for the prevention of an infestation of the quagga and zebra mussel for Ruth Lake; and

WHEREAS, Humboldt Bay Municipal Water District, pursuant and subject to all of the terms and provisions of the Quagga and Zebra Mussel Infestation Prevention Grant Program, application is hereby made to DBW for funding.

NOW THEREFORE BE IT RESOLVED that John Friedenbach, General Manager of Humboldt Bay Municipal Water District, is hereby authorized and directed to do the following acts, including but not limited to:

1. Cause the necessary data to be prepared and application to be signed and filed with DBW; and
2. Sign the DBW Quagga and Zebra Mussel Infestation Prevention Grant Agreement and any amendments thereto; and
3. Approve Claims for Reimbursement; and
4. Execute the Budget and Expenditure Summary; and
5. Sign the Contractor's Release Form; as applicable; and
6. Certify that the project is complete, and ready for final inspection, as applicable.

Passed and adopted at a regular meeting of the Humboldt Bay Municipal Water District for the Ruth Lake reservoir.

Adopted and approved this 11th day of April 2019 by the following roll call vote:

AYES:

NOES:

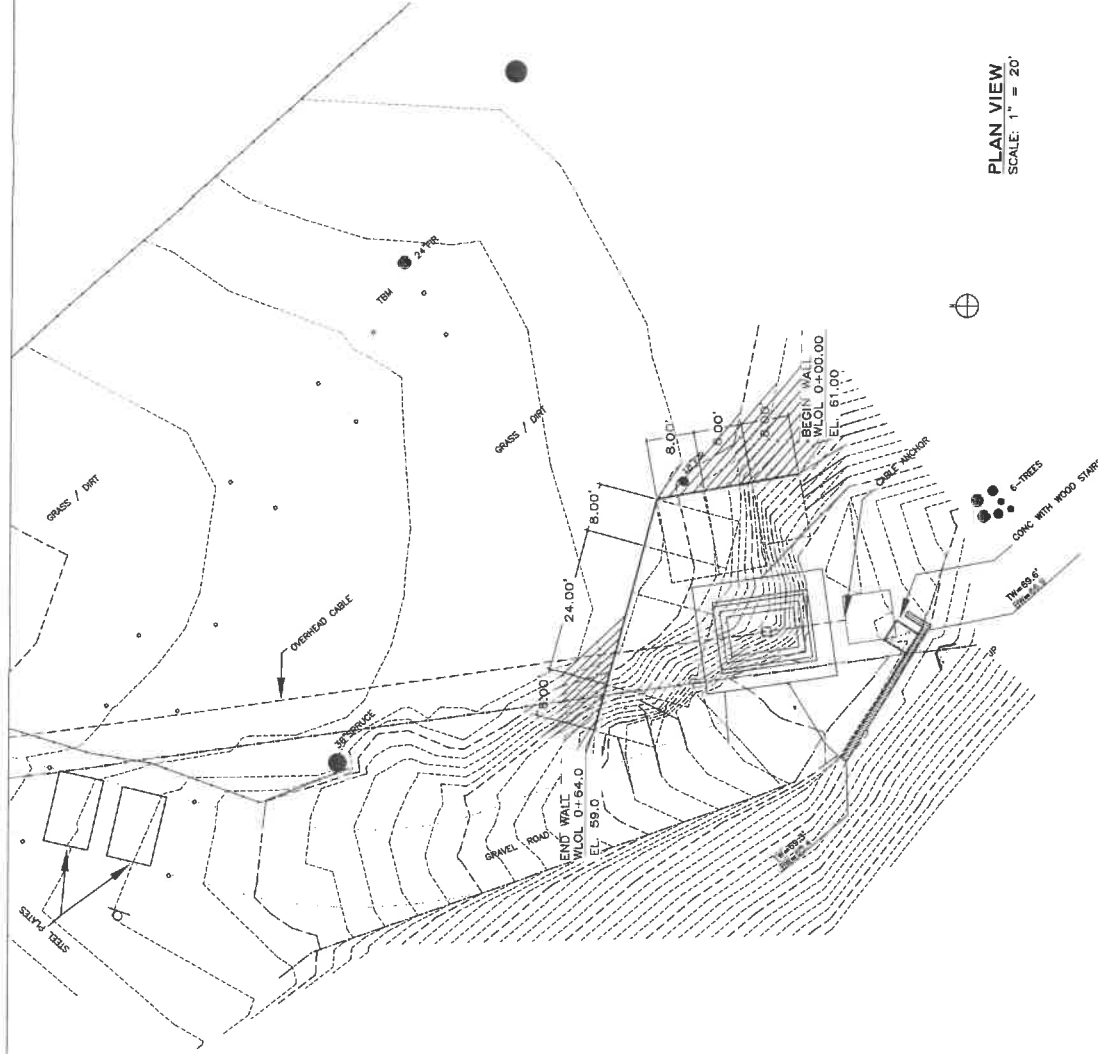
ABSENT:

Attest:

Sheri Woo, President

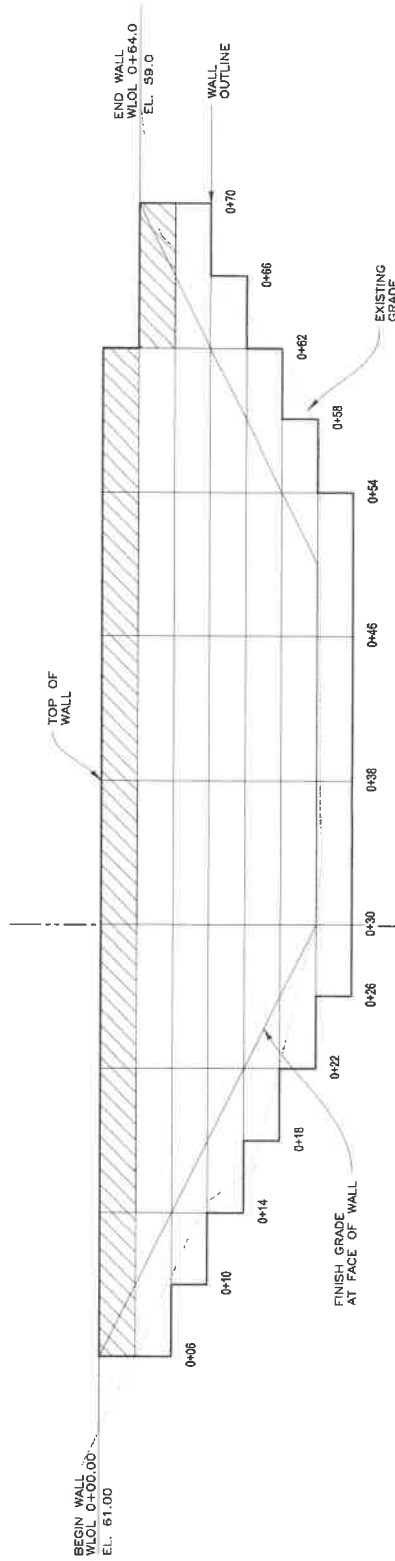
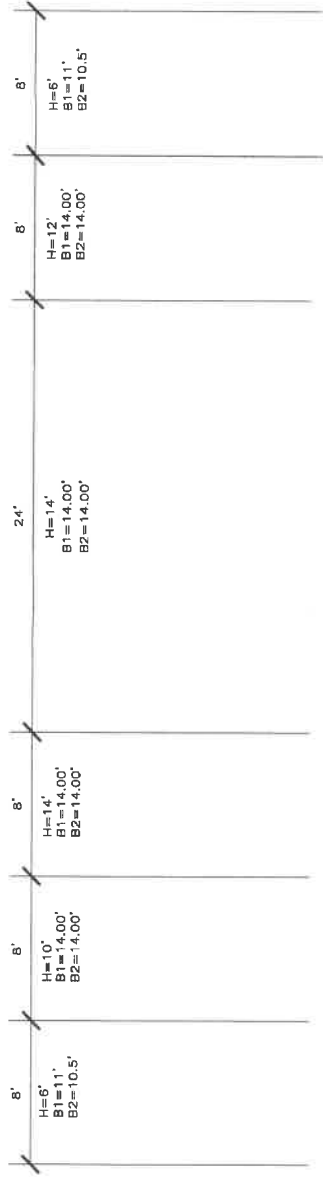
Barbara Hecathorn, Assistant Secretary/Treasurer

Engineering



PLAN VIEW
SCALE: 1" = 20'

<p>THIS DRAWING IS SUBMITTED SEPARATELY FOR THE USE OF ONE IN CONNECTION WITH THE SHOWN HEREIN IS NOT TO BE TRANSMITTED OR REPRODUCED IN ANY MANNER WITHOUT THE SPECIFIC AUTHORIZATION BY THE HILFIKER PROJECTS BY ONE OR MORE OF THE FOLLOWING: 43210084 43212083 43213082 43214081 43215080 43216079 43217078 43218077 43219076 43220075 43221074 43222073 43223072 43224071 43225070 43226069 43227068 43228067 43229066 43230065 43231064 43232063 43233062 43234061 43235060 43236059 43237058 43238057 43239056 43240055 43241054 43242053 43243052 43244051 43245050 43246049 43247048 43248047 43249046 43250045 43251044 43252043 43253042 43254041 43255040 43256039 43257038 43258037 43259036 43260035 43261034 43262033 43263032 43264031 43265030 43266029 43267028 43268027 43269026 43270025 43271024 43272023 43273022 43274021 43275020 43276019 43277018 43278017 43279016 43280015 43281014 43282013 43283012 43284011 43285010 43286009 43287008 43288007 43289006 43290005 43291004 43292003 43293002 43294001 43295000 43296000 43297000 43298000 43299000 43300000</p>		<p>REV. DATE BY DESCRIPTION</p>	<p>GRAPHIC SCALE LINE IS 20 UNITS LONG ON ORIGINAL DRAWING</p>	<p>PROJ. MGR. BH ENGINEER CADD BY AH</p>	<p>HILFIKER RETAINING WALLS 1802 Hilliker Lane Eureka, CA 95503-2141 TEL: 707.443.1942 PH: 707.443.5993 FAX: 707.443.2891 WWW.HILFIKER.COM EMAIL: info@hilfiKER.com</p>	<p>DWG DATE: 28 MAR 18 REVISION DATE: SCALE: NOTED</p>	<p>SHOP DRAWINGS WELDED WIRE WALL HBMWD EMERGENCY SLOPE REPAIR HUMBOLDT BAY MUNICIPAL WATER DISTRICT 7270 WEST END RD., ARCATA, CALIFORNIA</p>	<p>PROJECT NO. 190305AW SHEET 1 OF 4 PLAN VIEW</p>
--	--	---------------------------------	--	--	---	--	--	--

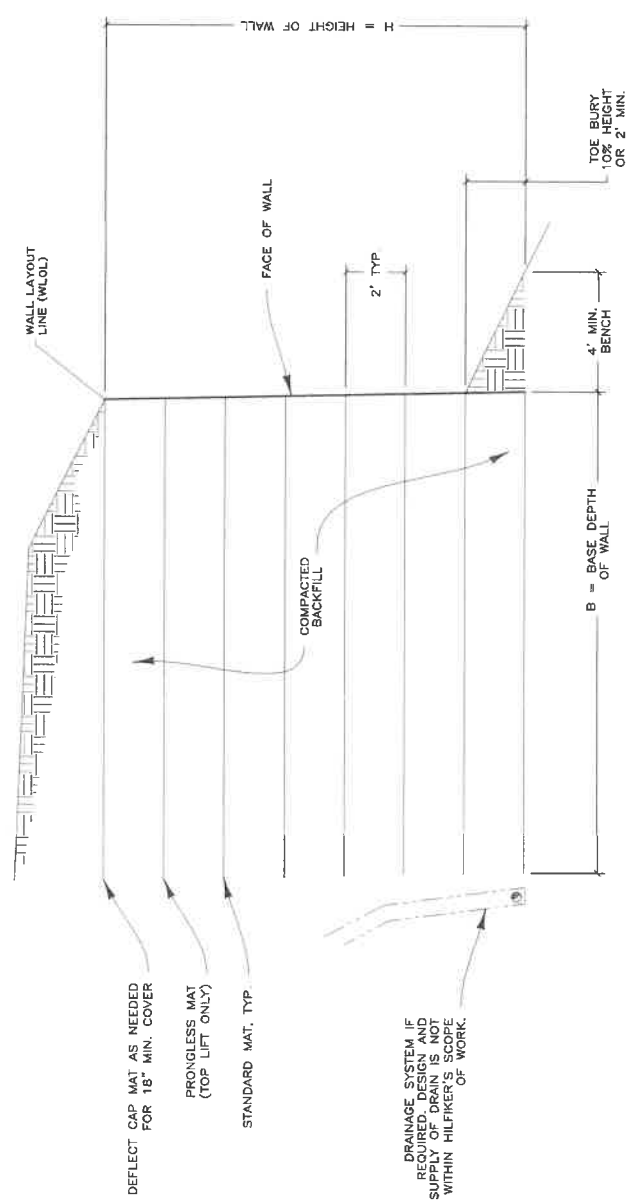


DEVELOPED ELEVATION
SCALE: 3" = 20'

B1 8"x12" W4.5xW3.5 PRONGLESS AND CAP MATS
 B2 8"x21" W7.0xW4.0 STANDARD MATS
 * ALL WIRE IS NON-GALVANIZED (BLACK WIRE)

HRW QUANTITY: 688 SQ. FT.

PROJECT NO. 190305AW SHEET 2 OF 4		SHOP DRAWINGS WELDED WIRE WALL HBMWD EMERGENCY SLOPE REPAIR HUMBOLDT BAY MUNICIPAL WATER DISTRICT 7270 WEST END RD, ARGATA, CALIFORNIA	
DWG DATE	29 MAR 19	REVISION DATE	
SCALE		NOTED	
GRAPHIC SCALE LINE IS 20' LONG ON ORIGINAL DRAWING 0 10 20		PROJ. MGR. BH ENGINEER CADD BY AH	
THIS DRAWING IS FURNISHED SOLELY FOR THE PROJECT AND THE INFORMATION CONTAINED HEREIN IS THE PROPERTY OF HILFIKER WALLS AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, WITHOUT THE WRITTEN PERMISSION OF HILFIKER WALLS AND COMPANY. HILFIKER WALLS AND COMPANY, 1802 HILFIKER LANE, EVREAS CA 95503-2711, PH 707.443.5093 FAX 707.443.3891 WWW.HILFIKER.COM E-MAIL INFO@HILFIKER.COM		HILFIKER RETAINING WALLS 1802 Hilfiker Lane Evreas CA 95503-2711 PH 707.443.5093 FAX 707.443.3891 WWW.HILFIKER.COM E-MAIL INFO@HILFIKER.COM	

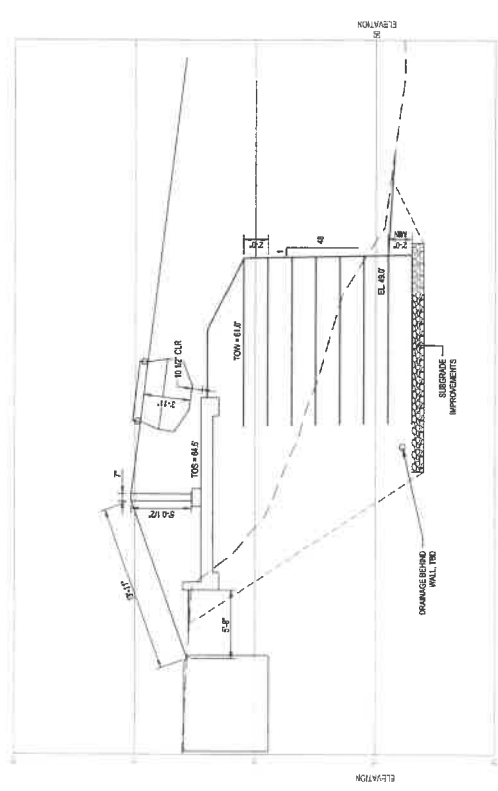


TYPICAL WELDED WIRE WALL SECTION
SCALE: 1" = 5'

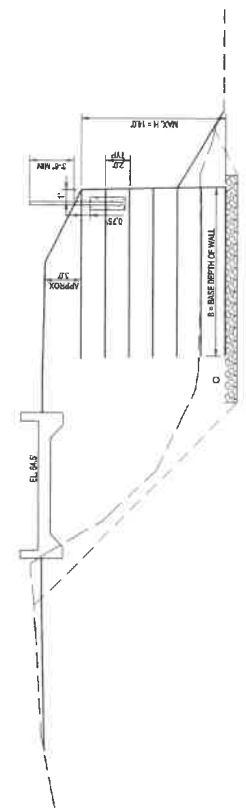
PROJECT-SPECIFIC NOTES:

1. REFERENCE DRAWINGS: BASED OFF CAD DRAWINGS FROM STEPHANIE GOULD (STEPHANIE.GOULD@GHD.COM) RECEIVED VIA EMAIL ON 28 MARCH 2019.
2. BLACK AND WHITE REPRODUCTION OF THIS COLOR ORIGINAL MAY REDUCE ITS EFFECTIVENESS AND LEAD TO INCORRECT INTERPRETATION.
3. IT IS ASSUMED THAT ALL MATERIALS, BACKFILL AND CONSTRUCTION METHODS FOR HILFIKER M.S.E. WALLS WILL CONFORM TO HILFIKER'S SPECIFICATIONS AND/OR THOSE OF THE HILFIKER ENGINEERING CONSULTANT.
4. THIS IS NOT AN ENGINEERED SUBMITTAL. ALL INFORMATION HEREON IS DERIVED FROM THE REFERENCE DRAWINGS, AND IS SUBJECT TO GEOMETRIC AND GEOTECHNICAL CONFIRMATION. THE APPLICABLE HILFIKER CONSTRUCTION GUIDE AND SPECIFICATIONS ARE AN INTEGRAL PART OF THIS SUBMITTAL.
5. UPON ENGINEERED DESIGN, HILFIKER RETAINING WALLS SHALL BE RESPONSIBLE ONLY FOR THE INTERNAL STABILITY OF THE RETAINING WALL, AND NOT FOR GLOBAL STABILITY OR FOUNDATION BEARING CAPACITY. THE OWNER/CONTRACTOR SHALL BE RESPONSIBLE FOR ALL JOB SITE DRAINAGE, SAFETY AND FALL PROTECTION PROVISIONS FOR WORKERS IN COMPLIANCE WITH OSHA AND ANY OTHER APPLICABLE REQUIREMENTS.
6. WALL DESIGN SHALL REQUIRE A NON-SATURATED BACKFILL. SURFACE AND SUBSURFACE DRAINAGE CONTROL MAY BE REQUIRED TO PREVENT SATURATION OF THE BACKFILL OR TO RELIEVE HYDROSTATIC PRESSURES. DRAINAGE CONTROL SHALL BE AS SPECIFIED IN THE OWNER'S PROJECT PLANS AND SPECIFICATIONS, OR AS DIRECTED BY THE OWNER'S ENGINEER.
7. FOR BID DRAWINGS, IT IS ASSUMED THAT BASE DEPTHS AND WALL HEIGHTS ARE SUBJECT TO CHANGE BY THE FINAL PROJECT DESIGN.

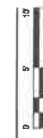
THIS DRAWING IS A PRELIMINARY SKETCH FOR INFORMATION ONLY. IT IS NOT TO BE USED FOR CONSTRUCTION OR FOR ANY OTHER ORGANIZATION WITHOUT THE WRITTEN PERMISSION OF HILFIKER RETAINING WALLS. HILFIKER RETAINING WALLS ARE A DIVISION OF HILFIKER ENGINEERING CONSULTANTS, INC. 1802 HILFIKER LANE, EUREKA, CA 95502-5711. TEL: 709.776.9993 FAX: 709.776.9994 WWW.HILFIKER.COM		HILFIKER RETAINING WALLS 1802 HilfiKER Lane Eureka, CA 95502-5711 TEL: 709.776.9993 FAX: 709.776.9994 WWW.HILFIKER.COM		PROJECT 190305AW	
REV/NO DATE BY	DESCRIPTION	PROJ. MGR. BH ENGINEER	SHOP DRAWINGS WELDED WIRE WALL	SHEET 3 OF 4	
GRAPHIC SCALE LINE IS 20 UNITS LONG DRAWING		CADD BY AH	HBMWD EMERGENCY SLOPE REPAIR HUMBOLDT COUNTY CALIFORNIA 7270 WEST END ROAD ARGENTA, CALIFORNIA	TYPICAL SECTION & NOTES	
DWG DATE 29 MAR 19		REVISION DATE	SCALE NOTED	DATED	



A WALL SECTION ALONG CABLE



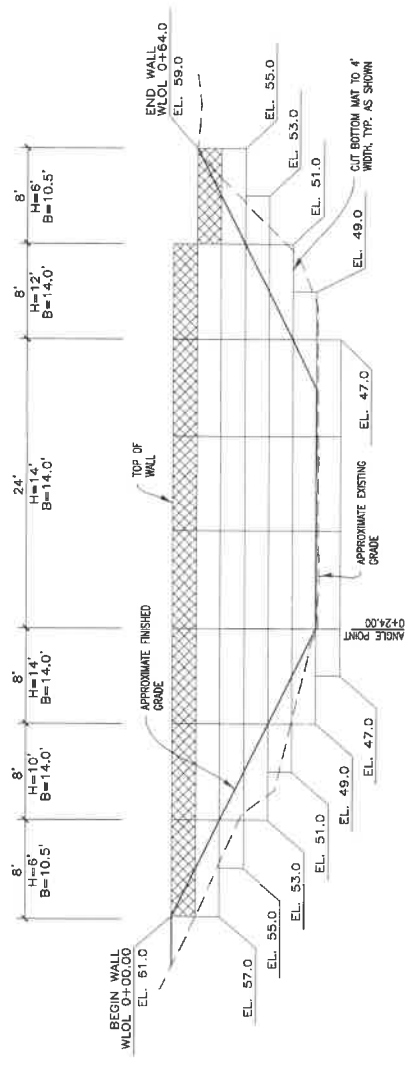
B TYPICAL WALL SECTION



PRELIMINARY

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT
COLLECTOR 2 MSE WALL
MSE WALL SECTIONS**

No.	Issue	Drawn	Approved	Date
Project: HUMBOLDT BAY MUNICIPAL WATER DISTRICT Title: COLLECTOR 2 MSE WALL Project Manager: J. S. CROWELL Designer: J. S. CROWELL Checker: J. S. CROWELL Scale: AS SHOWN Project No.: 1717-14-0001 Date: 11/17/2017 File: 1717-14-0001.dwg				
This document and its contents are the property of the City of Humboldt, California. It is to be used only for the project and purpose for which it was prepared. No part of this document may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage and retrieval system, without the prior written permission of the City of Humboldt, California.				
GHD Inc. 719 Third Street Eureka, California 95501 707.441.4200 www.ghd.com				
H&W Humboldt Bay Municipal Water District www.humboldtwater.com				



WELDED WIRE WALL KEY

H TOTAL HEIGHT OF WELDED WIRE WALL AT EACH SEGMENT AS MEASURED FROM PREPARED SUBGRADE

B BAGE LENGTH WIRE MATS, CAP AND PRONGLESS AND STANDARD MATS

W4.5 x W3.5 (8"x12") WWF CAP MAT. SEE ELEVATION FOR MAT LENGTH - ROUND UP MAT LENGTH TO NEAREST WHOLE FOOT

W7.0 x W4.0 (8"x21") WWF STANDARD MATS. SEE ELEVATION FOR MAT LENGTH

PRELIMINARY

Client: HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 Project: COLLECTOR 2 MSE WALL
 Title: MSE WALL SECTIONS

Drawn: S. BOUAP
 Design: S. BOUAP
 Check: S. BOUAP
 Date: _____

Scale of Drawing: 1" = 10'-0"

Notes: 1. All dimensions are in feet and inches unless otherwise noted. 2. All dimensions are to the center of the wall unless otherwise noted. 3. All dimensions are to the finished grade unless otherwise noted. 4. All dimensions are to the existing ground unless otherwise noted. 5. All dimensions are to the center of the pipe unless otherwise noted. 6. All dimensions are to the center of the structure unless otherwise noted. 7. All dimensions are to the center of the structure unless otherwise noted. 8. All dimensions are to the center of the structure unless otherwise noted. 9. All dimensions are to the center of the structure unless otherwise noted. 10. All dimensions are to the center of the structure unless otherwise noted.



Revision: _____
 Date: _____
 Approved: _____
 Checked: _____

Project: HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 Sheet: 2 of 2

File: 10/10/2010 10:10 AM
 Project: HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 Sheet: 2 of 2

From: Senator Dianne Feinstein <senator@feinstein.senate.gov>
Sent: Friday, March 22, 2019 6:44 AM
To: friedenbach@hbmwd.com
Subject: U.S. Senator Dianne Feinstein responding to your message

SECTION 51b PAGE NO. 1

Dianne Feinstein

United States Senator for California

Dear John:

Thank you for contacting me to express your support for robust disaster relief funding. I appreciate the time you took to write, and I welcome the opportunity to respond.

First, let me begin by saying that my heart goes out to everyone effected by the natural disasters that have occurred in the past year. From hurricanes in the American South and the Caribbean to devastating wildfires across California, millions of our friends and loved ones have seen their lives changed by the natural disasters of 2017.

I understand you support legislation increasing the funding to aid those who have been impacted by the hurricanes and fires. You may be interested to know that the *Bipartisan Budget Act of 2018* (Public Law 115-123) provided \$89 billion to assist the recovery for everyone affected by the 2017 hurricanes, wildfires and mudslides in California.

In addition to the *Bipartisan Budget Act*, Congress passed, and President Trump signed into law, the *Consolidated Appropriations Act of 2018* (Public Law 115-141), which allocated \$7.9 billion to the Disaster Relief Fund through the remainder of Fiscal Year 2018, bringing the total budget of the Fund to \$20 billion. These funds will support the estimated costs associated with an average disaster year and recovery from previous disasters.

I believe that Congress has a fundamental responsibility to care for our fellow citizens after natural disasters strike. That is why I voted in favor of three disaster supplemental appropriations bills that have provided over \$140 billion in emergency disaster assistance. There is still far more work to do for the victims of

the hurricanes and wildfires, especially in Puerto Rico. I joined 28 fellow Senators in sending a letter to President Trump on September 27, 2017, urging a more comprehensive Federal response and the deployment of military assets to support hurricane relief.

Once again, thank you for writing. Should you have any other questions or comments, please call my Washington, D.C., office at (202) 224-3841 or visit my website at feinstein.senate.gov. You can also follow me online at [YouTube](#), [Facebook](#), and [Twitter](#), and you can sign up for my email newsletter at feinstein.senate.gov/newsletter.

Best regards.

Sincerely yours,

Dianne Feinstein
United States Senator





CONTRACT AGREEMENT

SECTION J1d, PAGE NO. 1

THIS AGREEMENT, MADE THIS 27th DAY OF February 2019, by and between the Humboldt Bay Municipal Water District, hereinafter called "Owner," and Robert Leslie Fiqas dba Fiqas Construction, doing business as an **individual**, hereinafter called "Contractor."

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The Contractor will commence and complete the Surge Tower Demolition Project.
2. The Contractor will furnish all of the material, supplies, tools, equipment, labor and other services necessary for the construction and completion of the project described herein.
3. The Contractor will commence the work required by the Contract Documents within 21 calendar days after the date of the Notice to Proceed and will complete the same within the time provided in Section B-35 of the General Conditions, unless the period for completion is extended otherwise by the Contract Documents.
4. The Contractor agrees to perform all of the work described in the Contract Documents and comply with terms therein for the sum of \$56,000, (fifty six thousand dollars) or as shown in the Bid Schedule.
5. The Contract Documents consist of the Bidding Requirements, Contract Forms, Conditions of the Contract, the Specifications, and the Plans, including all modifications thereof incorporated into the documents before their execution, and including all other requirements incorporated by specific reference thereto. These form the Contract.
6. The Owner will pay to the Contractor in the manner and at such times as set forth in the General Conditions such amounts as required by the Contract Documents.
7. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.
8. Contractor acknowledges that this project is partially funded by the Federal Emergency Management Agency of the United States government. Contractor affirms that it has not been debarred from working on federally funded projects. Contractor agrees that it shall be solely responsible for any fines and penalties and shall indemnify Owner against any associated FEMA fines and penalties.
9. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations, and by North Valley Labor Compliance Services enforcing the Owner's Labor Compliance Program.
10. All Contractors and Subcontractors must furnish electronic certified payroll records directly to the California State Labor Commissioner (Division of Labor Standards Enforcement) via eCPR with the DIR.
11. Pursuant to Senate Bill 854, all contractors bidding on public works projects must register with the California State Department of Industrial Relations. t.
12. No Contractor or Subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the California State Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractor affirms that its DIR registration number is: 1000028779 and that it will maintain current registration status throughout

the duration of the project. Should DIR determine that Contractor is out of compliance with its rules and regulations, Contractor agrees that it shall be solely responsible for any fines and penalties and shall indemnify Owner against any associated DIR fines and penalties.

13. The Contractor shall comply with and shall cause his Subcontractors to comply with all laws and regulations governing the Contractor's and Subcontractors' performance on this project, including, but not limited to: anti-discrimination laws, workers' compensation laws, prevailing wage laws as set forth in CA Labor Code, Sections 1720-1861 et seq. and licensing laws. The Contractor is required to include the prevailing wage language in all subcontracts pursuant to CA Labor Code 1775(E)(b)(1). The Contractor shall post, at appropriate conspicuous points on the site of the Project, a schedule showing all the determined general prevailing wage rates.
14. The Contractor agrees to comply with Labor Code Section 1775 (Payment of the Prevailing Wage Rates) and Labor Code 1776 (keeping accurate records) and Labor Code 1777.5, placing responsibility for compliance with the statutory requirements for all apprenticeable occupations on the prime contractor. The Contractor shall comply with the requirements imposed by the California Labor Code Sections 1720-1861 regarding public works projects and prevailing wage laws and Sections 16000-16800 of the CA Code of Regulations.
15. In accordance with the provisions of section 1720 et seq. of the Labor Code, the Division of Labor Standards and Research has determined the general prevailing rates or wages and employer payments for health and welfare, pension, vacation, travel time, and subsistence pay as provided for in section 1773.1.
16. It shall be mandatory upon the Contractor herein and upon any Subcontractor to pay not less than the said specified rates to all laborers, workers and mechanics employed by them in the execution of the Agreement pursuant to CA Labor Code 1774.
17. Attention is directed to the provisions in sections 1777.5 and 1777.6 along with 230.1, of the CA Labor Code concerning the requirement to employ apprentices by the Contractor or any Subcontractor under it.
18. Each worker required to execute the work must be paid travel and subsistence payments as defined in the applicable collective bargaining agreements filed in accordance with Labor Code Section 1773.8.
19. Holiday and overtime work, when permitted by law, shall be paid for at a rate of at least one and one-half times the above specified rate of per diem wages, unless otherwise specified.
20. Contractors and any Subcontractors shall be assessed penalties for violating the following labor codes: CA Labor Code 1813 for overtime, 1775 for underpayment of the prevailing wage, and 1776 for inaccurate or incomplete payroll records.
21. In response to Labor Code section 1773.3, the PWC-100 form has been completed by the awarding agency and provided to the Department of Industrial Relations on February 27, 2019, (required within five days of the award). This form allows contractors and subcontractors to upload electronic certified payroll records to the Labor Commissioner (required for all projects awarded on or after April 1, 2015). The project DIR registration number is: 275932.
22. The general prevailing rates of per diem wages, applicable to this contract, are on file at principal office of Owner.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in quadruplicate, each of which shall be deemed an original on the date first above written.

Humboldt Bay Municipal Water District
by [Signature]
Owner

Title General Manager

Date 2-27-19

[Signature]
Contractor

Title Owner

Date 2-27-19



12KV Switch Gear

March 19, 2019

John Friedenbach
General Manager
Humboldt Bay Municipal Water District
PO Box 95
Eureka, CA 95502-0095

H.B.M.W.D. MAR 22 2019

Subject: **Notification of Post-Obligation Documents**
Hazard Mitigation Grant Program
FEMA-4240-DR-CA, Project #PJ0017, FIPS #023-91000, Supplement #64

Dear Mr. Friedenbach:

The California Governor's Office of Emergency Services (Cal OES) has received all required subaward post-obligation documents. Our review has found the *Governing Body Resolution* to be current and complete and the *Grant Subaward Assurances* to be properly signed. A copy of the Supplemental Grant Subaward Information form Cal OES 2-101a is enclosed for your records.

Payments will be made on a reimbursement basis using the Hazard Mitigation Reimbursement Request Form. A ten percent (10%) retention will be withheld from all reimbursement payments and will be released as part of the subaward closeout process.

If you have any questions or need assistance, please contact the Grants Processing Unit at (916) 845-8110.

Grants Processing Unit

Enclosures

c: Applicant's File



California Governor's Office of Emergency Services SECTION File PAGE NO. 2
SUPPLEMENTAL GRANT SUBAWARD INFORMATION

The California Governor's Office of Emergency Services (Cal OES), makes a Grant Subaward of funds set forth to the following:

Cal OES Contact Information Section:

Governor's Office of Emergency Services
 Mark S. Ghilarducci, Director
 3650 Schriever Avenue
 Mather, CA 95655
 (916) 845-8506 phone • (916) 845-8511 fax

Cal OES Use only	Cal OES #	023-91000-00
	FIPS #	023-91000
	VS #	No longer required
	Subaward #	DR4240-PJ0017
	PCA	82868
	Federal Award Dates	From: 09/09/15 To: 06/08/23

1. Subrecipient: Humboldt Bay Municipal Water District 1a. DUNS#: 047391776
2. Implementing Agency: Humboldt Bay Municipal Water District 2a. DUNS#: 047391776
3. Implementing Agency Address: PO Box 95 Eureka CA 95502-0095
Street City Zip+4
4. Location of Project: 7270 West End Road Humboldt 95521-9279
City County Zip+4
5. Federal Award Identification Number: FEMA-4240-DR-CA 6. Performance Period: 5/24/2018 to 9/22/2019
7. Indirect Cost Rate: N/A; 10% de minimis; Federally Approved ICR _____ %

Supp No.	A. Federal Share	B. Non-Federal Share	C. Admin Cost	D. CDA (STATE)	E. Total Project Cost	Fed / Non Fed Percentage
8 64	\$1,325,250.00	\$441,750.00	\$0.00		\$1,767,000.00	75/25%
9					\$0.00	
10					\$0.00	
11					\$0.00	
12. TOTALS	\$1,325,250.00	\$441,750.00	\$0.00		12 E Total Project Cost \$1,767,000.00	

13. Federal Awarding Agency Section

Federal Program Fund / CFDA #	Federal Awarding Agency	Total Federal Award Amount	Total Local Assistance Amount
Hazard Mitigation Program / 97.039	U.S. Department of Homeland Security, Federal Emergency Management Agency	\$1,767,000.00	N/A

14. Primary Authorized Agent: _____ 15. Federal Employer ID Number: 94-6050067

Name: John Friedenbach Title: General Manager

Telephone: (707) 443-5018 FAX: (707) 443-5731 Email: friedenbach@hbmwd.com
(area code) (area code)

Mailing Address: PO Box 95 Eureka CA 95502-0095
Street City Zip+4

Payment Mailing Address: PO Box 95 Eureka CA 95502-0095
City Zip+4

16. Project Description Section:
HBMWD 12kV Switchgear Relocation

17. Research & Development Section:

- Is this Subaward a Research & Development grant? Yes No

Mad River Crossing Pipeline Replacement

Humboldt Bay Municipal Water District
Near Arcata/Blue Lake/Fieldbrook, CA



The abandoned railroad trestle over which the original potable water pipeline crosses (view from the Northeast side of the Mad River)

GHD ensured continued water service for the growing Humboldt Bay community by providing the Municipal Water District with a cost-conscious, creative, and collaborative solution to a severely at-risk potable water pipeline, the only source for multiple small municipalities, in need of replacement.

The Humboldt Bay Municipal Water District (HBMWD) is a water wholesaler currently serving approximately 88,000 people in the Humboldt Bay area and supplying drinking water to seven municipal customers that include the cities of Arcata, Blue Lake, and Eureka, as well as community service districts serving unincorporated areas in Humboldt, Fieldbrook/Glendale, Cutten, Manila, McKinleyville, and the Samoa Peninsula. These municipal customers in turn serve water to approximately 60% of the people in Humboldt County.

On the north side of Mad River, for the cities of Blue Lake and the communities of Glendale and Fieldbrook, the only access to HBMWD potable water was via a 14-inch diameter ductile iron pipeline that crosses the river on an old steel railroad trestle near Arcata, in the vicinity of the City of Blue Lake and within the

jurisdiction of the Fieldbrook-Glendale Community Services District (CSD). Unfortunately, "old" was an understatement.

The North Coast Railroad Authority originally built the trestle in the 1930s, and owns it to this day. Due to lack of service on this line, maintenance of the trestle fell in the Authority's priorities, leading to decades of neglect, degradation of structural integrity, and significant vulnerability to damage caused by earthquakes and/or floods. As one might expect, the trestle was not built to current seismic codes, and has not been retrofitted since.

This was confirmed by a previous bridge inspection (conducted, appropriately, by GHD around 2008 when under the name Winzler & Kelly) finding that pins and rockers (with rockers fully extended) supported the ends of the bridge trusses. Given that the bridge could no longer move on the rockers, it was designated non-ductile and susceptible to earthquake calamity. Additionally, expected signs of aging proliferated: Each of the timber trestle abutments was in generally poor condition, with the timber lagging and treated piles rotten, while extensive scour on the piers and footings that support the bridge were discovered throughout.

In order to accommodate potential service expansion in the area, but, more importantly, ensure potable water service to these communities without the risk of losing the pipeline to any (likely) natural occurrences, the HBMWD sought solutions. They determined that the most economically viable solution would be to replace the existing pipeline, which would necessitate extensive structural improvements to the trestle.

A decades' long relationship provides solutions

Having worked extensively with the HBMWD since their formation in 1956 and having conducted the inspections, GHD was then in an opportune position to continue to support this replacement project. Beginning in 2010, the GHD team, led by Pat Kaspari, worked with the HBMWD to find grant funding to retrofit or replace the river crossing. Given the serious deterioration of the pipeline supports on the trestle, GHD developed plans for the installation of two new pipeline supports independent of the trestle structure to further bolster the north end of the pipeline, where some of the worst rot existed, essentially mitigating the years of indifference to the trestle's seismic obstacles.

Concurrently, GHD performed a feasibility study to review alternatives for pipeline replacement, concluding that the most cost-effective and functional alternative at the time was to design a new aerial crossing, though the HBMWD was not able to economically meet such a design's demands. Relying on more than a decade of experience in obtaining grants and related funding for municipalities and agencies throughout northern California, GHD pursued grant monies necessary to finance this project. With GHD's guidance, both administratively and otherwise, the HBMWD procured a \$700,000 Proposition 84 grant from the State of California Department of Water Resources (DWR), as overseen by the North Coast Integrated Regional Water Management Plan, and a \$2.7M Hazard Mitigation Grant from Federal Emergency Management Agency (FEMA) and California Department of Emergency Services (CalOES).

Following this success in funding, GHD then embarked upon a suite of environmental special studies:

- Wetlands survey
- Rare plants survey
- Sensitive habitat survey
- Cultural resources study

As a result of these environmental studies, GHD updated the original feasibility study to re-evaluate the alternatives for the pipeline construction, which included investigating moving the aerial crossing or horizontal directionally drilling (HDD) under the Mad River. Subsequently, GHD teaming partner Crawford & Associates completed a preliminary geotechnical investigation that led into an HDD feasibility analysis handled by Bennett Trenchless Engineers.

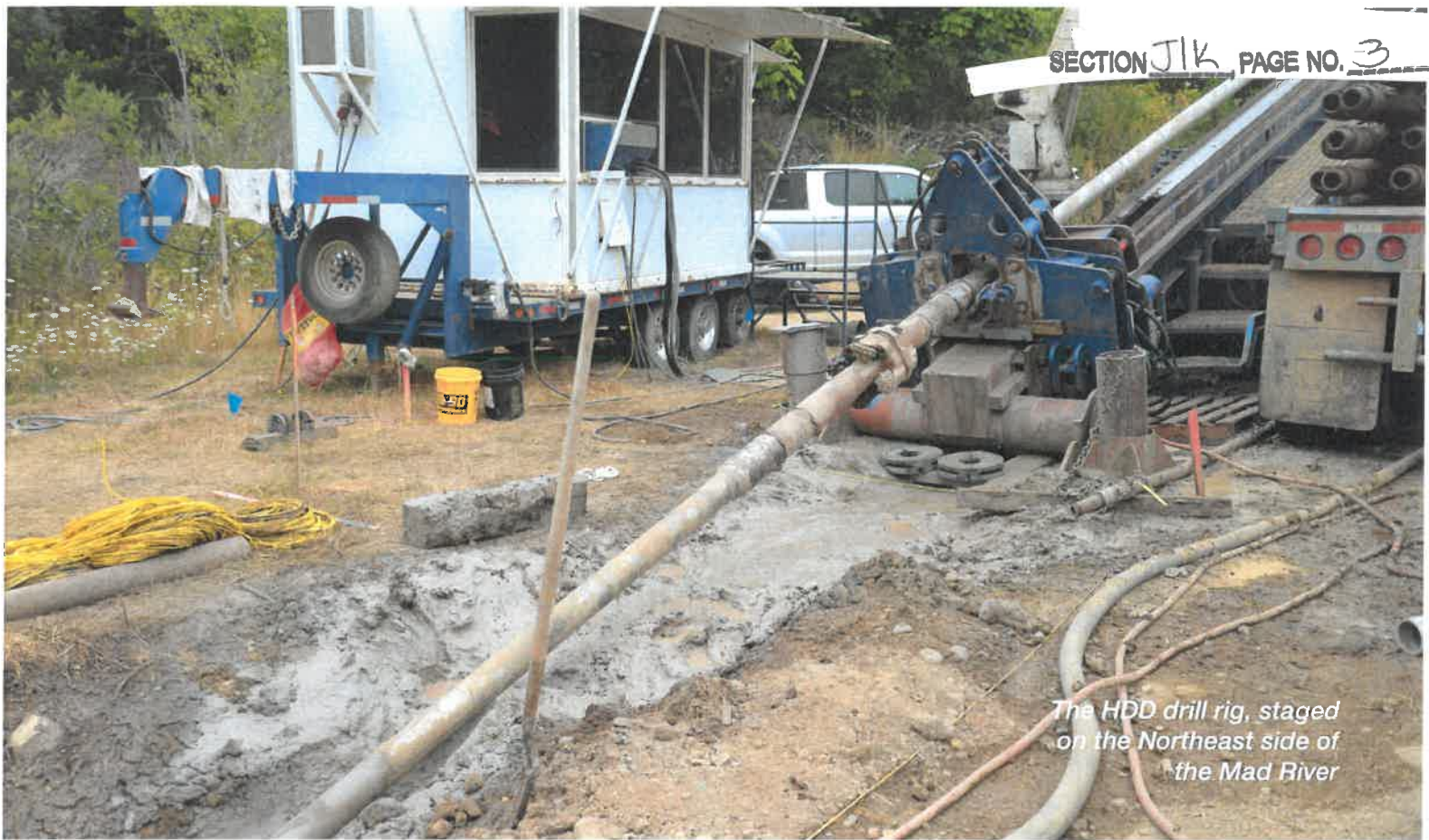
Now possessing a comprehensive view of the project ahead of them, the GHD team proceeded into design with the priority of maintaining cost-consciousness and efficiency in order to ultimately benefit the Water District. Their solution, which would prove to completely reorient the project and greatly reduce time and cost: Avoid the trestle altogether, and install a brand new pipeline under the river.

A modern design for a modernizing community

The updated feasibility study determined that HDD would provide for both the most cost-effective construction method and the least amount of environmental issues and associated permitting effort. Collaborating with Bennett Trenchless to develop the final design documents and bid package, GHD simultaneously coordinated with the U.S. Army Corps of Engineers and the California State Water Resources Control Board to determine the extent of potential 404 and 401 permitting. Because the entry and exit points of the pipe were designed far enough from the river, the GHD team was able to demonstrate that no permits were required from either agency. Accordingly, following further agency meetings, GHD confirmed that no permits were required for the U.S. Fish & Wildlife Service nor for the CA Department of Fish and Wildlife.

By avoiding such permitting, typically assumed to be crucial for any project of this type, GHD saved the





The HDD drill rig, staged on the Northeast side of the Mad River

HBMWD substantial money and, especially, time. Thus, GHD assisted the District in construction bidding for approximately 1,250 feet of 18-inch high-density polyethylene (HDPE) pipeline (primarily through fresh, hard meta-argillite bedrock) via HDD under the Mad River.

The difference between the two lowest bids was only \$63,600, with the winning bid coming in at \$1,045,400.

Conscious, collaborative construction

Overseeing construction management, GHD and Bennett Trenchless worked closely with the selected Contractor, Mercer Fraser Company (MFC), as well as



Pilot bore exit

with J-C General Engineering as the subcontracted driller, to ensure that not only did the project proceed on budget and on schedule, as is the expected responsibility of the construction manager, but that there were no drilling fluid hydrofractures (frac-outs) of concern, affecting both safety and schedule, which was already tight given the grant deadlines.

Further restrictions arose in determining work areas on either side of the river. Because the drill rig and associated equipment must be opposite the area in which the pipeline (all 1,250 feet) is set up and assembled in order to pull the pipe through the drilled hole, the team weighed the benefits and disadvantages of each side of the Mad River. On the NE side, a yard owned by GR Sundberg provided, after team coordination, an open, flat area more than suitable for the drill rig, requiring no tree removal or related impacts to the environment. On the SW side, however, difficult topography severely limited available routes for pipeline layout, but staging the rig would arguably require even more detrimental tree and flora removal. Which is where the trestle comes back into the picture: The team was able to use the abandoned railroad right-of-way to layout the pipe, which also avoided needing to use the SW side's narrow County road, notably reducing most impacts to residents.

Assembling the pipeline replacement on the Northeast side of the Mad River, with the original pipe cut and capped (lower right)



With the project staged and the vital geotechnical information in hand, the pilot bore began in August 2018.

One of the team’s most pressing challenges during construction concerned the drilling bore, which was mainly through solid or fractured bedrock, transitioning through a fault gouge of heavy clay-like material. Dissimilar ground conditions may lead to difficulty controlling line and grade for trenchless installations. In fact, the cobble-like material of the Mad River bed previously prevented directional drilling from being considered feasible at all.

J-C was able to adjust their cutting heads and pressures to successfully install the piping through the fault gouge without experiencing any major binding or frac-outs. Likewise, GHD and Bennett were able to work with J-C to adjust the project bore geometry as the work progressed, increasing cover on the exit side of the bore installation to minimize frac-outs and ensure no sensitive habitats were impacted.

Of course, due to the complicated and dissimilar ground conditions, an initial frac-out did inevitably occur, approximately 60 feet from the entry point on the north side of the river, but a creative “snorkel” rig safely returned drilling fluid from the hydrofracture back into the entry pit. A second frac-out occurred near the end of the pilot bore with the drill bit about 150 feet from the from the pilot bore exit location. GHD worked closely with the Contractor to allow for unique solutions, in this case containing the fluid and transitioning to reaming

(the process of enlarging the hole) prior to completion of the pilot bore. GHD realized that the key to success during construction was two-fold:

1. Quality geotechnical information is essential; while borings within river channels can be difficult to obtain, they are important to identify potential significant variations in conditions.
2. Because it is difficult to model hydrofracture risk when preferential seepage paths occur, the team must be prepared with frac-out plans and a proactive Contractor able to think on their feet.

Ultimately, construction completed on schedule (pipe pullback finished in September 2018 over the course of 3.5 hours, pull loads estimated at 82,000 pounds) and an impressive 27% under budget, with only one final change order—which was a \$24,000 credit for sheet piling that was not needed.

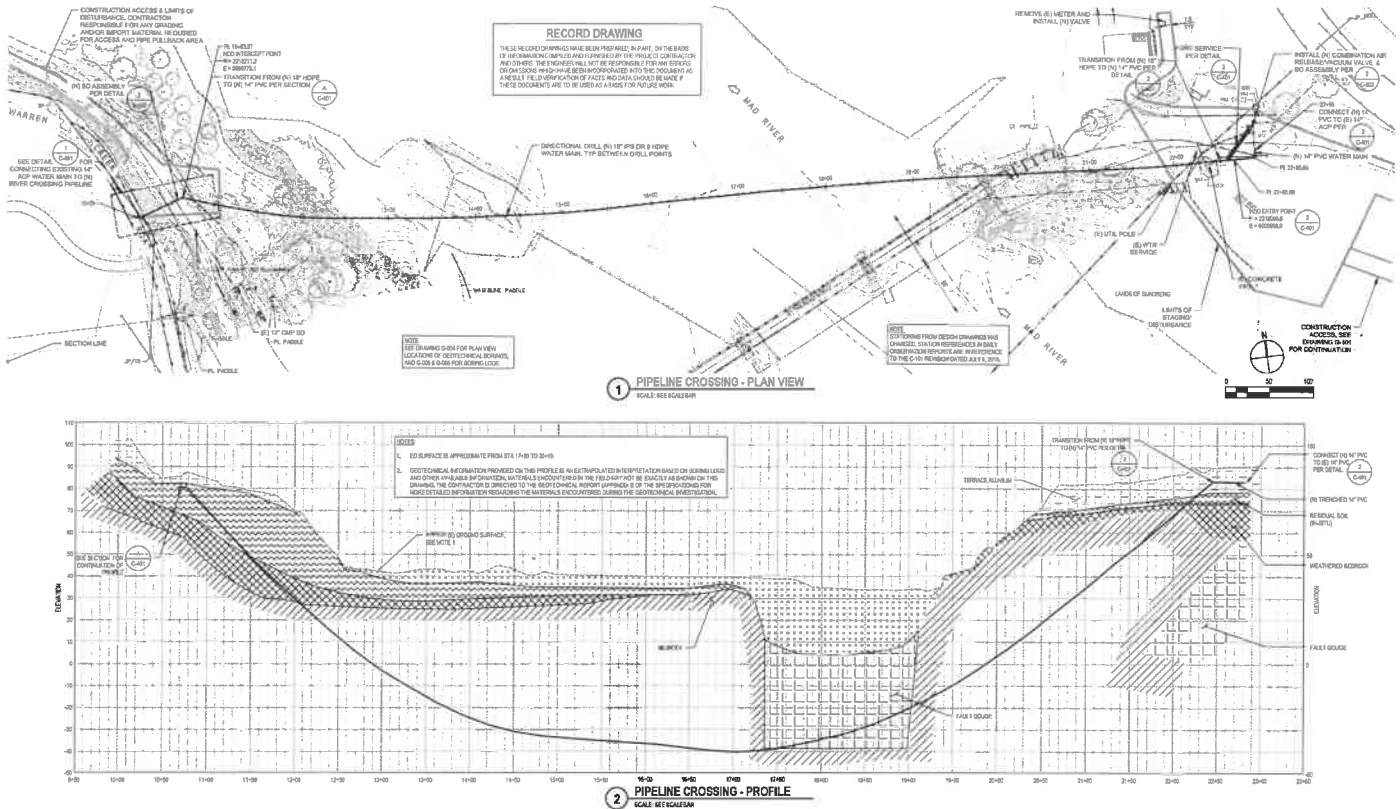
Customers and community first

Through a decades’ long involvement with this important part of community infrastructure, as well as a history of service to the client that goes back even further, GHD and Bennett were able to design a project that ensures continued potable water service to the communities of Blue Lake, Fieldbrook, and Glendale.

The collaborative success of the project has been summarized by John Friedenbach, General Manager for the Humboldt Bay Municipal Water District:

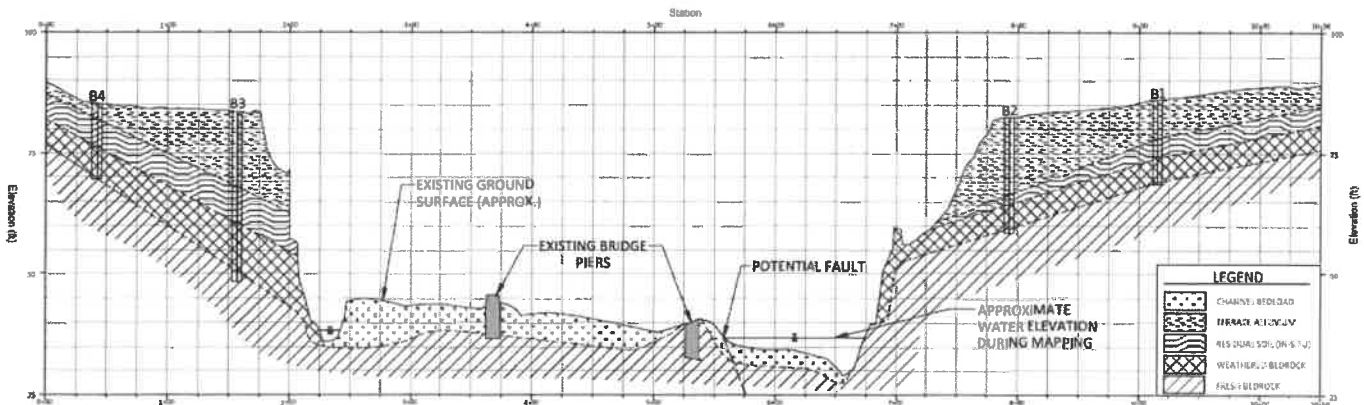
“The project was a major success and key in furthering the District’s mission of reliably delivering high quality drinking water at a reasonable cost to the communities and customers we serve. It replaced the vulnerable and only water main from the District to the City of Blue Lake and the Fieldbrook-Glendale CSD. The District partnered with GHD to secure grant funding from FEMA, CalOES, the State Department of Water Resources, and the Integrated Regional Water Management Program to fully fund the project, passing on the rate savings to our customers.

“The District and GHD also worked closely with Mercer Fraser, J-C General Engineering Contractors, Bennett Trenchless Engineers, Points West Surveying, and Crawford & Associates to successfully design, permit, and construct the project well under budget. It is a prime example of successful public and private partnerships that improve the life of our north coast community.”



Above:
 Pipeline plan and profile

Below:
 Cross section from the first geotechnical analysis



FINANCIAL

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
STATEMENT OF FUND BALANCES

SECTION 2a, PAGE NO. 1

<u>ACCOUNT BALANCES AT MONTH-END</u>	March 31, 2019	March 31, 2018
US BANK ACCOUNTS		
General Fund Account	1,185,014.40	245,827.72
Money Markey Account (DWR/SRF Account)	301,544.86	299,339.95
Money Market Account (DWR/SRF Reserve)	547,336.94	547,336.94
Trust Account (PARS/UAL CalPERS)	668,741.55	-
<i>Subtotal</i>	<i>2,702,637.75</i>	<i>1,092,504.61</i>
HUMBOLDT COUNTY INVESTMENT ACCOUNTS		
Investment Account	1,392,408.02	2,384,465.11
DWFP Reserve Account	237,004.31	232,592.83
MSRA Reserve Account	433,777.05	425,702.95
SRF Loan Payment Account	50,188.75	49,152.21
ReMat Account	351,652.40	135,640.56
1% Tax Account	490,639.36	-
<i>Subtotal</i>	<i>2,955,669.89</i>	<i>3,227,553.66</i>
OTHER ACCOUNTS		
L. A. I. F Account	1,656.41	1,623.79
ReMat Deposit - Mellon Bank	27,000.00	27,000.00
Principle Investment Account	26,801.46	-
Cash on Hand	650.00	650.00
<i>Subtotal</i>	<i>56,107.87</i>	<i>29,273.79</i>
TOTAL CASH	5,714,415.51	4,349,332.06
ENCUMBRANCES AND RESERVES		
Prior-Year Price Factor 2 Rebate	(9,472.20)	(108,622.25)
Prior-Year Restricted AP Encumbrances	-	-
1% Tax Credit to Muni's	(489,961.08)	-
Advanced Charges - IMG Domestic Reservoir Roof	-	(88,661.37)
Advanced Charges - Bunkhouse	(41,051.00)	(403,500.00)
Advanced Charges - SCADA System Upgrade	-	(83,452.98)
Advanced Charges - Blue Lake/FGCSD River Crossing	-	-
Advanced Charges - Redundant Pipeline	(260,245.00)	-
Advanced Charges - Three Tank Seismic	(255,000.00)	-
DWR Reserve for SRF Loan	(547,336.94)	(547,336.94)
DWR Reserve for SRF Payment	(301,544.86)	(299,339.95)
Pension Trust Reserves	(668,741.55)	-
<i>Subtotal</i>	<i>(2,573,352.63)</i>	<i>(1,530,913.49)</i>
BOARD RESTRICTED		
Paik-Nicely Development	(4,158.00)	(4,158.00)
DWFP Reserves	(235,996.76)	(232,592.83)
MSRA Reserves	(431,932.99)	(425,702.95)
ReMat Deposit	(27,000.00)	(27,000.00)
ReMat Reserves	(350,311.34)	(135,640.56)
UNRESTRICTED RESERVES		
Accumulation for SRF Payment	(49,945.50)	(49,152.21)
Accumulation for Ranney/Techite Payment	44,313.06	44,192.24
Principle Investment Reserves	(26,801.46)	-
General Fund Reserves	(2,047,784.14)	(1,988,364.26)
<i>Subtotal</i>	<i>(3,129,617.13)</i>	<i>(2,818,418.57)</i>
TOTAL NET POSITION	(5,702,969.76)	(4,349,332.06)

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MONTHLY EXPENDITURE REPORT - PAGE 1 OF 3
 March 31, 2019

75% Of Budget Year

SALARY AND EMPLOYEE BENEFIT EXPENDITURES (S. E. B.)

	Month-to-Date	Year-to-Date	Prior Year	Budget	% of Budget
Compensation					
Wages - Regular	145,296.84	1,366,451.37	1,388,287.84		
Wages - Sick	9,584.22	19,300.10			
Wages - Vacation	4,424.01	25,583.81			
<i>Subtotal</i>	159,305.07	1,411,335.28	1,388,287.84	2,086,103.00	68%
Wages - Overtime	560.66	19,588.00	16,624.81		
Wages - Holiday	8,687.37	34,108.06	9,392.56		
<i>Subtotal</i>	9,248.03	53,696.06	26,017.37	30,000.00	179%
Wages - Part-Time	1,525.02	28,445.26	28,195.79	35,312.00	81%
Wages - Shift Diff	755.55	7,962.28	6,855.10	11,000.00	72%
Wages - Standby	6,338.69	59,860.67	58,695.57	81,000.00	74%
Director Compensation	2,160.00	16,080.00	16,640.00	26,000.00	62%
Secretarial Fees	262.50	2,100.00	2,362.50	3,200.00	66%
Payroll Tax Expenses	13,913.62	125,951.22	122,387.53	179,037.00	70%
<i>Subtotal</i>	24,955.38	240,399.43	235,136.49	335,549.00	72%
Employee Benefits					
Health, Life, & LTD Insurance	52,683.70	530,994.78	529,023.96	756,903.00	70%
HSA Expense	32.45	35,426.34	27,058.67	26,000.00	136%
Air Medical Insurance	55.00	1,875.00	-	2,149.00	87%
Retiree Medical Insurance	11,353.02	93,112.21	66,420.18	94,822.00	98%
Employee Dental Insurance	2,829.68	27,320.63	26,190.10	39,398.00	69%
Employee Vision Insurance	649.60	6,136.33	5,764.35	7,354.00	83%
Employee EAP	75.20	752.00	747.30	1,023.00	74%
457b District Contribution	2,700.00	23,500.00	22,950.00	30,600.00	77%
CalPERS Expenses	23,026.09	375,184.83	305,753.68	491,948.00	76%
Workers Comp Insurance	5,939.55	56,557.96	35,901.56	77,928.00	73%
<i>Subtotal</i>	99,344.29	1,150,860.08	1,019,809.80	1,528,125.00	75%
TOTAL S.E.B	292,852.77	2,856,290.85	2,669,251.50	3,979,777.00	72%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
MONTHLY EXPENDITURE REPORT - PAGE 2 OF 3

March 31, 2019

75% Of Budget Year

SERVICE & SUPPLY EXPENDITURES (S & S)

	Month-to-Date	Year-to-Date	Prior Year	Budget	% of Budget
Operations & Maintenance					
Auto Maintenance	2,687.75	34,352.17	27,555.79	40,000.00	86%
Engineering	7,339.50	38,389.70	55,029.25	75,000.00	51%
Lab Expenses	550.00	10,640.54	8,131.84	13,000.00	82%
Maintenance & Repairs					
General	171,659.52	210,422.51	168,532.49	45,000.00	468%
TRF	764.70	28,852.61	34,104.57	13,000.00	222%
Subtotal	172,424.22	239,275.12	202,637.06	58,000.00	413%
Materials & Supplies					
General	2,944.54	24,784.92	-	43,000.00	58%
TRF	8,807.59	21,250.25	-	42,000.00	51%
Subtotal	11,752.13	46,035.17	-	85,000.00	54%
Radio Maintenance	724.28	14,738.28	5,813.99	10,500.00	140%
Ruth Lake License	-	1,500.00	1,500.00	1,500.00	100%
Safety Equip./Training					
General	4,617.84	16,110.01	-	20,000.00	81%
TRF	-	1,455.94	-	2,000.00	73%
Subtotal	4,617.84	17,565.95	7,313.99	22,000.00	80%
Tools & Equipment	-	3,236.56	-	5,000.00	65%
USGS Meter Station	-	-	-	7,800.00	0%
Operations Subtotal	200,095.72	405,733.49	300,667.93	317,800.00	128%

General & Administration

Accounting Services	385.00	10,701.00	11,133.00	25,000.00	43%
Bad Debt Expense	-	358.40	-	-	0
Dues & Subscriptions	181.92	24,956.04	24,232.51	19,000.00	131%
General Manager Training	-	1,506.06	997.08	3,000.00	50%
IT & Software Maintenance	978.86	16,927.79	-	29,000.00	58%
Insurance	-	39,911.25	88,698.75	105,000.00	38%
Internet	1,218.27	7,759.92	-	26,500.00	29%
Legal Services	108.50	33,281.25	37,353.69	28,000.00	119%
Miscellaneous	1,828.82	10,810.59	8,792.78	11,500.00	94%
Office Building Maintenance	1,609.75	9,823.84	19,356.94	16,500.00	60%
Office Expense	2,937.39	35,418.35	36,328.56	40,000.00	89%
Professional Services	67.50	10,929.44	2,880.43	20,000.00	55%
Property Tax	-	945.00	998.60	1,100.00	86%
Public Info/Education	-	-	-	-	0

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MONTHLY EXPENDITURE REPORT - PAGE 3 OF 3
 March 31, 2019

75% Of Budget Year

SERVICE & SUPPLY EXPENDITURES (con't)					
Regulatory Agency Fees	738.00	81,172.75	81,798.60	114,000.00	71%
Ruth Lake Programs	-	-	-	5,000.00	0%
Safety Apparel	-	2,868.74	3,307.08	3,000.00	96%
Technical Training	-	4,947.49	5,136.31	14,500.00	34%
Telephone	4,634.81	39,489.75	44,335.43	26,500.00	149%
Travel & Conference	1,675.00	5,347.14	7,163.07	22,000.00	24%
Gen. & Admin. Subtotal	16,364.57	337,154.80	372,512.83	509,600.00	66%

Power					
Essex - PG & E	46,583.34	467,840.90	\$448,505.96		
2Mw Generator Fuel	-	8,756.35	\$0.00		
Subtotal Essex Pumping	46,583.34	476,597.25	448,505.96		
All other PG & E	9,288.12	5,045.38	58,932.22	680,814.00	
Subtotal All Power	55,871.46	481,642.63	507,438.18	680,814.00	71%

Total Service and Supplies incl. Power	272,331.75	1,224,530.92	1,180,618.94	1,508,214.00	81%
---	-------------------	---------------------	---------------------	---------------------	------------

PROJECTS, FIXED ASSETS & CONSULTING SERVICES					
	Month-to-Date	Year-to-Date	Budget	% of Budget	
	225,243.00	2,339,806.00	8,557,693.00	27%	

GRAND TOTAL EXPENSES	790,427.52	6,420,627.77	3,849,870.44	14,045,684.00	46%
-----------------------------	-------------------	---------------------	---------------------	----------------------	------------

Debt Service - SRF Loan	-	(2,736,684.60)			
-------------------------	---	----------------	--	--	--

Debt Service - US Bank	-	(389,965.84)			
------------------------	---	--------------	--	--	--

TOTAL EXPENSES WITH DEBT SERVICE					
	790,807.22	3,301,223.77	3,849,870.44	14,045,684.00	

OTHER EXPENSES					
ReMat Consultant Expenses	379.70	7,246.44	-		

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 PROJECT PROGRESS REPORT
 March 31, 2019

A. CAPITAL PROJECTS

Base Facility Projects	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Replace Collector 1 - Pump 1.2	0	178,829	214,500	83%
Collector Motors/Parts Inventory	83,853	83,853	103,500	81%
Collector Pump Oilers	(203)	1,064	0	0
Generator for Industrial Meter Building Comm. Equip.	0	3,676	4,750	77%
Essex Control Building Flooring Replacement	0	0	6,000	0%
Ruth Hydro Protective Relay Replacement - Phase 2	0	1,904	120,000	2%
12KV -NEPA Process <i>(Additional Funds Below)</i>	0	0	508,013	0%
<i>Subtotal</i>	83,649	269,325	956,763	28%

Drinking Water Treatment Facility Projects

<i>Subtotal</i>	0	0	0.00	0
-----------------	---	---	------	---

Grant and Other Funded Projects

Blue Lake/FGCSD River Crossing <i>(Prop 84 Grant, FEMA Grant, & Adv. Charges)</i>	0	1,201,012	2,515,400	48%
Surge Tower Demolition <i>(FEMA Grant, Adv. Charges, ReMat Reserve)</i>	93	37,288	960,000	4%
12KV -NEPA Process <i>(FEMA Grant, Adv. Charges, and Current Muni Charges)</i>	20,346	29,584	1,216,024	2%
<i>Subtotal</i>	20,439	1,267,884	5,199,437	24%
TOTAL CAPITAL PROJECTS	104,088	1,537,208	6,156,200	25%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
PROJECT PROGRESS REPORT - PAGE 2 OF 6

B. FIXED ASSET PROJECTS

	MTD	YTD		% OF
Base Facility Projects	EXPENSES	TOTAL	BUDGET	BUDGET
Collector 1 Electrical Upgrade	0	0	185,500	0%
Essex- Two Admin. Computers	0	4,198	4,725	89%
Essex - Replace Control System Computers	0	1,738	2,500	70%
Essex - Replace Computer Server Cabinet	6,195	6,937	10,250	68%
Essex - Replace Operations Chairs	0	1,556	1,500	104%
Essex - Ops. Supervisor Ergonomic Desk	0	0	3,500	0%
Replace Unit 1 - Superintendent	0	0	50,000	0%
Boom Truck - Load Moment Indicator	18	18	14,250	0%
Unit 5 (Boom Truck) Air-Ride Seat	0	754	1,500	50%
Portable Gantry System	0	3,227	4,000	81%
Fleet Servicing Equipment	0	1,292	2,500	52%
HEPA Filter Vacuum	0	1,140	1,500	76%
Electrical Testing & Calibration Equipment	0	10,000	11,500	87%
Utility Line Locator	0	6,250	6,250	100%
Ruth HQ Washroom Remodel	0	0	2,500	0%
Ruth Bunkhouse Furnishings	0	0	4,000	0%
Hydro Wicket Gate Hydraulic Control Motor	0	2,082	2,500	83%
Ruth Hydro Oil & Paint Storage Lockers	0	0	2,750	0%
Eureka - Replace Two Admin. Computers	0	3,753	6,250	60%
Eureka - ADA Assisted Listening System	0	0	10,000	0%
Accounting and Financial Software	0	4,981	60,000	8%
Essex - Control & Administrative Networks Backup <i>(Additional Funds Below)</i>	0	0	7,750	0%
Essex - Replace UPSs - Phase 1 <i>(Additional Funds Below)</i>	0	0	24,250	0%
<i>Subtotal</i>	<i>6,213</i>	<i>47,926</i>	<i>419,475</i>	<i>11%</i>
Drinking Water Treatment Facility Projects				
N-Poly Pump Skid Replacement	0	0	12,250	0%
Essex - Control & Admin Networks Backup	13,984	13,984	7,750	180%
Essex - Replace UPSs - Phase 1	0	40,320	9,250	436%
<i>Subtotal</i>	<i>13,984</i>	<i>54,304</i>	<i>29,250</i>	<i>186%</i>
TOTAL FIXED ASSET PROJECTS	20,197	102,230	448,725	23%

C. MAINTENANCE PROJECTS

Base Facility Projects	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Collector 5 Security/Vandalism Protections	0	0	7,500	0%
Pipeline Maintenance	152	847	12,750	7%
12KV Electric System Maintenance	0	0	4,000	0%
Mainline Meter Flow Calibration	0	64	10,000	1%
Technical Support & Software Updates to Include Control System	0	7,094	19,000	37%
Generator Service	0	1,676	3,500	48%
Hazard & Diseased Tree Removal	0	0	6,500	0%
Cathodic Protection	0	0	6,500	0%
Maintenance Emergency Repair	1,201	28,833	50,000	58%
Fleet Paint Repairs	0	0	5,000	0%
Replace Expired Emergency Operations Center Products	0	2,164	2,500	87%
Replace Fleet Emergency Safety Beacons	0	1,678	2,000	84%
Lead Free Brass Inventory	0	0	2,500	0%
Replace 299 Cathodic Anode Well	0	0	172,000	0%
Ruth Lake - Brush Abatement	0	0	6,500	0%
Licensed Timber Operator	0	0	5,000	0%
Log Boom Inspection	0	0	1,000	0%
Ruth Spillway Maintenance	0	27,013	80,000	34%
Ruth HQ - Install Power Pole	0	0	3,750	0%
Ruth HQ & Surrounding Area - Remove Dead/Dying Trees	0	0	20,000	0%
Hydro - Repair PRV Discharge Pipe	0	0	5,500	0%
Howell Bungler Valve Inspection	0	0	1,110	0%
2019 Storm Damage	19,987	19,987	0	
<i>Subtotal</i>	21,339	89,355	426,610	21%
Drinking Water Treatment Facility Projects				
TRF - Generator Service	0	0	500	0%
TRF Limitorque Valve Retrofit - Phase 2	0	10,005	10,250	98%
TRF Water Quality Instr. Parts Inventory	0	6,918	7,250	95%
TRF Water Quality Instruments	0	866	14,750	6%
TRF Chemical System Back Pressure Valves	0	9,329	10,500	89%
<i>Subtotal</i>	0	27,118	43,250	63%
TOTAL MAINTENANCE PROJECTS	21,339	116,473	469,860	25%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
PROJECT PROGRESS REPORT - PAGE 4 OF 6

D. PROFESSIONAL & CONSULTING SERVICES

Base Facility Projects	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Collector 2 Arc Flash Survey and Relay Test	0	0	4,000	0%
Collector 3 Monitoring Well Adndnmnt	0	16,000	26,100	61%
Crane Testing/Certification	0	6,889	7,500	92%
Control/SCADA Software Training	941	7,300	27,750	26%
Technical Training	0	1,316	10,500	13%
Backflow Tester Training	0	1,253	3,000	42%
Essex Mad River Cross-Sectional Survey	0	8,452	10,000	85%
Essex Gravel Bar Maintance and Survey	0	0	2,500	0%
Industrial Pipeline Evaluation	0	0	26,000	0%
Industrial and Domestic System Intertie	266	266	11,000	2%
GIS/Facilities Information System	0	0	12,000	0%
GIS/Facilities Information System - Ruth	0	0	4,600	0%
Dune Monitoring Program - Coastal	0	2,000	2,000	100%
Conservancy Climate Ready Grant	0	0	10,000	0%
Eureka - ADA Compliance Consultation	0	500	5,000	10%
Public Education	0	256	5,000	5%
SGMA - Groundwater Management Plan	0	50,000	50,000	100%
PARS Pension Trust Contribution	0	0	5,000	0%
Water Resources Planning	0	0	5,000	0%
Grant Applications	6,194	29,086	30,000	97%
Ruth Spillway Bridge Inspection	0	0	6,500	0%
Ruth Spillway Maintenance Assistance	0	0	15,000	0%
Hydro ReMat Electrical/Maintenance Insp.	0	0	2,050	0%
FERC EAP Tabletop Exercise-Planning	0	283	2,000	14%
FERC Dam Safety Surveillance & Monitoring Report(DSSMR)/FERC Dam Safety Review (Part 12)	1,370	1,477	3,000	49%
FERC Chief Dam Safety Engineer	250	3,069	10,000	31%
Drone Training <i>(Additional Funds Below)</i>	0	0	2,500	0%
<i>Subtotal</i>	<i>9,020</i>	<i>128,146</i>	<i>293,000</i>	<i>44%</i>
Drinking Water Treatment Facility Projects				
Chlorine System Maintenance	88	14,444	16,750	86%
Drone Training	0	260	2,500	10%
<i>Subtotal</i>	<i>88</i>	<i>14,704</i>	<i>19,250</i>	<i>76%</i>

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
PROJECT PROGRESS REPORT - PAGE 5 OF 6

D. PROFESSIONAL & CONSULTING SERVICES (CONT)

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Grant and Other Funded Projects				
In-Stream Flow <i>(Wildlife Conservation Board Grant)</i>	19,022	70,401	693,408	10%
<i>Subtotal</i>	19,022	70,401	693,408	10%
TOTAL PROFESSIONAL & CONSULTING SERVICES	28,129	213,250	1,028,158	21%

E. INDUSTRIAL SYSTEM PROJECTS

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Base Facility Projects				
Maintain PS6 Water Supply During Low Flow	0	3,891	13,250	29%
<i>Subtotal</i>	0	3,891	13,250	29%
Grant and Other Funded Projects				
Rebuild River Weir at PS6 <i>(ReMat Reserves)</i>	0	3,556	75,000	5%
<i>Subtotal</i>	0	3,556	75,000	5%
TOTAL INDUSTRIAL SYSTEM PROJECTS	0	7,447	88,250	8%

F. CARRY-OVER PROJECTS FROM PRIOR YEAR

Base Facility Projects

Superintendent Office Remodel	0	531	3,000	18%
Mainline Valve Replacement	0	0	130,000	0%
TRF Video Surveillance System <i>(Additional Funds Below)</i>	0	0	5,000	0%
<i>Subtotal</i>	0	531	138,000	0%

Drinking Water Treatment Facility Projects

TRF Video Surveillance System	0	353	25,000	1%
<i>Subtotal</i>	0	353	25,000	1%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
PROJECT PROGRESS REPORT - PAGE 6 OF 6

F. CARRY-OVER PROJECTS FROM PRIOR YEAR (CONT)

Grant and Other Funded Projects	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Replace Ruth Bunkhouse <i>(Advanced Charges)</i>	51,490	362,314	403,500 *	90%
<i>Subtotal</i>	51,490	362,314	403,500	90%
CARRYOVER PROJECTS TOTAL	51,490	363,198	566,500	64%

* Board authorized contract at \$475,000.

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
PROJECTS GRAND TOTAL	225,243	2,339,806	8,757,693	27%
Less Projects Funded from Other Sources (Grants/Loans/Advanced Charges/Reserves)	90,950	1,704,154	6,371,345	27%
PF2 Project Total Charged to Customers excluding Debt Service (US Bank)	134,293	635,653	2,386,348	27%

Total Project Budget:	8,757,693
Amount Charged to Customers:	2,386,348
Annual Debt Service Charges*:	162,200
Actual Customer Charges:	2,548,548

*Ranney Collector 3 and Techite Pipeline Replacement Projects were partially funded with a 10-year loan. Only the annual debt service for these projects is charged to customers.

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 3/1/2019-3/31/2019Page: 1
Apr 05, 2019 12:33PM

Vendor Name	Date Paid	Description	Amount Paid
101NETLINK			
101NETLINK	03/07/2019	<i>Ruth Data Link/Internet</i>	160.00
Total 101NETLINK:			160.00
ACWA/JPIA			
ACWA/JPIA	03/22/2019	<i>RETIREE MEDICAL</i>	11,353.02
ACWA/JPIA	03/22/2019	<i>COBRA Dental</i>	164.12
ACWA/JPIA	03/22/2019	<i>COBRA Vision</i>	55.68
Total ACWA/JPIA:			11,572.82
Advanced Display & Signs			
Advanced Display & Signs	03/28/2019	<i>Industrial Water Reservoir Overflow Wa</i>	99.52
Total Advanced Display & Signs:			99.52
Advanced Security Systems			
Advanced Security Systems	03/29/2019	<i>Replace Alarm System Battery Essex Offi</i>	119.83
Advanced Security Systems	03/29/2019	<i>Replace Smoke Detector Eureka Office</i>	192.65
Advanced Security Systems	03/29/2019	<i>Replace Fire Alarm Bell at Essex</i>	151.19
Total Advanced Security Systems:			463.67
AirGas NCN			
AirGas NCN	03/07/2019	<i>safety equipment maintenance</i>	523.62
AirGas NCN	03/07/2019	<i>maintenance supplies</i>	15.57
Total AirGas NCN:			539.19
Almquist Lumber			
Almquist Lumber	03/29/2019	<i>Superintendent office remodel</i>	19.33
Total Almquist Lumber:			19.33
AT & T			
AT & T	03/18/2019	<i>Eureka/Essex Land Line</i>	35.04
AT & T	03/18/2019	<i>Arcata/Essex Land Line</i>	35.04
AT & T	03/18/2019	<i>Samoa/Essex Land Line</i>	234.99
AT & T	03/18/2019	<i>Blue Lake Meter Signal Line</i>	60.51
AT & T	03/18/2019	<i>Eureka Office Modem Line</i>	195.82
AT & T	03/18/2019	<i>Eureka Office Alarm Line</i>	110.02
AT & T	03/18/2019	<i>Samoa Booster Pump Station</i>	110.95
AT & T	03/18/2019	<i>TRF</i>	190.87
AT & T	03/18/2019	<i>Valve Building Samoa</i>	195.82
AT & T	03/18/2019	<i>Eureka Office</i>	449.08
AT & T	03/18/2019	<i>Essex office</i>	1,122.71
AT & T	03/18/2019	<i>Ruth Hydro/Dataline</i>	190.06
Total AT & T:			2,930.91
AT&T Advertising Solutions			
AT&T Advertising Solutions	03/28/2019	<i>white page listing</i>	21.00
Total AT&T Advertising Solutions:			21.00

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 3/1/2019-3/31/2019Page: 2
Apr 05, 2019 12:33PM

Vendor Name	Date Paid	Description	Amount Paid
AT&T Long Distance			
AT&T Long Distance	03/12/2019	<i>Essex Control Long Distance</i>	110.33
AT&T Long Distance	03/12/2019	<i>TRF Long Distance</i>	6.90
AT&T Long Distance	03/12/2019	<i>Essex Office Long Distance</i>	374.39
AT&T Long Distance	03/12/2019	<i>Eureka Office Long Distance</i>	6.70
AT&T Long Distance	03/12/2019	<i>Ruth Hydro/Dataline Long Distance</i>	274.31
AT&T Long Distance	03/12/2019	<i>Eureka Office Long Distance</i>	175.63
Total AT&T Long Distance:			948.26
ATS Communications			
ATS Communications	03/28/2019	<i>Backup Solution for Essex Control & Ad</i>	5,643.98
ATS Communications	03/28/2019	<i>Backup Solution for Essex Control & Ad</i>	8,340.00
Total ATS Communications:			13,983.98
Bay Tank Metal Fabrication			
Bay Tank Metal Fabrication	03/28/2019	<i>Industrial Water System Overflow Warni</i>	166.06
Total Bay Tank Metal Fabrication:			166.06
California Heating			
California Heating	03/28/2019	<i>Replace Essex Computer Server Cabinet</i>	6,195.00
Total California Heating:			6,195.00
Citi Cards			
Citi Cards	03/28/2019	<i>Eureka office supplies</i>	157.24
Citi Cards	03/28/2019	<i>Ruth Cabin Supplies</i>	28.19
Total Citi Cards:			185.43
City of Eureka			
City of Eureka	03/07/2019	<i>Eureka office water/sewer</i>	83.00
Total City of Eureka:			83.00
Coast Counties Truck & Equipment Company			
Coast Counties Truck & Equipment Compan	03/28/2019	<i>Unit 10 maintenannce</i>	223.89
Coast Counties Truck & Equipment Compan	03/28/2019	<i>Unit 10 maintenannce</i>	33.37
Total Coast Counties Truck & Equipment Company:			257.26
Coastal Business Systems Inc.			
Coastal Business Systems Inc.	03/12/2019	<i>Eureka office copy and fax machine</i>	940.53
Total Coastal Business Systems Inc.:			940.53
Crane Control Systems LLC			
Crane Control Systems LLC	03/15/2019	<i>Install Load System on Unit 5 Crane</i>	6,313.36
Total Crane Control Systems LLC:			6,313.36
Crane Warning Systems Atlanta, Inc			
Crane Warning Systems Atlanta, Inc	03/18/2019	<i>Load Moment Indicator Unit 5 Boom Tru</i>	7,499.97

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 3/1/2019-3/31/2019Page: 3
Apr 05, 2019 12:33PM

Vendor Name	Date Paid	Description	Amount Paid
Total Crane Warning Systems Atlanta, Inc:			7,499.97
Dave Perkins			
Dave Perkins	03/07/2019	auto mileage reimbursement	139.43
Total Dave Perkins:			139.43
David J. Corral			
David J. Corral	03/07/2019	Travel Advance - SCADA/Control Softwa	313.50
Total David J. Corral:			313.50
Dept of Toxic Substances Control			
Dept of Toxic Substances Control	03/12/2019	HAZ Mat - Ruth HQ FA5000188	284.00
Dept of Toxic Substances Control	03/12/2019	HAZMat - Ruth Hydro FA5000187	454.00
Total Dept of Toxic Substances Control:			738.00
Downey Brand Attorneys LLP			
Downey Brand Attorneys LLP	03/28/2019	Streambed Flow Enhancement Grant	462.00
Total Downey Brand Attorneys LLP:			462.00
Ellis Art & Engineering Supplies			
Ellis Art & Engineering Supplies	03/28/2019	copy DSSMR map	51.00
Total Ellis Art & Engineering Supplies:			51.00
Eureka Glass Co.			
Eureka Glass Co.	03/28/2019	Industrial Water System Overflow signs	28.64
Total Eureka Glass Co.:			28.64
Eureka Oxygen			
Eureka Oxygen	03/18/2019	cylinder rental	101.32
Total Eureka Oxygen:			101.32
Fastenal Company			
Fastenal Company	03/29/2019	safety supplies	76.25
Total Fastenal Company:			76.25
FEDEX			
FEDEX	03/28/2019	return lab equipment	20.66
Total FEDEX:			20.66
FleetPride			
FleetPride	03/29/2019	vehicle maintenance	25.21
FleetPride	03/29/2019	Zieman Trailer Maintenance	44.40
Total FleetPride:			69.61
Frontier Communications			
Frontier Communications	03/28/2019	Ruth HQ Phone	53.94

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 3/1/2019-3/31/2019Page: 4
Apr 05, 2019 12:33PM

Vendor Name	Date Paid	Description	Amount Paid
Frontier Communications	03/28/2019	<i>Ruth Hydro/Ruth Dataline</i>	167.11
Total Frontier Communications:			221.05
GEI Consultants, Inc			
GEI Consultants, Inc	03/28/2019	<i>FERC Dam Safety Engineer</i>	249.75
Total GEI Consultants, Inc:			249.75
GHD			
GHD	03/29/2019	<i>Surge Tower Replacement</i>	5,442.25
GHD	03/29/2019	<i>General Engineering - Ruth Spillway</i>	105.50
GHD	03/29/2019	<i>General Engineering -Essex</i>	3,113.75
GHD	03/29/2019	<i>General Engineering - Eureka</i>	527.50
GHD	03/29/2019	<i>Grant Application - Emergency Generato</i>	1,793.50
GHD	03/29/2019	<i>Grant Application - TRF Emergency Gen</i>	738.50
GHD	03/29/2019	<i>Ruth Hydro DSSMR Review</i>	1,318.75
GHD	03/29/2019	<i>Stream Flow Enhancement - WCB Grant</i>	8,829.25
GHD	03/29/2019	<i>12KV Switchgear Replacement -Grant</i>	20,345.75
GHD	03/29/2019	<i>Grant Application - Chlorine Scrubber</i>	3,662.00
GHD	03/29/2019	<i>Dam Break Inundation Mapping</i>	2,388.75
GHD	03/29/2019	<i>Grant Application - IRWMP</i>	1,204.00
GHD	03/29/2019	<i>Emergency Repair Collector Cable Car</i>	9,994.50
GHD	03/29/2019	<i>Emergency Repair Collector 4 Bank Stab</i>	9,992.00
Total GHD:			69,456.00
GR Sundberg, Inc			
GR Sundberg, Inc	03/28/2019	<i>Emergency Collector 4 Pipeline Protecti</i>	17,887.41
GR Sundberg, Inc	03/28/2019	<i>Emergency Collector 4 Pipeline Protecti</i>	45,287.18
GR Sundberg, Inc	03/28/2019	<i>Emergency Collector 4 Pipeline Protecti</i>	45,470.74
GR Sundberg, Inc	03/28/2019	<i>Emergency Collector 4 Pipeline Protecti</i>	38,154.06
GR Sundberg, Inc	03/28/2019	<i>Emergency Collector 4 Pipeline Protecti</i>	18,680.76
GR Sundberg, Inc	03/28/2019	<i>Emergency Collector 4 Pipeline Protecti</i>	2,642.37
Total GR Sundberg, Inc:			168,122.52
H.T. Harvey & Associates			
H.T. Harvey & Associates	03/07/2019	<i>Assistance with Streambed Flow Enhanc</i>	8,545.25
Total H.T. Harvey & Associates:			8,545.25
Hach Company			
Hach Company	03/15/2019	<i>Lab turbidimeter repair</i>	199.92
Total Hach Company:			199.92
Harbor Freight Tools			
Harbor Freight Tools	03/29/2019	<i>maintenance supplies</i>	10.80
Total Harbor Freight Tools:			10.80
Health Equity Inc			
Health Equity Inc	03/07/2019	<i>March Administrative Fees</i>	32.45
Total Health Equity Inc:			32.45

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 3/1/2019-3/31/2019Page: 5
Apr 05, 2019 12:33PM

Vendor Name	Date Paid	Description	Amount Paid
Henwood Associates, Inc			
Henwood Associates, Inc	03/13/2019	Consultant Services Agreement	189.85
Total Henwood Associates, Inc:			189.85
Humboldt County Treasurer			
Humboldt County Treasurer	03/13/2019	Fund No 2712 Account 800870	6,089.03
Humboldt County Treasurer	03/29/2019	Fund No 3876 Account 800870	45,611.43
Total Humboldt County Treasurer:			51,700.46
Humboldt Fasteners			
Humboldt Fasteners	03/07/2019	Drill Repair	15.73
Humboldt Fasteners	03/07/2019	Drill Repair	44.28
Total Humboldt Fasteners:			60.01
Humboldt Redwood Company, LLC			
Humboldt Redwood Company, LLC	03/07/2019	Mt Pierce Lease site	274.28
Total Humboldt Redwood Company, LLC:			274.28
Humboldt Waste Management Authority			
Humboldt Waste Management Authority	03/29/2019	dispose of hazardous waste	130.00
Total Humboldt Waste Management Authority:			130.00
Hummel Tire & Wheel			
Hummel Tire & Wheel	03/28/2019	Unit 6 tires	407.17
Hummel Tire & Wheel	03/28/2019	Unit 6 tires	407.17
Total Hummel Tire & Wheel:			814.34
Industrial Electric			
Industrial Electric	03/29/2019	Chlorine System Booster Pump Installati	87.73
Total Industrial Electric:			87.73
JTN Energy, LLC			
JTN Energy, LLC	03/13/2019	Consultant Services Agreement	189.85
Total JTN Energy, LLC:			189.85
Kernen Construction			
Kernen Construction	03/07/2019	Pipeline Maintenance	151.93
Kernen Construction	03/29/2019	TRF Line Shed maintenance	164.19
Total Kernen Construction:			316.12
Lisa Newell			
Lisa Newell	03/07/2019	auto mileage reimbursement	20.65
Total Lisa Newell:			20.65
Lui Ahmad			
Lui Ahmad	03/07/2019	Travel Advance - SCADA/Control Softwa	313.50

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 3/1/2019-3/31/2019Page: 6
Apr 05, 2019 12:33PM

Vendor Name	Date Paid	Description	Amount Paid
Total Lui Ahmad:			313.50
McJunkin Corporation			
McJunkin Corporation	03/29/2019	Replace TRF Output Adapter	242.44
Total McJunkin Corporation:			242.44
Mendes Supply Company			
Mendes Supply Company	03/28/2019	Eureka office maintenance	49.10
Total Mendes Supply Company:			49.10
Miller Farms Nursery			
Miller Farms Nursery	03/29/2019	TRF Tree Removal - Grass Reseed	69.81
Miller Farms Nursery	03/29/2019	replace air compressor motor	387.85
Total Miller Farms Nursery:			457.66
Mission Linen			
Mission Linen	03/07/2019	Uniform Rental	87.42
Mission Linen	03/07/2019	maintenance supplies	58.55
Mission Linen	03/07/2019	maintenance supplies	23.00
Mission Linen	03/07/2019	Uniform Rental	110.31
Mission Linen	03/07/2019	maintenance supplies	31.74
Mission Linen	03/07/2019	Uniform Rental	87.42
Mission Linen	03/07/2019	maintenance supplies	11.50
Mission Linen	03/07/2019	Uniform Rental	110.31
Total Mission Linen:			520.25
Mitchell, Brisso, Delaney & Vrieze			
Mitchell, Brisso, Delaney & Vrieze	03/07/2019	Legal Services- February 2019	108.50
Mitchell, Brisso, Delaney & Vrieze	03/07/2019	Legal services - Surge Tower Replaceme	93.00
Total Mitchell, Brisso, Delaney & Vrieze:			201.50
Munnell & Sherrill, Inc.			
Munnell & Sherrill, Inc.	03/07/2019	Pump Station 6 Gantry Crane repair	12.95
Total Munnell & Sherrill, Inc.:			12.95
Napa Auto Parts			
Napa Auto Parts	03/07/2019	vehicle maintenance	51.80
Napa Auto Parts	03/29/2019	maintenance shop supplies	21.43
Napa Auto Parts	03/29/2019	Load Moment Indicator Unit 5	17.62
Napa Auto Parts	03/29/2019	replace dump trailer battery	148.55
Napa Auto Parts	03/29/2019	Credit - Core deposit Dump trailer batter	19.53-
Napa Auto Parts	03/29/2019	air compresssor maintenance	38.50
Napa Auto Parts	03/29/2019	equipment maintenance	419.16
Napa Auto Parts	03/29/2019	equipment maintenance - part return	41.02-
Total Napa Auto Parts:			636.51
Network Management Services			
Network Management Services	03/28/2019	Computer Assistance - Eureka office	67.50
Network Management Services	03/28/2019	Essential Care Computer Service for Eur	1,086.19

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 3/1/2019-3/31/2019Page: 7
Apr 05, 2019 12:33PM

Vendor Name	Date Paid	Description	Amount Paid
Total Network Management Services:			1,153.69
North Coast Laboratories			
North Coast Laboratories	03/07/2019	lab tests	70.00
North Coast Laboratories	03/07/2019	lab tests	70.00
North Coast Laboratories	03/07/2019	lab tests	200.00
North Coast Laboratories	03/07/2019	lab tests	70.00
North Coast Laboratories	03/07/2019	lab tests	70.00
North Coast Laboratories	03/07/2019	lab tests	70.00
Total North Coast Laboratories:			550.00
Northern California Safety Consortium			
Northern California Safety Consortium	03/15/2019	membership fee	50.00
Total Northern California Safety Consortium:			50.00
NTU Technologies, Inc			
NTU Technologies, Inc	03/28/2019	TRF chemical supplies	1,816.43
Total NTU Technologies, Inc:			1,816.43
Occupational Health Services of Mad Rive			
Occupational Health Services of Mad Rive	03/07/2019	DMV physical/Annual Hearing & Respir	155.00
Occupational Health Services of Mad Rive	03/07/2019	DMV physical/Annual Hearing & Respir	155.00
Occupational Health Services of Mad Rive	03/07/2019	Annual Hearing and Respirator Exam	3,150.00
Total Occupational Health Services of Mad Rive:			3,460.00
Pacific Gas & Electric Co.			
Pacific Gas & Electric Co.	03/14/2019	Ruth Bunkhouse	53.23
Pacific Gas & Electric Co.	03/14/2019	Eureka office	502.45
Pacific Gas & Electric Co.	03/14/2019	Jackson Ranch Rectifier	15.49
Pacific Gas & Electric Co.	03/14/2019	299 Rectifier	88.79
Pacific Gas & Electric Co.	03/14/2019	West End Road Rectifier	114.70
Pacific Gas & Electric Co.	03/14/2019	TRF	7,992.30
Pacific Gas & Electric Co.	03/14/2019	Ruth Hydro Valve Control	25.50
Pacific Gas & Electric Co.	03/14/2019	Ruth Hydro	22.27
Pacific Gas & Electric Co.	03/14/2019	Samoa Booster Pump Station	437.11
Pacific Gas & Electric Co.	03/14/2019	Samoa Dial Station	36.28
Pacific Gas & Electric Co.	03/14/2019	Essex Pumping 2/1 - 2/28/2019	46,583.34
Total Pacific Gas & Electric Co.:			55,871.46
Pacific Paper Co.			
Pacific Paper Co.	03/07/2019	Eureka office supplies	360.04
Total Pacific Paper Co.:			360.04
Pacific Water Resources			
Pacific Water Resources	03/28/2019	Emergency Collector Motors and Shaftin	83,852.57
Total Pacific Water Resources:			83,852.57
Peterson Tractor Co.			
Peterson Tractor Co.	03/29/2019	Cat equipment keys	19.14

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 3/1/2019-3/31/2019Page: 8
Apr 05, 2019 12:33PM

Vendor Name	Date Paid	Description	Amount Paid
Total Peterson Tractor Co.:			19.14
Picky, Picky, Picky, Inc			
Picky, Picky, Picky, Inc	03/28/2019	Safety Boots for Bill Wardrip	165.99
Total Picky, Picky, Picky, Inc:			165.99
Pitney Bowes			
Pitney Bowes	03/13/2019	postage meter supplies	63.90
Total Pitney Bowes:			63.90
PitStop Cleaning`			
PitStop Cleaning`	03/28/2019	Eureka office cleaning	160.00
PitStop Cleaning`	03/07/2019	Eureka office cleaning	160.00
Total PitStop Cleaning`:			320.00
Platt Electric Supply			
Platt Electric Supply	03/29/2019	Essex lighting replacement	188.62
Platt Electric Supply	03/29/2019	TRF wiring FCV-577	262.40
Platt Electric Supply	03/29/2019	Essex lighting replacement	83.06
Platt Electric Supply	03/29/2019	Essex lighting replacement	473.94
Total Platt Electric Supply:			841.90
R.J. Ricciardi, Inc, CPAs			
R.J. Ricciardi, Inc, CPAs	03/28/2019	Annual Financial Audit FY17/18	385.00
Total R.J. Ricciardi, Inc, CPAs:			385.00
Rebecca J. Moyle			
Rebecca J. Moyle	03/28/2019	Eureka office petty cash	.15
Rebecca J. Moyle	03/28/2019	Eureka office petty cash	36.88
Rebecca J. Moyle	03/28/2019	Eureka office petty cash	31.34
Rebecca J. Moyle	03/28/2019	Eureka office petty cash	23.75
Rebecca J. Moyle	03/28/2019	Eureka office petty cash	16.88
Rebecca J. Moyle	03/28/2019	Eureka office petty cash	22.62
Total Rebecca J. Moyle:			131.62
Recology Arcata			
Recology Arcata	03/18/2019	Essex Garbage Service	512.83
Total Recology Arcata:			512.83
Recology Humboldt County			
Recology Humboldt County	03/12/2019	Eureka office garbage/recycling service	90.72
Total Recology Humboldt County:			90.72
Renner Petroleum			
Renner Petroleum	03/28/2019	Fuel Hose for Diesel Transfer Tank - Uni	20.61
Renner Petroleum	03/28/2019	Fuel Hose for Diesel Transfer Tank - Uni	20.61
Renner Petroleum	03/28/2019	Fuel Hose for Diesel Transfer Tank	41.22
Renner Petroleum	03/07/2019	cardlock fuel - pumping & control	306.39

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 3/1/2019-3/31/2019Page: 9
Apr 05, 2019 12:33PM

Vendor Name	Date Paid	Description	Amount Paid
Renner Petroleum	03/07/2019	cardlock fuel - water quality	306.40
Renner Petroleum	03/07/2019	cardlock fuel - maintenance	306.40
Renner Petroleum	03/07/2019	cardlock fuel - customer service (Humbol	79.66
Renner Petroleum	03/07/2019	cardlock fuel - customer service (Fieldbr	226.74
Total Renner Petroleum:			1,308.03
Ruth Lake C.S.D.			
Ruth Lake C.S.D.	03/28/2019	Quagga Grant expense reimbursement -	38,926.07
Total Ruth Lake C.S.D.:			38,926.07
Ryan Chairez			
Ryan Chairez	03/07/2019	Travel Advance - SCADA/Control Softwa	313.50
Total Ryan Chairez:			313.50
Sitestar Nationwide Internet			
Sitestar Nationwide Internet	03/07/2019	Essex Internet	105.80
Total Sitestar Nationwide Internet:			105.80
Six Rivers Communications			
Six Rivers Communications	03/28/2019	Program Maintenance Shop Handheld R	200.00
Total Six Rivers Communications:			200.00
Stillwater Sciences			
Stillwater Sciences	03/28/2019	professional assistance -Streambed Flow	1,185.00
Total Stillwater Sciences:			1,185.00
Sudden Link			
Sudden Link	03/07/2019	Essex internet	126.94
Sudden Link	03/07/2019	TRF Internet	107.33
Sudden Link	03/07/2019	Eureka office Internet	206.94
Sudden Link	03/29/2019	Fieldbrook-Glendale CSD Internet	276.99
Sudden Link	03/29/2019	Essex internet	126.94
Total Sudden Link:			845.14
SWRCB			
SWRCB	03/15/2019	Collector 4 Emergency Application Proc	200.00
Total SWRCB:			200.00
Telstar Instruments, Inc			
Telstar Instruments, Inc	03/07/2019	TRF lab supplies	540.81
Total Telstar Instruments, Inc:			540.81
Thatcher Company, Inc			
Thatcher Company, Inc	03/28/2019	replenish TRF chemicals	6,450.35
Thatcher Company, Inc	03/28/2019	replenish chlorine	2,371.72
Thatcher Company, Inc	03/28/2019	replenish chlorine	1,000.00-

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 3/1/2019-3/31/2019Page: 10
Apr 05, 2019 12:33PM

Vendor Name	Date Paid	Description	Amount Paid
Total Thatcher Company, Inc:			7,822.07
The Mill Yard			
The Mill Yard	03/29/2019	Small equipment storage	166.85
The Mill Yard	03/29/2019	Small equipment storage	20.66
The Mill Yard	03/29/2019	Small equipment storage	22.95
Total The Mill Yard:			210.46
The Times-Standard			
The Times-Standard	03/07/2019	notice of public hearing - Ordinance 22	466.56
Total The Times-Standard:			466.56
Three G's			
Three G's	03/28/2019	Reseed @ TRF after tree removal	25.86
Total Three G's:			25.86
Thrifty Supply			
Thrifty Supply	03/29/2019	Pipecutter maintenance	90.47
Thrifty Supply	03/29/2019	Collectors Pump Oilers	203.08
Total Thrifty Supply:			293.55
Trinity County General Services			
Trinity County General Services	03/28/2019	Pickett Peak site lease	250.00
Total Trinity County General Services:			250.00
Trinity County Solid Waste			
Trinity County Solid Waste	03/18/2019	Ruth HQ dump fees	4.77
Trinity County Solid Waste	03/18/2019	Ruth Hydro dump fees	4.78
Total Trinity County Solid Waste:			9.55
U.S. Bank Corporate Payment System			
U.S. Bank Corporate Payment System	03/12/2019	ACWA Conference Registration- J. Fried	725.00
U.S. Bank Corporate Payment System	03/12/2019	Network Solutions - Professional Web H	181.92
U.S. Bank Corporate Payment System	03/12/2019	ACWA Conference Registration - N. Latt	950.00
U.S. Bank Corporate Payment System	03/12/2019	Eureka office supplies	28.95
U.S. Bank Corporate Payment System	03/12/2019	Position Advertisement - Operations &	145.00
U.S. Bank Corporate Payment System	03/12/2019	Position Advertisement - Operations &	185.00
U.S. Bank Corporate Payment System	03/12/2019	Position Advertisement - Operations &	285.00
U.S. Bank Corporate Payment System	03/12/2019	Position Advertisement - Operations &	105.00
U.S. Bank Corporate Payment System	03/12/2019	Position Advertisement - Operations &	125.00
U.S. Bank Corporate Payment System	03/12/2019	Position Advertisement - Operations &	200.00
U.S. Bank Corporate Payment System	03/12/2019	Ruth Hydro Hydraulic System Repair	445.20
U.S. Bank Corporate Payment System	03/12/2019	Essex office supplies	145.53
U.S. Bank Corporate Payment System	03/12/2019	Chains for Unit 11	112.25
U.S. Bank Corporate Payment System	03/12/2019	AirMed Renewal	55.00
U.S. Bank Corporate Payment System	03/12/2019	Office Wise Purchase Order Software	39.95
U.S. Bank Corporate Payment System	03/12/2019	Eureka office supplies	72.56
U.S. Bank Corporate Payment System	03/12/2019	Eureka office supplies - Humboldt Bay R	118.94
U.S. Bank Corporate Payment System	03/12/2019	Maintenance shop supplies	41.95
U.S. Bank Corporate Payment System	03/12/2019	Storm Damage Repair - Work Crew Supp	50.54

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 3/1/2019-3/31/2019Page: 11
Apr 05, 2019 12:33PM

Vendor Name	Date Paid	Description	Amount Paid
U.S. Bank Corporate Payment System	03/12/2019	<i>Storm Damage Repairs - Diesel Transfer</i>	890.95
U.S. Bank Corporate Payment System	03/12/2019	<i>Diesel Transfer Tank Signage</i>	20.00
U.S. Bank Corporate Payment System	03/12/2019	<i>Flashlight maintenance - Safety supplies</i>	42.32
Total U.S. Bank Corporate Payment System:			4,966.06
United Rentals, Inc			
United Rentals, Inc	03/28/2019	<i>Temporary fencing at Axel Property</i>	185.29
Total United Rentals, Inc:			185.29
USA Blue Book			
USA Blue Book	03/29/2019	<i>customer service supplies</i>	47.80
USA Blue Book	03/29/2019	<i>customer service supplies</i>	16.80
USA Blue Book	03/29/2019	<i>customer service supplies</i>	20.72
USA Blue Book	03/29/2019	<i>customer service supplies</i>	58.96
Total USA Blue Book:			144.28
USTI, Inc			
USTI, Inc	03/28/2019	<i>eBill charges Fieldbrook-Glendale CSD</i>	17.12
Total USTI, Inc:			17.12
Valley Pacific Petroleum Servi, Inc			
Valley Pacific Petroleum Servi, Inc	03/28/2019	<i>Fuel for Ruth HQ auxillary generator</i>	759.17
Total Valley Pacific Petroleum Servi, Inc:			759.17
Verizon Wireless			
Verizon Wireless	03/12/2019	<i>General Manager</i>	38.32
Verizon Wireless	03/12/2019	<i>Customer Service-Humboldt Bay</i>	13.10
Verizon Wireless	03/12/2019	<i>Customer Service - Fieldbrook-Glendale</i>	37.27
Verizon Wireless	03/12/2019	<i>Operations 2</i>	.18
Verizon Wireless	03/12/2019	<i>Electrician</i>	.18
Verizon Wireless	03/12/2019	<i>Unit 6 - Ruth Area</i>	42.68
Verizon Wireless	03/12/2019	<i>Unit 6 - Ruth Hydro</i>	42.68
Verizon Wireless	03/12/2019	<i>Operations 1</i>	.18
Total Verizon Wireless:			174.59
William B. Newell			
William B. Newell	03/12/2019	<i>Expense Reimbursement - Ruth HQ wate</i>	84.30
Total William B. Newell:			84.30
Zemarc Corporation			
Zemarc Corporation	03/28/2019	<i>Ruth Hydro Oil Sample Kits</i>	886.25
Total Zemarc Corporation:			886.25
Grand Totals:			566,999.39

Humboldt Bay Municipal Water District

--Monthly Overtime Report--
Pay period dates: 3/1/2019 - 3/31/2019Page: 1
Apr 05, 2019 12:45PM

Position Title	2-01 Overtime Emp Hrs	2-01 Overtime Emp Amt	2-02 Doubletime Emp Hrs	2-02 Doubletime Emp Amt
Customer Srvc	.50	\$14	.00	\$0
Actg/HR Spec	4.50	\$303	.00	\$0
Total ADMIN:	5.00	\$317	.00	\$0
Elec & Ins Tech	4.00	\$209	.00	\$0
Elec & Ins Tech	.50	\$28	.00	\$0
Oper & Mnt Tech	.50	\$26	.00	\$0
Total ESSEX:	5.00	\$263	.00	\$0
Hydro Oper Ruth	2.00	\$119	.00	\$0
Total RUTH:	2.00	\$119	.00	\$0
Grand Totals:	12.00	\$699	.00	\$0

To: Board of Directors
From: Chris Harris
Date: April 16, 2019
Re: Audit for the year ended June 30, 2018

Discussion

FY2017-18 Audit

For the audit of fiscal year 2018, staff has again worked with Michael O’Conner from R. J. Ricciardi, Inc., located in San Rafael, California. The entire process was very smooth and staff is pleased the District has received another “no findings” result.

President Woo and staff will be meeting with Mr. O’Conner on Monday, April 15th after reviewing the draft audit document provided in the Blue Book for the April 16th Board Meeting. Any changes, questions, or suggestions that arise from this meeting will be brought to the full Board during the April 16th meeting.

Mr. O’Conner will also be in attendance at the April 16th Board Meeting to present the audit and answer any questions the Board may have.

Extension of Professional Services Agreement

After the local firm Hunter, Hunter, and Hunt ceased auditing the District, a Request for Proposals (RFP) for audit services was issued in early 2016. After reviewing the responses, the Directors selected R. J. Ricciardi, Inc. CPA Firm for a three-year professional services agreement (June 9th, 2016 Board Meeting). The three year included audits for the years ending June 30, 2016-2018. This audit represents the third and final year of this three-year agreement.

Government Code section 12410.6.(b) states that commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013-14 fiscal year. The Controller may waive this requirement if he or she finds that another eligible public accounting firm is not available to perform the audit.

Based on past performance, staff recommends requesting a quote from the R. J. Ricciardi, Inc. CPA Firm for an additional three years of audit services. This quote would be reviewed and discussed at the May 16th, 2019 Board Meeting.

Recommendation

- Staff recommends acceptance of the FY2017-18 audit.
- Staff recommends requesting a quote from R. J. Ricciardi, Inc. for an additional three years of audit services.

Attached

Draft Audit for the year ended 6/30/18

**HUMBOLDT BAY MUNICIPAL
WATER DISTRICT**

EUREKA, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis (Unaudited)	3-10
Basic Financial Statements	
Statement of Net Position	11
Statement of Revenues, Expenses, and Changes in Net Position	12
Statement of Cash Flows	13
Notes to Basic Financial Statements	14-33
Required Supplemental Information	
Schedule of the Proportionate Share of Net Pension Liability (Asset)	34
Schedule of Contributions	35
Schedule of Change in the Net OPEB Liability and Related Ratios	36
Schedule of Humboldt Bay Municipal Water District's Contributions – OPEB	37
Other Supplemental Information	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	38-39

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Humboldt Bay Municipal Water District
Eureka, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the major fund of Humboldt Bay Municipal Water District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Humboldt Bay Municipal Water District's basic financial statements as listed in the table of contents. The prior year summarized information has been derived from Humboldt Bay Municipal Water District's June 30, 2017 financial statements and, in our report dated April 11, 2017, we expressed an unmodified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to Humboldt Bay Municipal Water District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Humboldt Bay Municipal Water District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of Humboldt Bay Municipal Water District, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-10) and the required supplementary information (page 34-37), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April XX, 2019, on our consideration of Humboldt Bay Municipal Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Humboldt Bay Municipal Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Humboldt Bay Municipal Water District's internal control over financial reporting and compliance.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California

Humboldt Bay Municipal Water District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2018

The purpose of this section of the financial statements is to present management's discussion and analysis of the Humboldt Bay Municipal Water District's (District) financial performance during the fiscal year that ended on June 30, 2018. We recommend that readers review this in conjunction with the remainder of the financial statements.

INTRODUCTION AND BACKGROUND

We would first like to provide a brief overview of the District and the customers served which will provide a context for the financial statements and the discussion which follows.

The Regional Water System:

The District was formed in 1956 pursuant to the Municipal Water District Act of the California Water Code. The District completed construction of the regional water system in 1961, and service commenced to the Cities of Eureka and Arcata and two pulp mills on the Samoa Peninsula. Since the initial construction, a number of additions and improvements to the regional system have been made, and additional wholesale customers have joined the regional system. Since inception, this regional water system has efficiently and reliably served the municipal and industrial water needs of customers in the Humboldt Bay region.

The regional water system includes the following components: R.W. Matthews Dam (which forms Ruth Lake) and the Gosselin Power House, in Trinity County; and the following facilities in Humboldt County: 1) diversion works on the Mad River northeast of Arcata capable of supplying 75 million gallons per day, 2) treatment facilities, including the Lloyd L. Hecathorn Turbidity Reduction Facility, 3) over 35 miles of pipeline infrastructure around the Humboldt Bay area to deliver water to the wholesale customers, and 4) extensive communication and control systems to operate and control the regional system including the John R. Winzler Operations and Control Center.

Customers Served and Associated Wholesale Water Contracts:

The District supplies treated domestic water to seven municipal agencies on a wholesale basis. The municipalities served by the District are the Cities of: Arcata, Blue Lake and Eureka, and the Community Services Districts of: Fieldbrook/Glendale, Humboldt, Manila and McKinleyville. Via the wholesale relationship, the District serves water to an estimated residential population of 88,000 (approximately 65% of the entire County), and to numerous businesses, industries and educational institutions.

The District provides retail water service to about 200 customers who reside outside the service territory of other water purveyors, but are located in close proximity to District facilities.

The District also has facilities to supply untreated water to customers on the Samoa Peninsula. The District was serving one wholesale industrial customer (pulp mill) until it ceased operations on October 15, 2008.

The District has long-term contracts in place with each of its seven wholesale municipal customers. These 20-year contracts were recently amended, and have an effective date of July 1, 2017. These contracts will be in place until June 30, 2037, with an opportunity to extend for another ten years.

These contracts define the terms and conditions by which the District provides water service to its customers. The contracts specify that all operating, maintenance and capital costs associated with the regional water system are paid for by the wholesale customers. The contracts also specify the manner in which these costs are allocated *among* the wholesale customers. Furthermore, they specify that most revenues received by the District, other than those associated with wholesale water sales, are credited back to the wholesale customers, and thus offset the costs that the wholesale customers otherwise pay. Examples of such revenues which are credited back to the wholesale customers include the District's share of 1% property taxes, a portion of power sales from the hydro-electric facility, interest income, revenues associated with retail water service, and other miscellaneous revenues.

A summary of the current cost allocation provisions of the wholesale contract is as follows:

Humboldt Bay Municipal Water District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 For the Year Ended June 30, 2018

Type of Cost	Municipal Customers' Cost Share	Industrial Customer(s) Cost Share
Debt Service for Turbidity Reduction Facility	100%	0%
Operation, Maintenance and Capital Expenditures associated with drinking water treatment facilities (i.e. facilities associated with providing safe drinking water in accordance with federal and state requirements)	100%	0%
Operation, Maintenance and Capital Expenditures associated with all other aspects of the regional water supply, pumping and distribution system (other than power for pumping water) *Change in % due to pulp mill closure.	55% increased to 100% effective April 1, 2009*	45% decreased to 0% effective April 1, 2009*
Power Costs for Pumping Water	In proportion to actual power use.	n/a

Additionally, the wholesale contracts provide that "Additions to Reserves" may be charged to the wholesale customers should the District need to replenish its General Reserve level. There were \$100,000 in charges for additions to reserves to the wholesale customers for both FY2014-15 and FY2015-16; \$200,000 in FY2016-17, and in FY2017-18 the charges for additions to reserves to the wholesale customers was \$350,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of several components: a) the Statements of Net Position, b) the Statements of Revenues, Expenses, and Changes in Net Position, and c) the Statements of Cash Flows. These financial statements present the District's financial position on an enterprise fund basis. An enterprise fund accounts for goods or services which are provided to outside parties – in the District's case, this is wholesale and retail water service.

BASIC FINANCIAL STATEMENTS

The financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements offer short- and long-term financial information about District activities.

The Statement of Net Position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

Humboldt Bay Municipal Water District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2018

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the results of the District's operations over the past year and can be used to determine the District's general financial well-being and whether the District has recovered its costs through its water charges.

The final financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and the changes in cash resulting from operations and investments. It also provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

There may be minor rounding differences between the following tables and the financial statements.

FINANCIAL HIGHLIGHTS

- The District's net position was \$20,513,368 as of June 30, 2018, a decrease of (\$2,542,737) compared to June 30, 2017.
- Revenues were \$7,913,077, a decrease of (\$608,370) from FY 2016-17.
- Expenses were \$7,385,502, an increase of \$1,370,479 from FY 2016-17.

DISCUSSION AND ANALYSIS

Our analysis of the District begins on page 10 of the financial statements. The Statements of Net Position present information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. A summary of the District's Condensed Statements of Net Position is presented in Table 1 on the next page.

Humboldt Bay Municipal Water District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 For the Year Ended June 30, 2018

TABLE 1				
CONDENSED STATEMENTS OF NET POSITION				
ASSETS	FY 2017-2018	FY 2016-2017	Change	
			\$	%
Current Assets	\$2,058,966	\$2,291,029	(\$232,063)	-10.13%
Restricted Cash & Investments	3,274,380	3,906,466	(632,086)	-16.18%
Land, Property & Equipment (net Accum. Depr.)	25,191,635	24,322,674	868,961	3.57%
Total Assets	30,524,981	30,520,169	4,812	0.02%
Deferred Outflows of Resources	1,281,831	957,042	324,789	33.94%
LIABILITIES				
Current Liabilities	1,247,501	1,323,361	(75,860)	-5.73%
Unearned grant revenue	-	-	-	0.00%
Post-Retirement Health Benefits Obligation	4,057,579	796,174	3,261,405	409.63%
Net Pension Liability	3,011,029	2,602,142	408,887	15.71%
Long-term Debt	2,852,969	3,549,293	(696,324)	-19.62%
Total Liabilities	11,169,078	8,270,970	2,898,108	35.04%
Deferred Inflows of Resources	124,366	150,136	(25,770)	-17.16%
NET POSITION				
Net Investment in Capital Assets	21,642,340	20,080,839	1,561,501	7.78%
Restricted (for debt service)	710,329	708,671	1,658	0.23%
Restricted (for capital projects)	918,610	1,765,845	(847,235)	-47.98%
Restricted (for credits to municipalities)	38,662	445,412	(406,750)	-91.32%
Unrestricted	(2,796,573)	55,338	(2,851,911)	-5,153.62%
TOTAL NET POSITION	\$20,513,368	\$23,056,105	(\$2,542,737)	-11.03%

As can be seen from the table above, the net position as of June 30, 2018 was \$20,513,368, a decrease of (\$2,542,737) as compared to June 30, 2017. The majority of this decrease is related to the implementation of GASB 75 related to post employment retiree health benefits.

The largest portion of the District's net position is its investment in capital assets called property and equipment (e.g., land, buildings, equipment, and water system infrastructure), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide water services to its wholesale and retail customers, and consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to satisfy these liabilities.

The Statements of Revenues, Expenses, and Changes in Net Position (page 12) present information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes, or earned but unused vacation leave).

Humboldt Bay Municipal Water District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 For the Year Ended June 30, 2018

A summary of the District's Condensed Statements of Revenues, Expenses, and Changes in Net Position is presented in Table 2.

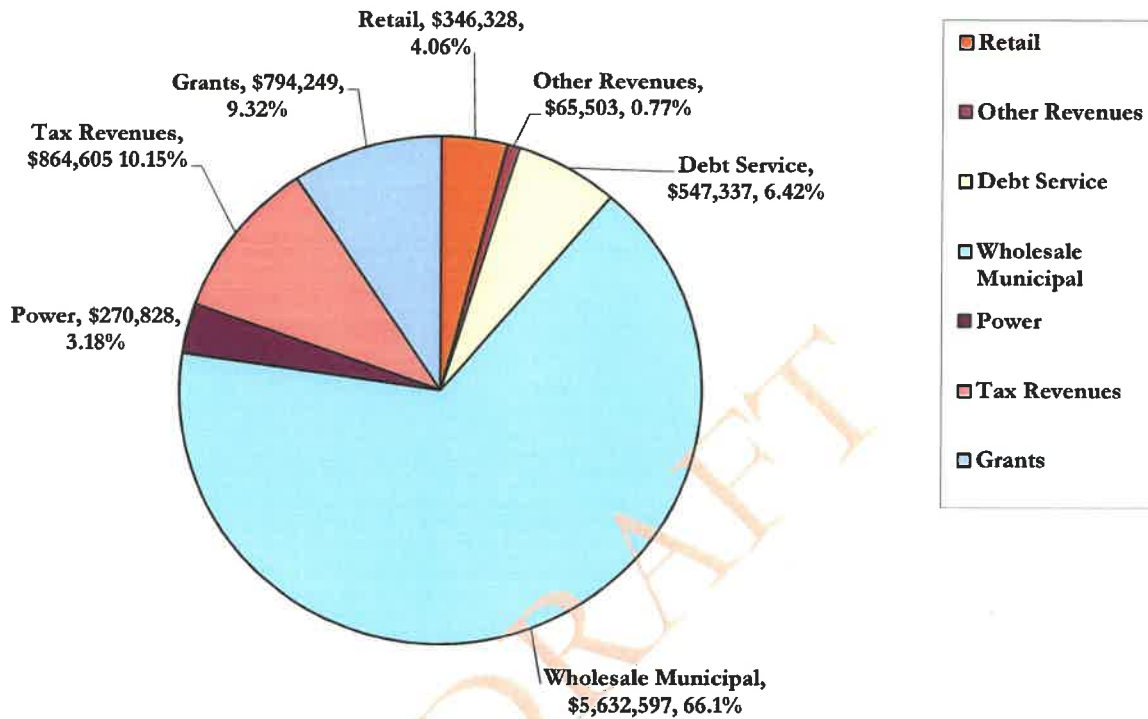
TABLE 2				
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION				
	FY 2017-2018	FY 2016-2017	Change	
			\$	%
REVENUES				
*Operating:				
Water Sales	\$5,491,931	\$5,978,925	(\$486,994)	-8.15%
Power Sales	424,774	270,828	153,946	56.84%
SRF Debt Service Receipt	547,337	547,337	-	0.00%
Other Operating	19,255	18,674	581	3.11%
*Non-Operating:				
Taxes	854,051	864,605	(10,554)	-1.22%
Interest Income	49,325	46,829	2,496	5.33%
Grant Revenues	526,404	794,249	(267,845)	-33.72%
Total Revenues	7,913,077	8,521,447	(608,370)	-7.14%
EXPENSES				
Operating expense	6,348,732	4,999,669	1,349,063	26.98%
Non-operating expense	11,047	18,275	(7,228)	-39.55%
Depreciation	1,261,601	1,246,326	15,275	1.23%
Less Reimbursements	(235,878)	(249,247)	13,369	-5.36%
Total Expenses	7,385,502	6,015,023	1,370,479	22.78%
Change in Net Position	527,575	2,506,424	(1,978,849)	-78.95%
Beginning Net Position	19,985,793	20,549,681	(563,888)	-2.74%
Ending Net Position	\$20,513,368	\$23,056,105	(\$2,542,737)	-11.03%

While the Statements of Net Position show the changes in financial position, the Statements of Revenues, Expenses, and Changes in Net Position explain the nature and source of these changes. As shown in Table 2, the change in net position decreased by (\$2,542,737) compared to the prior year. The changes in revenues and expenses which contributed to this change in net position are reflected in the above line-item detail.

As a supplement to the Statements of Revenues, Expenses, and Changes in Net Position, Chart 1 presents operating and non-operating revenues earned in FY 2017-18 by category along with the proportionate share of the total revenue each category represents. The total revenues reflected in Chart 1 are \$7,913,077. The municipal customer receipts of \$547,337 for repayment of the District's SRF Loan for the Turbidity Reduction Facility, which is further described in the subsequent Long-Term Debt section and the grant funding receipts of \$526,404, are associated with repayment of long-term debt and special funding respectively and not current operations. The major fluctuations in revenues and expenses relate to the increased grant funding and related expenditures. The power revenue was higher due in part to increased rainfall and in part to a full-year of ReMat contract revenue.

Humboldt Bay Municipal Water District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 For the Year Ended June 30, 2018

Chart 1 Revenues Received by Category for FY 2017-18



Total Revenues \$8,521,447

PROPERTY AND EQUIPMENT

The District has invested approximately \$61,600,000 in a broad range of infrastructure for the regional water system. Table 3 presents a summary of the District's property and equipment. The total increase in the current year property and equipment additions in the amount of \$2,130,562 is mostly attributable to the *Buildings & Improvements in Progress* account. That account balance was \$903,252 at June 30, 2018, a decrease of \$2,296,581 at year-end.

Humboldt Bay Municipal Water District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 For the Year Ended June 30, 2018

	FY 2017- 2018	FY 2016- 2017	Change	
			\$	%
Buildings	\$2,388,724	\$1,709,024	\$679,700	39.77%
Equip - Auto/Mobile/Office/Radio/Tools	2,511,934	2,827,168	(315,234)	-11.15%
Water System Infrastructure (excludes land)	59,205,496	55,368,978	3,836,518	6.93%
Total Property and Equipment	64,106,154	59,905,170	4,200,984	7.01%
Less Accumulated Depreciation	(41,189,743)	(40,154,301)	(1,035,442)	2.58%
Add Projects in Progress	903,252	3,199,833	(2,296,581)	-71.77%
Total Property & Equipment (net of depr)	\$23,819,663	\$22,950,702	\$868,961	3.79%

LONG-TERM DEBT

At June 30, 2018 year-end, the District has two long-term notes payable outstanding for a total amount of \$3,400,305. The first has an outstanding balance of \$3,010,353. This is the SRF Loan used to finance the Turbidity Reduction Facility. The SRF loan carries no interest (i.e. zero percent), and has a repayment term of 20 years. The initial SRF loan balance at its inception in 2004 was \$10,946,736. The debt service for the SRF Loan is paid in its entirety by the District's wholesale municipal customers in accordance with the wholesale water contracts (via Price Factor 1).

The second note payable has an outstanding balance of \$389,952. This is the Water System Improvement Loan or U.S. Bank loan, used to finance various improvements to the water system consisting generally of well and pump improvements, and pipeline replacement. The U.S. Bank loan carries interest at 2.63%, and has a repayment term of 10 years. The District makes semi-annual payments of \$81,094 including principal and interest to U.S. Bank, for a resulting annual payment of \$162,188. The Water System Improvement loan balance at its inception in 2011 was \$1,418,000. The debt service for the Water System Improvement Loan is paid in its entirety by the District's wholesale municipal customers in accordance with the wholesale water contracts (via Price Factor 2).

DESCRIPTION OF CURRENTLY KNOWN FACTS OR CONDITIONS THAT MAY HAVE A SIGNIFICANT EFFECT ON THE FINANCIAL POSITION OR RESULTS OF OPERATIONS

Pulp Mill Closure

On October 15, 2008 (FY2008-09), the District's only industrial customer, Evergreen Pulp, shut down its pulp mill. The pulp mill was sold on February 6, 2009 to Samoa Acquisition Corporation (SAC). The District had an interim agreement with the new owner until April 30, 2009. The District shut off the water supply to the mill on May 1, 2009. The mill is not expected to reopen in the foreseeable future. This industrial property was recently acquired by the Humboldt Bay Harbor Recreation and Conservation District for development.

The mill had been paying 45% of the District's operation, maintenance, and capital expenditure costs associated with all aspects of the regional water supply except for the drinking water treatment facilities. For 2008-09, the mill's contribution to the cost of the regional water system would have been approximately \$1.1 million.

Under the terms of the District's Ordinance 16 contracts, costs were shifted to the remaining wholesale customers (seven municipal agencies) beginning April 1, 2009. Whereas the municipalities had previously been paying 55% of costs, they now pay 100%.

In order to replace the revenue that was being generated by its former industrial customers, the District continues to search for possible new customers or uses for the water that is now available. Any water use options that are deemed feasible will likely take several years to implement.

Capital Improvement Program

The District has implemented a substantial capital improvement program (CIP) given the age of its infrastructure (50 years). Mechanisms to finance CIP projects include pursuing grant funding, issuing new long-term debt, and working with wholesale municipal customers to increase revenues through water rates.

The first completed large infrastructure project undertaken was the Ranney Collector #3 Rehabilitation project. For financing purposes this was bundled with the Techite Pipeline Replacement project. Total projected funding needs of \$5,165,000 were met using a combination of Federal Emergency Management Agency (FEMA) grant funding, reserve funds, advance charges collected from the municipal customers, and bank loan.

The Emergency Intertie project was a multijurisdictional project led by the District. The project partners are: HBMWD, the City of Arcata, the City of Eureka and the McKinleyville Community Services District. This project installed new water transmission interconnections between the agencies to allow for water supply redundancy in the event of a supply line disruption. A State of California Department of Public Health Proposition 50 grant in the amount of \$3,648,550 was received for this project. The construction was completed during FY2014-15 and the assets created via this construction project were transferred to the respective agencies in accordance with the terms and conditions of the Special Facilities Agreement (May 3, 2013).

The next significant infrastructure project was the replacement of the 1MG domestic reservoir roof. This tank has been in service for almost fifty years and was showing signs of stress and corrosion. This project replaced the entire roof and repainted the reservoir to extend its' life another 40-50 years. This project was completed in FY2017-18. Funding for this project was a combination of advance charges collected from the municipal customers and by the District through water rates.

The replacement of the District's pipeline that crosses over the Mad River to serve the City of Blue Lake and the Fieldbrook-Glendale Community Services District is the next large scheduled CIP project. The project cost is estimated to be \$3,573,000. To complete this project, the District has been awarded a State of California Department of Water Resources Proposition 84 grant via the North Coast Integrated Regional Water Management Plan in the amount of \$700,000. Similar to the Techite Replacement project (above), the District has received a FEMA Hazard Mitigation grant in the amount of \$2,679,750. This project went out to bid in FY2017-18 and was completed early FY2018-19.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have a question about this report or need additional financial information, contact the Business Manager or General Manager at Humboldt Bay Municipal Water District, 828 Seventh Street, Eureka, California, 95501.

BASIC FINANCIAL STATEMENTS

DRAFT

Humboldt Bay Municipal Water District
STATEMENT OF NET POSITION
 June 30, 2018
 (With Comparative Totals for June 30, 2017)

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and investments	\$ 717,598	\$ 1,303,374
Restricted cash and investments:	3,274,380	3,906,466
Total cash and investments	<u>3,991,978</u>	<u>5,209,840</u>
Accounts receivable	612,431	609,814
Interest receivable	-	12,265
Grants Receivable	540,722	183,038
Inventory	51,928	47,153
Prepaid items	136,287	135,385
Total current assets	<u>5,333,346</u>	<u>6,197,495</u>
Capital assets:		
Non-depreciable assets	2,275,224	4,571,805
Depreciable assets (net of depreciation)	<u>22,916,411</u>	<u>19,750,869</u>
Total assets	<u>30,524,981</u>	<u>30,520,169</u>
<u>DEFERRED OUTFLOWS</u>		
Deferred outflows related to pensions	1,196,311	957,042
Deferred outflows related to pensions	85,520	-
Total deferred outflows	<u>1,281,831</u>	<u>957,042</u>
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Accounts payable	97,631	212,032
Compensated absences	316,887	284,539
Accrued expenses	<u>136,659</u>	<u>134,308</u>
Total current liabilities	<u>551,177</u>	<u>630,879</u>
Long-term liabilities:		
Due within one year	696,324	692,482
Due in more than one year	2,852,969	3,549,293
Other post-employment benefits	4,057,579	796,174
Net pension liability	<u>3,011,029</u>	<u>2,602,142</u>
Total long-term liabilities	<u>10,617,901</u>	<u>7,640,091</u>
Total liabilities	<u>11,169,078</u>	<u>8,270,970</u>
<u>DEFERRED INFLOWS</u>		
Deferred inflows related to pensions	<u>124,366</u>	<u>150,136</u>
Net position:		
Invested in capital assets, net of related debt	21,642,340	20,080,839
Restricted for debt service	710,329	708,671
Restricted for capital projects	918,610	1,765,845
Restricted for credits to municipalities	38,662	445,412
Unrestricted	<u>(2,796,573)</u>	<u>55,338</u>
Total net position	<u>\$ 20,513,368</u>	<u>\$ 23,056,105</u>

The accompanying notes are an integral part of these financial statements.

Humboldt Bay Municipal Water District
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
 For the Year Ended June 30, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018	2017
Operating revenues:		
Municipal customer water sales	\$ 5,187,851	\$ 5,632,597
Retail customer water sales	304,080	346,328
Debt service receipts	547,337	547,337
Total water sales	6,039,268	6,526,262
Power sales	424,774	270,828
Other operating revenues	19,255	18,674
Total operating revenues	6,483,297	6,815,764
Operating expenses:		
Salaries and benefits	3,700,094	2,883,081
Employee retirement contributions	578,193	432,030
Power and pumping	672,751	688,010
Engineering	124,340	108,895
Materials and supplies	87,364	133,534
Repairs and maintenance	310,522	178,873
Auto and travel expenses	49,411	37,523
Insurance	42,777	89,601
Legal and accounting fees	84,210	25,780
Professional assistance	140,136	82,115
Tax and license	138,960	113,922
Training	81,767	61,569
Bad debt	-	215
Other operating expenses	338,207	164,521
Depreciation	1,261,601	1,246,326
Total operating expenses before reimbursements	7,610,333	6,245,995
Reimbursements for services and costs	(235,878)	(249,247)
Total operating expenses	7,374,455	5,996,748
Operating income (loss)	(891,158)	819,016
Non-operating revenues (expenses):		
Tax revenues	854,051	864,605
Grant revenues	526,404	794,249
Interest revenues	49,325	46,829
Interest expense	(11,047)	(18,275)
Total non-operating revenues (expenses)	1,418,733	1,687,408
Changes in net position	527,575	2,506,424
Net position, beginning of period	23,056,105	20,549,681
Prior period adjustment	(3,070,312)	-
Net position, beginning of period restated	19,985,793	20,549,681
Net position, end of period	\$ 20,513,368	\$ 23,056,105

The accompanying notes are an integral part of these financial statements.

Humboldt Bay Municipal Water District
STATEMENT OF CASH FLOWS
 For the Year Ended June 30, 2018

(With Comparative Totals for the Year Ended June 30, 2017)

	2018	2017
Cash flows from operating activities:		
Receipts from customers	\$ 6,716,558	\$ 6,779,145
Payments to suppliers	(2,190,523)	(1,407,098)
Payments to employees	(3,994,167)	(3,315,111)
Net cash provided (used) by operating activities	<u>531,868</u>	<u>2,056,936</u>
Cash flows from non-capital financing activities:		
Taxes and assessments	854,051	864,605
Net cash provided (used) by non-capital financing activities	<u>854,051</u>	<u>864,605</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,130,562)	(2,975,156)
Receipts of capital grants	168,720	639,164
Interest expense	(11,047)	(18,275)
Payment on current portion of bonds	(692,482)	(688,803)
Net cash provided (used) by capital and related financing activities	<u>(2,665,371)</u>	<u>(3,043,070)</u>
Cash flows from investing activities:		
Interest earned	61,590	55,549
Net cash provided by investing activities	<u>61,590</u>	<u>55,549</u>
Net increase (decrease) in cash and cash equivalents	(1,217,862)	(65,980)
Cash and cash equivalents - beginning of period	<u>5,209,840</u>	<u>5,275,820</u>
Cash and cash equivalents - end of period	<u>\$ 3,991,978</u>	<u>\$ 5,209,840</u>
Reconciliation of operating income (loss) to net cash provided (used in) operating activities:		
Operating income (loss)	\$ (891,158)	\$ 819,016
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,261,601	1,246,326
Changes in certain assets and liabilities:		
Accounts receivable	(2,617)	(36,619)
Inventory	(4,775)	27,484
Prepaid items	(902)	(34,189)
Accounts payable	(114,401)	6,334
Accrued expenses	2,351	(1,519)
Compensated absences	32,348	10,686
Deferred outflows	(324,789)	(549,040)
Deferred inflows	(25,770)	(26,728)
Net pension liability	408,887	599,832
Other post-employment benefits	191,093	25,358
Unearned income	-	(30,005)
Net cash provided (used) by operating activities	<u>\$ 531,868</u>	<u>\$ 2,056,936</u>

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Humboldt Bay Municipal Water District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This summary of significant accounting policies of the District is presented to assist in understanding the financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The District has no oversight responsibility over any other governmental unit and is not included in any other governmental "reporting entity" as defined in GASB pronouncements. The Board of Directors are elected by the public and have the decision-making authority to levy taxes, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

B. Nature of Activities

The District is a state-authorized special purpose government established to provide water services to the Humboldt Bay region. It was formed in 1956 under provisions of the Municipal Water District Act of 1911. The District provides retail water service to residential customers, and it contracts with seven municipal agencies for the purchase of treated domestic water for resale.

C. Basis of Presentation

The financial statements required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 63, include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

The District utilizes an enterprise fund, which is a proprietary fund type. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds account for goods or services that are provided to outside parties. The District has elected to use the reporting model for special-purpose governments engaged only in business-type activities. In accordance with the business-type activities reporting model, the District prepares its statement of cash flows using the direct method.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to the timing of the recognition of revenues and expenditures in the accounts and their reporting in the financial statements.

Proprietary fund types are accounted for on an economic resources measurement focus using the accrual basis of accounting in which revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus/Basis of Accounting (concluded)

The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the District are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's practice to first use specifically designated restricted resources before using unrestricted resources.

E. Allowance for Doubtful Accounts

The District evaluates the collectability of water sales and grants receivable in order to determine the allowance for doubtful accounts. As of June 30, 2018, the District determined that the various receivables are fully collectible and recorded \$0 for the allowance for doubtful accounts. Based on historical experience, the District does not expect amounts to become uncollectible, however if they are, they will be charged to operations as a bad debt expense. The impact of any bad debt expense recorded in the future is expected to be immaterial to the financial statements.

F. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

G. Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs - other than quoted prices included within level 1 - that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The District's investment policy has been to invest idle cash in demand deposits, time deposits and the Humboldt County Treasurer's Investment Pool. Investments are reported at fair value. The County Pool is operated in accordance with applicable state laws and regulations, and the reported value of the District's investment in the County Pool is the same as the fair value of the pool shares.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Fair Value Hierarchy (concluded)

State statutes authorize the District to invest in obligations of the U.S. Treasury, Federal Agency obligations, commercial paper, the LAIF and other instruments. The Loan and Installment Agreement underlying the issuance of Loans and Installment Purchase Agreements authorize permitted investments consistent with the State of California Government Code but broader in scope than the District's usual investment practices.

The District accounts for cash equivalents in the Humboldt County Treasurer's Investment Pool and the LAIF Pool at cost. Management considers the difference between book value and fair value immaterial. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

H. Capital Assets

Capital assets are defined as assets with an initial cost of \$5,000 and projects costing \$5,000 or more. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets that individually may be below threshold amounts are capitalized if collectively they are above the threshold amount.

Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction, when significant. The costs of betterments or repairs that extend the life of a capital asset are added to capital accounts.

Depreciation of all exhaustible capital assets is charged as an expense against operations, with accumulated depreciation reflected in the statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Dam, pipeline, buildings, water collection system, South Bay extension, Fieldbrook extension, Blue Lake extension, Lindley extension, Essex diversion, hydro plant penstock and piping	40 Years
Pump station and related facilities	10 - 40 Years
Hydro plant turbine and generators	20 Years
Tools and shop equipment, office equipment, pipeline connections, and hydro switchgear and controls	10 Years
Radio communication system and computers	5 Years
Vehicles	5 - 10 Years
Supplemental construction - except valves	40 Years
Supplemental construction - valves	20 Years

I. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Investments

The District's adopted investment policy seeks to promote the safety of principal, provide adequate liquidity for operational needs, earn market rates of return on investments consistent with liquidity needs and investment quality, and conform to legal requirements.

The District follows the authority governing investments for municipal governments set forth in the California Government Code, Sections 53601 through 53686. The Code authorizes the District to invest in obligations of the U.S. Treasury in the form of notes, bonds, bills or instruments for which the faith and credit of the United States are pledged for payment. The District may also invest in registered treasury notes, or bonds of the State of California and commercial paper of "prime" quality as defined by California Government Code Section 53635 and as rated by Standard and Poors Corporation or Moody's Commercial Paper Record.

The District's investment policy states that the District will structure its portfolio to meet cash requirements for ongoing operations thereby avoiding the need to sell securities prior to their maturity. The policy does not place formal limits on investment maturities.

K. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period.

L. Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets - consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position - net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by creditors, grantors, laws, or regulations. The District has restricted net position for debt service, advance charges related to capital projects per contracts, and for revenue credits to the seven municipal customers per Ordinance 16.

Unrestricted net position - consists of all other net position that does not meet the definition of "net investment in capital assets" or "restricted net position" and is available for general use by the District. A net position deficit of \$2,796,573 exists at June 30, 2018.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

SECTION J2b, PAGE NO. 22

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

M. Property Taxes

The lien date for secured property taxes is March 1 of each year. Taxes are levied as of July 1 on all secured real property and are due and payable November 1 and February 1 of the following fiscal year. Humboldt County is responsible for assessing, collecting, and distributing property taxes in accordance with enabling legislation.

Since the passage of California Proposition 13, beginning with fiscal year 1978-79, taxes are based either on a 1% rate applied to the 1975-76 assessed value of the property, or on 1% of the sales price of the property on sales transactions and construction which occur after the 1975-76 assessment. Assessed values on properties (exclusive of increases related to sales transactions and improvements) can rise at a maximum of 2% per year. The amount collected by the County is distributed in accordance with State law to the various public agencies. Therefore, the District does not levy a specific tax rate but receives a share of the property tax revenue based on State formula. The District's tax rate is \$1.00/\$100 of assessed value, the maximum allowable under Proposition 13.

During fiscal year 1993-94, an alternate method of property tax allocation (the "Teeter Plan") was adopted by the County. Under this plan, the county auditor/controller distributes 100 percent of current secured taxes billed to taxing entities during the current year, whether collected or not. The District recognizes property tax revenues (including tax increment revenues) to the extent of each year's tax allocation received or to be received within 60 days after the end of each fiscal year.

N. Restricted Assets

Assets that are restricted as to withdrawal or use for other than current operations, for the liquidation of long-term debts or for expenditure in the acquisition or construction of capital assets are separately reported as restricted assets and not as current assets.

O. Pension

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publically available reports that can be obtained.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENT

Cash, cash equivalents, and investment at June 30, 2018, consist of the following:

	<u>2018</u>	<u>2017</u>
Cash:		
Demand accounts	\$ 509,274	\$ 967,686
State Treasurer's Pool (LAIF)	1,630	1,611
County investment pool	<u>206,694</u>	<u>334,077</u>
Total	<u>\$ 717,598</u>	<u>\$ 1,303,374</u>
	<u>2018</u>	<u>2017</u>
Restricted cash:		
U.S. Bank demand accounts	\$ 970,657	\$ 708,671
County investment pool	<u>2,303,723</u>	<u>3,197,795</u>
Total	<u>\$ 3,274,380</u>	<u>\$ 3,906,466</u>

The U.S. Bank commercial checking account balances are carried at cost. One of the U.S. Bank money market accounts is restricted for servicing the Safe Drinking Water State Revolving Fund (SRF) loan (see Note 7). The District transfers \$136,834 quarterly from a fund in the Humboldt County Treasurer's Investment Pool to the restricted U.S. Bank money market account. U.S. Bank, acting as a fiscal agent, administers the semiannual loan payments for a total annual payment of \$547,337.

Restricted cash and cash equivalents include restrictions imposed by creditors, grantors, laws, regulations, and designations imposed by the Board of Directors. Restricted cash and cash equivalents in the Humboldt County Treasurer's Investment Pool are as follows:

	<u>2018</u>	<u>2017</u>
Restricted for debt service	\$ 49,817	\$ 48,785
Restricted for municipalities	415,547	465,452
Restricted for capital projects	<u>1,838,359</u>	<u>2,683,558</u>
Total restricted cash in County Pool	<u>\$ 2,303,723</u>	<u>\$ 3,197,795</u>

Custodial Credit Risk - Deposits:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of a counter-party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law this collateral is held in the District's name and places the District ahead of general creditors of the institution. The District has waived collateral requirements for the portion of deposits covered by federal depository insurance.

All monies in the Humboldt County Treasurer's Pool are not evidenced by specific securities; and therefore are not subject to custodial credit risk. The average number of days to maturity for investments in the County Pool is 644 days.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENT (concluded)

The following is a summary of the fair value hierarchy of the fair value of investments of the District as of June 30, 2018:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Exempt</u>	<u>Total</u>
Demand Accounts	\$ -	\$ -	\$ 1,479,931	\$ 1,479,931
State Treasurer's Pool (LAIF)	-	1,630	-	1,630
County investment pool	-	<u>2,510,417</u>	-	<u>2,510,417</u>
Total Investments	<u>\$ -</u>	<u>\$ 2,512,047</u>	<u>\$ 1,479,931</u>	<u>\$ 3,991,978</u>

Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Humboldt County Treasurer's Pool and LAIF are classified in Level 2 of the fair value hierarchy, is valued using quoted prices for a non-active market portfolio at fiscal year-end. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable from customers at June 30, 2018, consist of the following:

Resale customers	
City of Eureka	\$ 231,176
City of Arcata	89,048
Humboldt CSD	69,988
McKinleyville CSD	70,741
Others	<u>19,815</u>
Subtotal resale customers	462,768
Maintenance and operations charges to others	91,275
Domestic customers and others	29,973
Hydroelectric sales, Pacific Gas and Electric	20,714
Retiree health insurance	<u>7,701</u>
Total accounts receivable	<u>\$ 612,431</u>

NOTE 4 - LAND

Land at June 30, 2018, consists of land and land rights of the General District, South Bay Water extension, and District No. U-1. There were no changes in land during the year ended June 30, 2018.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 5 - PROPERTY AND EQUIPMENT

Changes in property and equipment during the year ended June 30, 2018, are as follows:

	Balance at 07/01/17	Additions	Deletions	Balance at 6/30/18
<u>Governmental Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 1,371,972	\$ -	\$ -	\$ 1,371,972
Construction in progress	<u>3,199,833</u>	-	<u>2,296,581</u>	<u>903,252</u>
Total capital assets, not being depreciated	<u>4,571,805</u>	-	<u>2,296,581</u>	<u>2,275,224</u>
Capital assets, being depreciated:				
Buildings and improvements	1,709,024	679,700	-	2,388,724
Equipment	2,827,168	-	315,234	2,851,934
Water System Infrastructure	39,339,767	3,746,659	-	43,086,426
Ruth Lake Infrastructure	10,674,313	89,859	-	10,764,172
District No. U -1	<u>5,354,898</u>	-	-	<u>5,354,898</u>
Total capital assets, being depreciated	<u>59,905,170</u>	<u>4,516,218</u>	<u>315,234</u>	<u>64,106,154</u>
Total accumulated depreciation	<u>(40,154,301)</u>	<u>(1,261,601)</u>	<u>(226,159)</u>	<u>(41,189,743)</u>
Total capital assets being depr. - net	<u>19,750,869</u>	<u>3,254,617</u>	<u>89,075</u>	<u>22,916,411</u>
Capital assets - net	<u>\$ 24,322,674</u>	<u>\$ 3,254,617</u>	<u>\$ 2,385,656</u>	<u>\$ 25,191,635</u>

Total depreciation expense charged to operations for the year ended June 30, 2018, was \$1,261,601. All capital assets are depreciable except land and projects in progress.

NOTE 6 - COMPENSATED ABSENCES

Compensated absences consist of estimates of future obligations relating to accumulated unpaid vacation and sick leave compensation. There are predetermined limits to the amount of vacation and sick leave hours that can be accumulated by an employee. The District will pay the employee at the end of each calendar year for any excess vacation time accumulated that year.

Upon retirement, an employee will receive compensation for unused accumulated vacation. The employee also has the option under the District's California Public Employees' Retirement System (CalPERS) contract to convert 100% of the unused sick leave accrual to CalPERS service credit, or to receive a 35% cash payment and convert the remainder to CalPERS service credit. However, if an employee with less than ten years of employment terminates or retires, the unused accumulated sick leave is not eligible for compensation or CalPERS service credit conversion. Compensated absences payable as of June 30, 2018 was \$316,887.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 7 - LONG-TERM NOTES PAYABLE

The following is a summary of changes in long-term debt as of June 30, 2018:

	Balance at 07/01/17	Increase	Decrease	Balance at 6/30/18	Current
California Safe Drinking Water State Revolving Fund (SRF) Note	\$ 3,557,690	\$ -	\$ 547,337	\$ 3,010,353	\$ 547,337
Water System Improvement Loan	684,085	-	145,145	538,940	148,987
Compensated absences	284,539	32,348	-	316,887	-
Other post-employment benefits	796,174	3,261,405	-	4,057,579	-
Total	<u>\$ 5,322,488</u>	<u>\$ 3,293,753</u>	<u>\$ 692,482</u>	<u>\$ 7,923,759</u>	<u>\$ 696,324</u>

California Safe Drinking Water State Revolving Fund (SRF) Note

The District has a loan with the California Department of Water Resources (acting on behalf of the California Department of Health Services) under the provisions of the California SRF Law of 1997. The proceeds of the SRF loan were used to finance the construction of the Turbidity Reduction Facility. The loan, which matures in January of 2024, carries no interest and has a repayment term of 20 years. The District pays \$547,337 annually in two semiannual payments. A U.S. Bank money market account is restricted for servicing the loan. The debt service for the loan is paid in its entirety by the District's municipal customers. Future debt service on the loan is:

Year Ending June 30	Principal	Interest	Total
2019	\$ 547,337	\$ -	\$ 547,337
2020	547,337	-	547,337
2021	547,337	-	547,337
2022	547,337	-	547,337
2023	547,337	-	547,337
2024	547,337	-	547,337
Total	<u>\$ 3,284,022</u>	<u>\$ -</u>	<u>\$ 3,284,022</u>

Water System Improvement Loan

The District has a loan, which matures in September of 2021, with Municipal Finance Corporation (MFC) to finance various capital improvements to the water supply system. Under the ten-year installment sales agreement, the District is obligated to pay semiannual installment payments of principal and interest at the rate of 2.63% per annum on the unpaid principal balance. MFC assigned its rights to receive and enforce the payments under the agreement to U.S. Bank. The debt service for the loan is paid in its entirety by the District's municipal water customers. Future debt service on the loan is:

Year Ending June 30	Principal	Interest	Total
2019	\$ 148,987	\$ 13,201	\$ 162,188
2020	152,931	9,257	162,188
2021	156,981	6,222	163,203
2022	80,041	1,053	81,094
Total	<u>\$ 538,940</u>	<u>\$ 29,733</u>	<u>\$ 568,673</u>

Net position restricted for debt service for the years ended June 30, 2018 was \$710,392.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

SECTION J2b, PAGE NO. 27

NOTE 8 - WHOLESALE WATER CONTRACTS

The District is primarily a wholesale water provider. The District's Ordinance 16 as amended in June 2006 and June 2016 establishes rates, charges, and conditions of service for water sales to the municipal water customers. The costs of constructing, operating, maintaining, repairing and replacing the water treatment facilities and maintaining reasonable reserves are allocated among the municipal customers.

The District has long-term contracts with its seven municipal wholesale customers governing wholesale rates, charges and conditions of service. These seven contracts were recently amended including a new twenty-year term with a ten-year renewal option. The new contracts are effective July 1, 2017 and include the following seven municipal wholesale customers:

- City of Arcata
- City of Blue Lake
- City of Eureka
- Fieldbrook-Glendale Community Services District
- Humboldt Community Services District
- McKinleyville Community Services District
- Manila Community Services District

The District lost its last large industrial customer in February 2009. Beginning April 1, 2009, all costs for the regional water system associated with operation, maintenance, and capital expenditure were shifted to the seven municipal customers. Whereas the municipalities had previously been paying 55% of costs, they currently pay 100%. The rate structure is based on "Price Factor" formulas which proportionally allocates the operating, maintenance and capital costs of the District to each of the wholesale customers. Municipal customers are billed monthly for water usage based on their share of such operating, maintenance and capital costs.

Most revenues received by the District, other than those associated with wholesale water sales, are credited back to the wholesale municipal customers. These revenues include property tax revenues, a portion of power sales, interest income, retail water service revenues and other miscellaneous revenues. The revenue credit is applied ratably on a monthly basis during the course of the year.

The seven wholesale municipal customers are initially billed based on the District's approved budget, with the costs spread out evenly across the fiscal year. At year-end, the budgeted costs are reconciled with actual costs. Any underpayments or overpayments are divided into even monthly installments and applied to the municipalities' billing during the course of the following year. As of June 30, 2018, the municipal customers overpaid \$398,281, for operating, maintenance, and capital costs. Overpayments in the amount of \$445,412 were credited to the municipalities' 2016/2017 billings. At June 30, 2018, total net position restricted for credits to the municipalities was \$398,281.

The municipal water customers may be charged in advance in order to fund future capital projects. For the year ended June 30, 2018, the municipal customers had balances in advance charges of \$918,610 for improvement projects.

Additions to the District's general reserves may be charged to the wholesale customers should the District need to replenish its general reserve level. For the year ended June 30, 2018, the District charged the wholesale customers \$350,000.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

NOTE 8 - WHOLESALE WATER CONTRACTS (concluded)

During the fiscal year ended June 30, 2018, the contracts with the municipal customers were amended. The District's Ordinance 16 included a provision that limits capital expenditures. Based on the District's development and implementation of its Capital Improvement Plan (CIP), this limit was no longer practical. To address this and to reduce the need for large fluctuations in costs to the municipalities, the limit on capital expenditures was replaced with a quinquennial update for the Capital Improvement Plan beginning in 2017. This process includes providing a copy to the individual municipalities no later than February 28 for their use in their own budget planning, analysis and updates of water rates. An additional change with the amended contracts includes revising the schedule for the quinquennial revision of the Peak Rate Allocation to commence again on July 1, 2017 (to address revenue changes in 2016 in the Manila Community Services District).

NOTE 9 - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights, are (until paid or made available to the employee or other beneficiary) placed in trust for the benefit of the participants or their beneficiaries, and are not the assets of the District.

Effective January 1, 2013, the District contributes \$50 per month for each employee who is not currently participating in the deferred compensation program. The District will provide a contribution match of up to \$100 per month for employees who are participating in the deferred compensation program.

The District has a fiduciary responsibility to the participating employees in administration of the plan, but is not liable for losses arising from depreciation or other declines in the value of the plan assets.

NOTE 10 - PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all others). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 10 - PENSION PLAN (continued)

A. General Information about the Pension Plan (concluded)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous 1 st Tier	Miscellaneous PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 – 63	52 - 67
Monthly benefits, as a % of annual salary	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.250%
Required employer contribution rates	8.418%	6.533%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The District's required contribution for the unfunded liability was \$170,965 for the fiscal year ended June 30, 2018

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The District's contributions to the plan recognized as a part of pension expense for the year ended June 30, 2018 were \$408,926.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$3,011,029.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 10 - PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions
 (concluded)

The District's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

<u>District's Miscellaneous Plan</u>	<u>Miscellaneous</u>
Proportion - June 30, 2016	0.0749%
Proportion - June 30, 2017	0.0764%
Change – Increase (Decrease)	0.0015%

For the year ended June 30, 2018, the District recognized pension expense of \$578,277. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 434,427	\$ -
Changes in assumptions	516,223	39,362
Differences between actual and expected experience	4,161	59,607
Net differences between projected and actual earning on plan investments	116,749	-
Change in employer's proportion	52,298	17,068
Net differences between the employer's actual contributions and the employer's proportionate share of contributions	72,453	8,331
Total	\$ 1,196,311	\$ 124,368

\$434,427 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>		
2019	\$	153,72
2020		348,130
2021		204,978
2022		(69,313)
2023		-
Thereafter		-

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 10 - PENSION PLAN (continued)

C. Actuarial Assumptions

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% ⁽¹⁾
Investment Rate of Return	7.00% ⁽²⁾
Mortality	Derived from CalPERS Membership Data for all Funds ⁽³⁾

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experiences Study can found on the CalPERS website.

Change of Assumptions

In 2017, the accounting discount rate was reduced from 7.65 to 7.15 percent.

D. Discount Rate

The discount rate used to measure the total pension liability was 7.15% and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The crossover test results can be found on CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 10 - PENSION PLAN (continued)

D. Discount Rate (concluded)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF cash flows. Using historical returns on all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10⁽¹⁾</u>	<u>Real Return Years 11+⁽²⁾</u>
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40)%	(0.90)%
Total	<u>100.00%</u>		

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>Discount Rate -1%</u>	<u>Current Discount Rate</u>	<u>Discount Rate +1%</u>
6.15%	7.15%	8.15%
<u>\$4,712,647</u>	<u>\$3,011,029</u>	<u>\$1,601,719</u>

E. Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 10 - PENSION PLAN (concluded)

F. Payable to Pension Plan

The District did not have an outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

G. Pension Rate Stabilization Program

Establishment of a Section 115 Irrevocable Trust (Pension Trust) for the purpose of assisting with stabilizing the unfunded CalPERS pension liability was approved by the Board of Directors in January 2018. This trust was funded in May 2018 with an initial deposit of \$600,000. The Pension Trust, managed by Public Agency Retirement Services (PARS), is considered a "Pension Rate Stabilization Program," and is designed to prefund rising pension costs and address the District's net pension liability. The Pension Trust should help mitigate long-term pension investment volatility, while providing the District with increased local control of assets and investment flexibility to create a more actuarially sound pension plan. The District intends to make annual contributions into the Trust.

The balance in the Trust at June 30, 2018 was \$605,177.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

The District provides a defined benefit healthcare plan (the "Retiree Health Plan"). The District shoulders a certain percentage of eligible retirees' actual costs subject to a maximum of \$640 per month.

The duration of retiree benefits provided by the District depends on the date an employee was hired by the District. For all full-time regular employees hired by the District prior to July 8, 2004, the District will pay the medical costs premium during the life of a retiree subject to a maximum of \$640 per month.

For all full-time regular employees hired by the District after July 8, 2004, the District will pay 100% of the medical cost premium during retirement, subject to a maximum of \$640 per month, for a maximum of 10 years or until the retiree reaches age 65, whichever comes first.

All health plan participants are on a group plan rate. In addition to the District's actual costs, the District is required to recognize an implicit subsidy since the District allows its retirees to participate in the plan. The difference between the group plan rate that the retiree must pay and the actual or estimated individually rated premium for the retiree is the implicit rate subsidy (because the retiree continues to participate in the group plan, an implicit rate subsidy exists on the part of the employer).

B. Funding Policy

The District's Board of Directors will not be funding the plan in the current year but will follow a pay-as-you-go approach. The Board will review the funding requirements and policy annually.

Membership of the District as of the valuation date consisted of the following:

Active plan members	27
Inactive employees or beneficiaries currently receiving benefit payments	<u>13</u>
Total	<u>40</u>

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (continued)

B. Funding Policy (concluded)

Contribution

As of June 30, 2018, the District has accumulated \$-0- in an irrevocable trust toward this liability.

C. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017.

D. Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Discount rate	2.92%
Inflation	2.75%
Aggregate salary increases (individual salary increases based on CalPERS)	3.25%
Investment rate of return	2.92%
Mortality rates	Based on Muni 20 Year Rate Index
Healthcare cost trend rate	7.50% in the first 1 year, trending down to 5.0% over later years.

E. Discount Rate

The cash flows of the OPEB plan were projected to future years, assuming that the District will contribute an amount so that the assets always exceed expected benefits to retirees. Under that projection, the plan assets are projected to be adequate to pay all benefits to retirees in all future years, so the discount rate has been set equal to the long-term expected rate of return on investments, 2.92%.

The long-term expected rate of return on OPEB investments was determined using Muni 20 Year Rate Index expected long-term mean rate of return.

F. Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asse t) (c) = (a) - (b)
Service cost	\$ 122,984	\$ -	\$ 122,984
Interest	122,441	-	122,441
Benefit payments, including refunds of employee contributions	(155,236)	-	(155,236)
Change in assumptions	100,904	-	100,904
Net change in total OPEB liability	191,093	-	191,093
Values at June 30, 2017	3,866,486	-	3,866,486
Values at June 30, 2018	\$ 4,057,579	\$ -	\$ 4,057,579

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (continued)

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB Liability of the District, as well as what the District's net OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower (1.92%) or one percentage point higher (3.92%) follows:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
(1.92%)	(2.92%)	(3.92%)
\$ 4,615,533	\$ 4,057,579	\$ 3,596,239

The following presents the Net OPEB Liability (NOL) as well as what the NOL would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher or lower than the current healthcare cost trend rates, as of June 30, 2018.

Plan's Net OPEB Liability/(Asset)		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
5.5% to 6.5%	6.5% to 7.5%	7.5% to 8.5%
\$ 3,463,440	\$ 4,057,579	\$ 4,884,743

H. OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of \$260,807. At June 30, 2018, the District reported deferred inflows of resources from OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ -	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	85,522	-
Net differences between projected and actual earnings on OPEB plan investments	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	-
Total	<u>\$ 85,522</u>	<u>\$ -</u>

\$0 reported as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019.

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

SECTION J2b PAGE NO. 36

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (concluded)

H. OPEB Expense and Deferred Inflows of Resources Related to OPEB (concluded)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended</u>	
6/30/19	\$ 15,382
6/30/20	15,382
6/30/21	15,382
6/30/22	15,382
Thereafter	8,612

Additional information relating to the District's Retiree Health Plan and required OPEB disclosures can be obtained from the District's publicly available Comprehensive Annual Financial Report that may be obtained by contacting the Finance Director or General Manager at Humboldt Bay Municipal Water District, 828 Seventh Street, Eureka, California 95502-0095.

NOTE 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The risk of loss is variable as to the deductible amount per occurrence. Liability losses up to \$1 million and property losses up to \$50,000, are covered through a pooled self-insurance program, administered by the Association of California Water Agencies - Joint Powers Insurance Authority (ACWA-JPIA). Through participation in ACWA-JPIA, the District is covered by commercial liability insurance for losses in excess of \$1 million, up to an insured maximum of \$60 million. Separately, the District insures for property damages in excess of the pooled limit of \$1 million, with commercial insurance for losses up to \$100 million.

The ACWA-JPIA began operations on October 1, 1979, and has continued without interruption since that time. The District is one of approximately two hundred and eighty-eight districts participating in the pool. The responsibilities of the ACWA-JPIA and the District are as follows:

Responsibilities of the ACWA-JPIA:

- a. Provide insurance coverage as necessary.
- b. Assist members in obtaining insurance coverage for risks not included within the coverage of the ACWA-JPIA.
- c. Assist each member's designated risk manager with the implementation risk management function.
- d. Provide loss prevention and safety consulting services to members as required.
- e. Provide claims adjusting and subrogation services for claims covered by the ACWA-JPIA's joint protection programs.
- f. Provide loss analysis and control in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles.
- g. Review members' contracts to determine sufficiency of indemnity and insurance provisions when requested.
- h. Conduct risk management audits to review the participation of each member in the programs.
- i. The ACWA-JPIA shall have such other responsibilities as deemed necessary by the Board of Directors and Executive Committee (of the ACWA-JPIA).

Humboldt Bay Municipal Water District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

SECTION J2b PAGE NO. 37

NOTE 12 - RISK MANAGEMENT (concluded)

Responsibilities of the District:

- a. The governing board of each member district shall appoint a representative and at least one alternate representative to the Board of Directors.
- b. Each member shall appoint an employee of the member to be responsible for the risk management function within that member and serve as a liaison between the member and the ACWA-JPIA as to risk management.
- c. Each member shall maintain an active safety officer and/or committee, and shall consider all recommendations of the ACWA-JPIA concerning unsafe practices.
- d. Each member shall maintain its own set of records, including a loss log, in all categories of risk covered by the joint protection program to insure accuracy of the ACWA-JPIA's loss reporting system.
- e. Each member shall pay its deposit premium and premium adjustments within thirty days of the invoice date.
- f. Each member shall provide the ACWA-JPIA with such other information or assistance as may be necessary for the ACWA-JPIA to carry out the joint protection programs.
- g. Each member shall cooperate with and assist the ACWA-JPIA, and any insurer of the ACWA-JPIA, in all matters and covered claims and will comply with all bylaws, rules and regulations adopted by the Board of Directors and Executive Committee of the ACWA-JPIA.

There have been no significant reductions in insurance coverage from the prior year. The amounts of settlements have not exceeded the insurance coverage in each of the past three fiscal years.

NOTE 13 - CONTINGENCIES

The District receives, on a cost-reimbursement basis, federal and state funds to carry out a variety of projects and studies. As a recipient of federal and state funds, the District is responsible for maintaining an internal control structure that ensures compliance with all laws and regulations related to these programs. All federal and state program expenditures are subject to financial and compliance audits by the awarding agency. Such audits could result in claims against the District for disallowed costs or noncompliance with contract provisions. No provision has been made for any liabilities which may arise from the noncompliance or questioned costs since the amounts, if any, cannot be determined at this time.

NOTE 14 - SUBSEQUENT EVENTS

The District's management has evaluated subsequent events through the date the financial statements were available to be issued, and concluded that no additional adjustments to the financial statements or disclosures are required for the year ending June 30, 2018.

NOTE 15 - PRIOR PERIOD ADJUSTMENT

For the year ended June 30, 2018, the beginning net position has been adjusted by \$3,070,312 to decrease the net position balance as of the beginning of the period. The net OPEB liability was adjusted in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

Humboldt Bay Municipal Water District
SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (ASSET) MISCELLANEOUS
 June 30, 2018

Measurement Date, June 30	2017	2016	2015	2014
Proportion of the net pension liability	0.07640%	0.07490%	0.07300%	0.07880%
Proportion share of the net pension liability	\$ 3,011,029	\$ 2,602,142	\$ 2,002,310	\$ 1,969,634
Covered - employee payroll	\$ 1,901,128	\$ 1,730,351	\$ 1,746,146	\$ 1,692,541
Proportionate share of the net pension liability as percentage of covered-employee payroll	158.38%	150.38%	114.67%	116.37%
Plan fiduciary net position as a percentage of the total pension liability	75.66%	76.58%	80.90%	80.51%

* Fiscal year 2015 was the 1st year of implementation.

DRAFT

Humboldt Bay Municipal Water District
SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS
 June 30, 2018

<u>Fiscal Year Ending June 30</u>	<u>Miscellaneous Plan</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution (actuarially determined)	\$ 434,427	\$ 408,926	\$ 386,697	\$ 253,791	\$ 229,022
Contributions in relation to the actuarially determined contributions	<u>(434,427)</u>	<u>(408,926)</u>	<u>(386,697)</u>	<u>(253,791)</u>	<u>(229,022)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$1,963,789	\$1,901,128	\$1,730,351	\$1,746,146	\$1,692,541
Contributions as a percentage of covered-employee payroll percentage of covered-employee payroll	22.12%	21.51%	22.35%	14.53%	13.53%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public

Changes of Assumptions: There were no changes of assumptions.

* Fiscal year 2015 was the 1st year of implementation.

Humboldt Bay Municipal Water District
SCHEDULE OF CHANGE IN THE NET OPEB LIABILITY
AND RELATED RATIOS
For the Year Ended June 30, 2018

Total OPEB Liability	2018
Service cost	\$ 122,984
Interest	122,441
Benefit payments, included refunds of employee contributions	(155,236)
Change in assumptions	100,904
Net change in total OPEB liability	191,093
Total OPEB liability - beginning of year	3,866,486
Total OPEB liability - end of year	\$ 4,057,579
Plan Fiduciary Net Position	
Net investment income	\$ -
Contributions	
Employer	155,236
Benefit payments, included refunds of employee contributions	(155,236)
Implicit rate subsidy fulfilled	-
Administrative expense	-
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning of year	-
Plan fiduciary net position - end of year	\$ -
District's net OPEB liability - end of year	\$ 4,057,579
Plan fiduciary net position as a percentage of the total OPEB liability	14.91%
Covered-employee payroll	\$ 2,073,759
Net OPEB liability as a percentage of covered-employee payroll	195.66%

The schedules present information to illustrate changes in the District's changes in the net OPEB liability over a ten year period when the information is available.

Humboldt Bay Municipal Water District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF HUMBOLDT BAY MUNICIPAL WATER DISTRICT'S
CONTRIBUTIONS - OPEB
 For the Year Ended June 30, 2018

	<u>2018</u>
Actuarially determined contribution	\$ 258,990
Contributions in relation to the actuarially determined contribution	<u>(155,236)</u>
Contribution deficiency (excess)	<u>\$ 103,754</u>
Covered payroll	\$ 2,073,759
Contributions as a percentage of covered payroll	7.49%

The schedules present information to illustrate changes in the District's contributions over a ten year period when the information is available.

DRAFT

OTHER SUPPLEMENTARY INFORMATION

DRAFT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Humboldt Bay Municipal Water District
Eureka, California

We have audited the basic financial statements, as listed in the table of contents, of Humboldt Bay Municipal Water District as of and for the year ended June 30, 2018, and have issued our report thereon dated April XX, 2019. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Humboldt Bay Municipal Water District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Humboldt Bay Municipal Water District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Humboldt Bay Municipal Water District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Humboldt Bay Municipal Water District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Humboldt Bay Municipal Water District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Humboldt Bay Municipal Water District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California

DRAFT



COUNTY OF HUMBOLDT

**JOHN BARTHOLOMEW
TREASURER-TAX COLLECTOR**

825 FIFTH STREET ROOM 125
EUREKA, CALIFORNIA 95501

PHONE: 707-476-2450

FAX: 707-445-7608

TOLL FREE: 877-448-6829

EMAIL: taxinfo@co.humboldt.ca.us

Subject: Interest Apportionment Rate and Other Considerations

April 5, 2019

Honorable Board Members,


Your fund balances in the County Treasury from October through December 2018 (Fiscal 18/19 2nd Quarter) earned an annualized interest rate of 1.69%. For comparison purposes, the LAIF (Local Agency Investment Fund) rate was 2.40%.

As much as it torments us for the pool not to be generating interest at a better rate than LAIF it makes perfect sense because LAIF is comprised of securities with maturities of less than 6 months and will always generate interest closely aligned with short-term rates as adjusted by the FOMC; and those short term rates have been increased 8 times in the last 3 years. In comparison the county uses a long-term laddered maturities approach which has proven effective for much more consistent, and better, returns over a long period of time.

At their March 20, 2019 meeting the FOMC made no change to interest rates. Their policy statement acknowledged "slower growth of household spending and business fixed investment." Another rate hike in 2019 is possible but the markets and economists continue to interpret the Fed as undergoing a dovish shift and the market is pricing in nearly a 40% chance of a rate cut this year. Nobody has a crystal ball and our main goal is meeting the cash flow needs of the County and laddering the maturities in our portfolio to maintain 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

H.B.M.W.D. APR - 5 2019
Via email

FUND BALANCES
Allocation Account Activity
January 1, 2019 - January 1, 2019
October - December 2018

Account	Fund	Security ID	Current Transaction ID	Transaction Date	Receipt	Trans. Type	Contributions / Transfer In	Disbursements / Transfer Out / Fees	Allocated Earnings	Balance
2710	2710	SYS	1.694	01/01/2019		Alloc/Fee			678.28	489,961.08
			1.694				0.00	0.00		490,639.36
			1.694						678.28	490,639.36
2711	2711	2711	1.694	01/01/2019		Alloc/Fee			1,844.06	431,932.99
			1.694				0.00	0.00		433,777.05
			1.694						1,844.06	433,777.05
2712	2712	2712	1.694	01/01/2019		Alloc/Fee			1,341.06	325,470.24
			1.694				0.00	0.00		326,811.30
			1.694						1,341.06	326,811.30
3873	3873	3873	1.694	01/01/2019		Alloc/Fee			6,331.55	1,386,076.47
			1.694				0.00	0.00		1,392,408.02
			1.694						6,331.55	1,392,408.02
3874	3874	3874	1.694	01/01/2019		Alloc/Fee			1,007.55	235,996.76
			1.694				0.00	0.00		237,004.31
			1.694						1,007.55	237,004.31
3876	3876	3876	1.694	01/01/2019		Alloc/Fee			243.25	4,424.07
			1.694				0.00	0.00		4,667.32
			1.694						243.25	4,667.32

Fund Participant

10% Taxes

MSRA

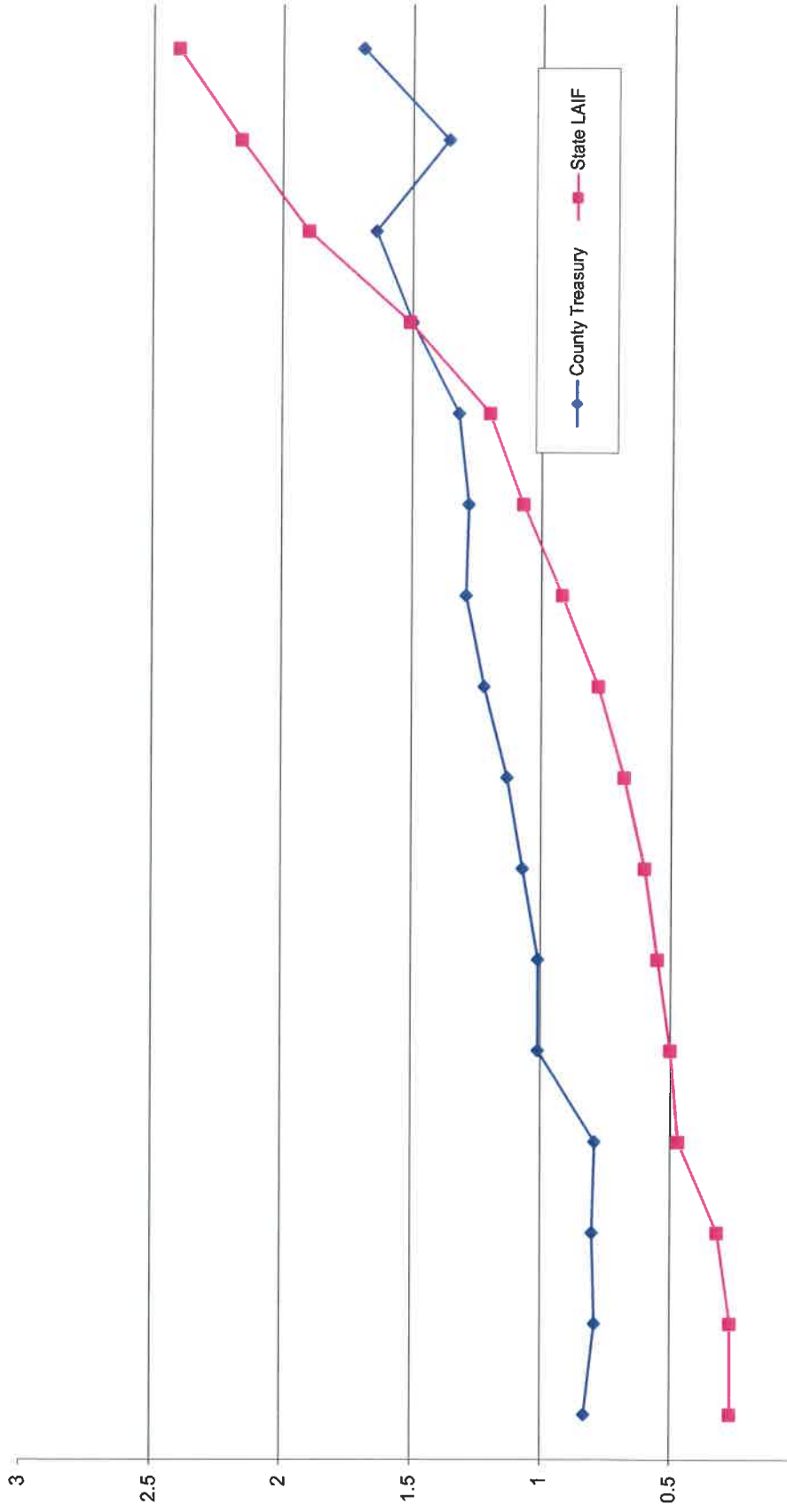
ReMat

Investment Account

DWFP

SRF Payment

Comparison of County Treasury and State LAIF Investment Earning Rates
January 2015 - December 2018



	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	Oct - Dec 2018
County Treasury	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	1.69
State LAIF	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	2.4

OPERATIONS

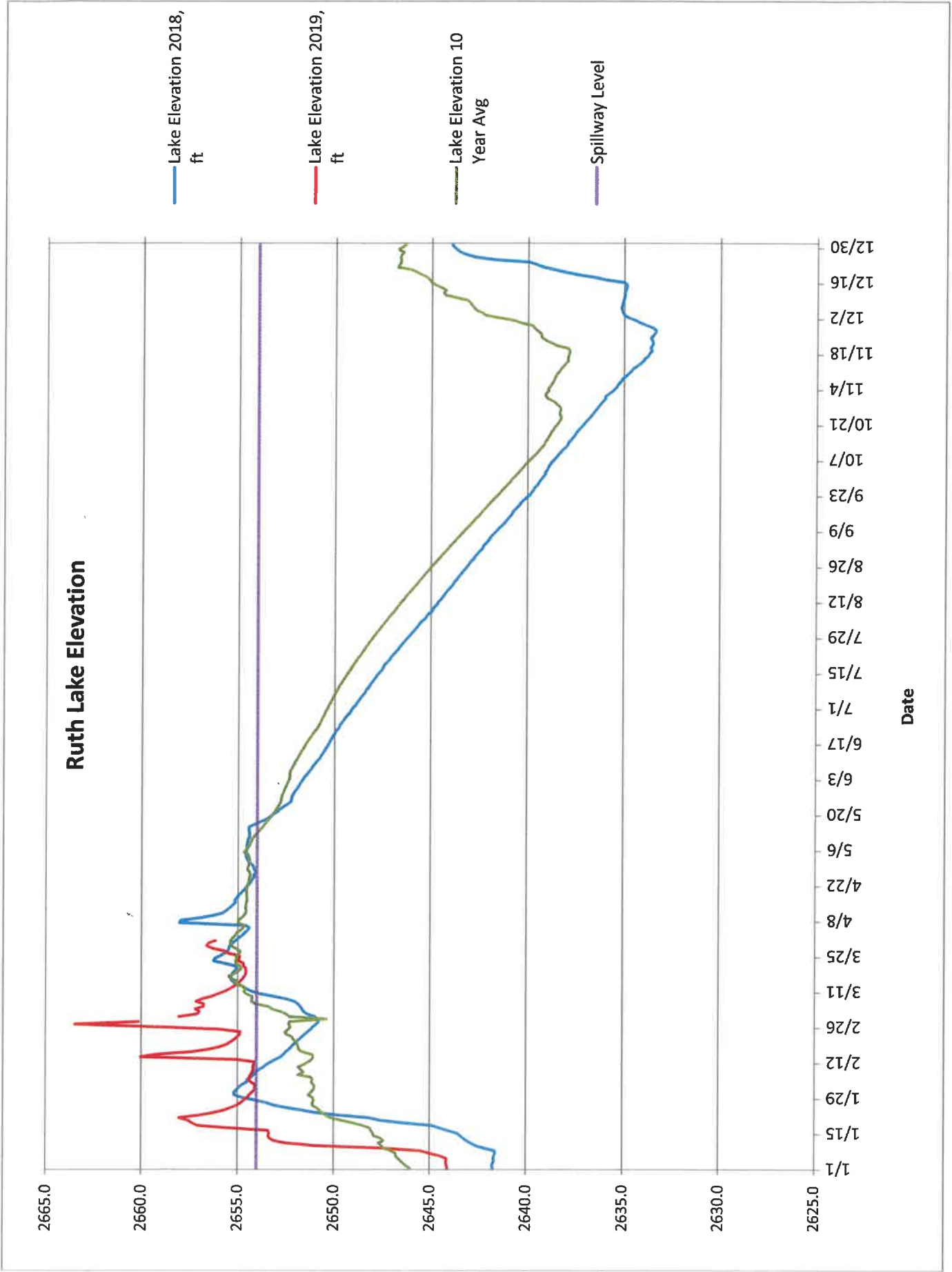
Upper Mad River, Ruth Lake, and Hydro Plant

1. The flow at Mad River above Ruth Reservoir (Zenia Bridge) averaged 820cfs. The low flow of 394cfs on March 21 and the high flow of 1618cfs on March 1st.
2. The conditions at Ruth Lake for the month of March were as follows:
 - a. The lake level on March 31st was 2656.14 feet which is:
 1. 3.98 feet lower than February 28th, 2019
 2. 1.02 feet higher than March 31st, 2018
 3. 0.9 feet higher than the ten year average
 4. 2.14 feet above the spillway
3. There was 10.38 inches of recorded rainfall for March at Ruth Headquarters.
4. Ruth Hydro produced 957,600 KWh in March. The hydro plant had 5 shutdowns due to severe weather power outages with 5,009 KWh lost.
5. In March the discharge from the lake averaged 1,080cfs with a high of 2,928 cfs on the 1st.

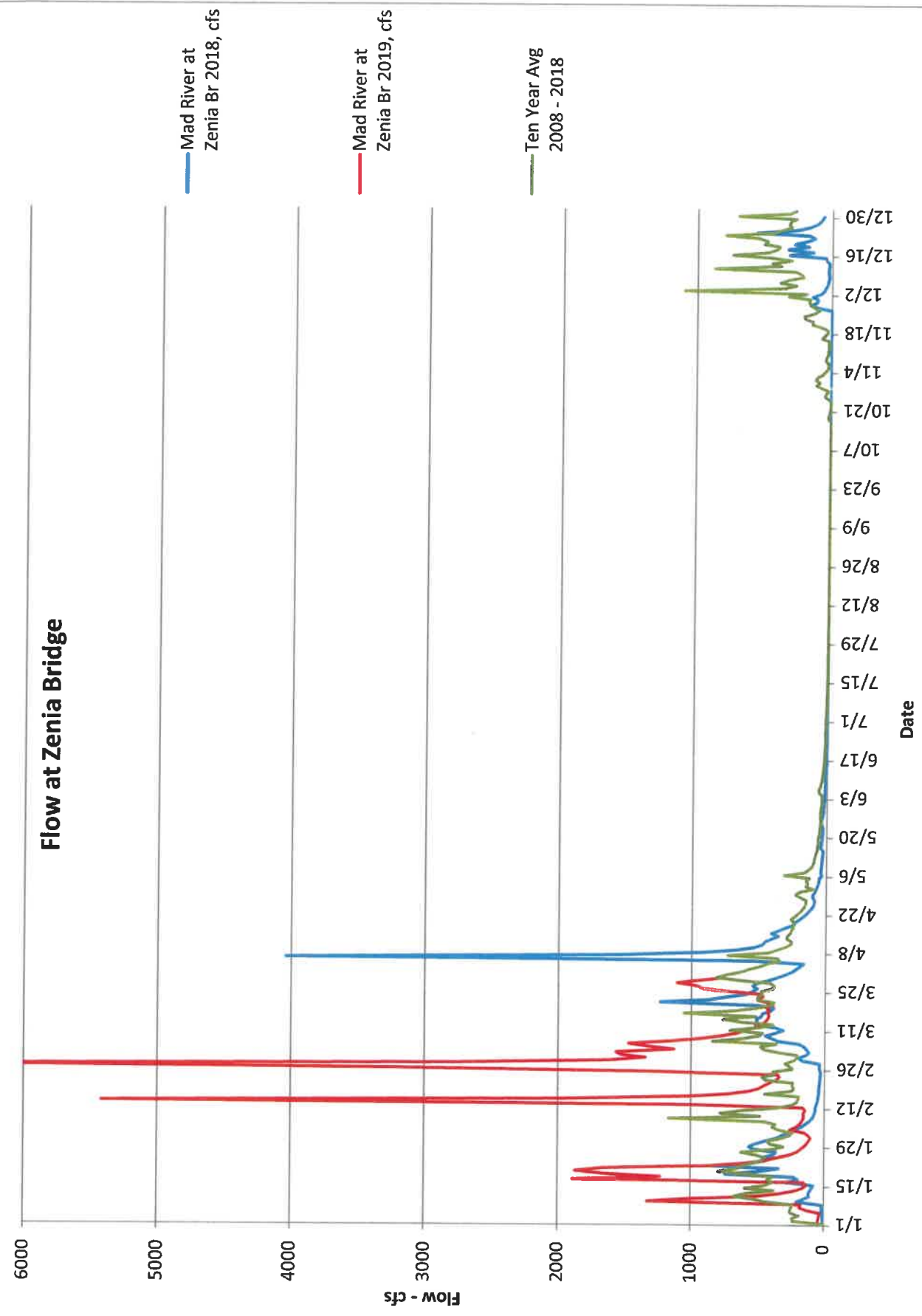
Lower Mad River, Winzler Control, and TRF

6. The river at Winzler Control Center for March had an average flow of 3,549cfs. The river flow reached a high flow of 12,400 cfs on March 1st.
7. The domestic water conditions were as follows:
 - a. The monthly turbidity average was 0.10 NTU, which meets Public Health Secondary Standards.
 - b. For the month of March, we pumped 227.874 million gallons at an average of 7.258 MGD.
 - c. The maximum metered daily municipal customer use was 8.532 MGD on March 3rd.
8. The Turbidity Reduction Facility ran 31 days in March. The conditions were as follows:
 - a. Average monthly source water turbidity was 2.45 NTU.
 - b. Average monthly filtered water turbidity was 0.10 NTU.
 - c. We did 86 backwashes on the TRF filters in the month of March.

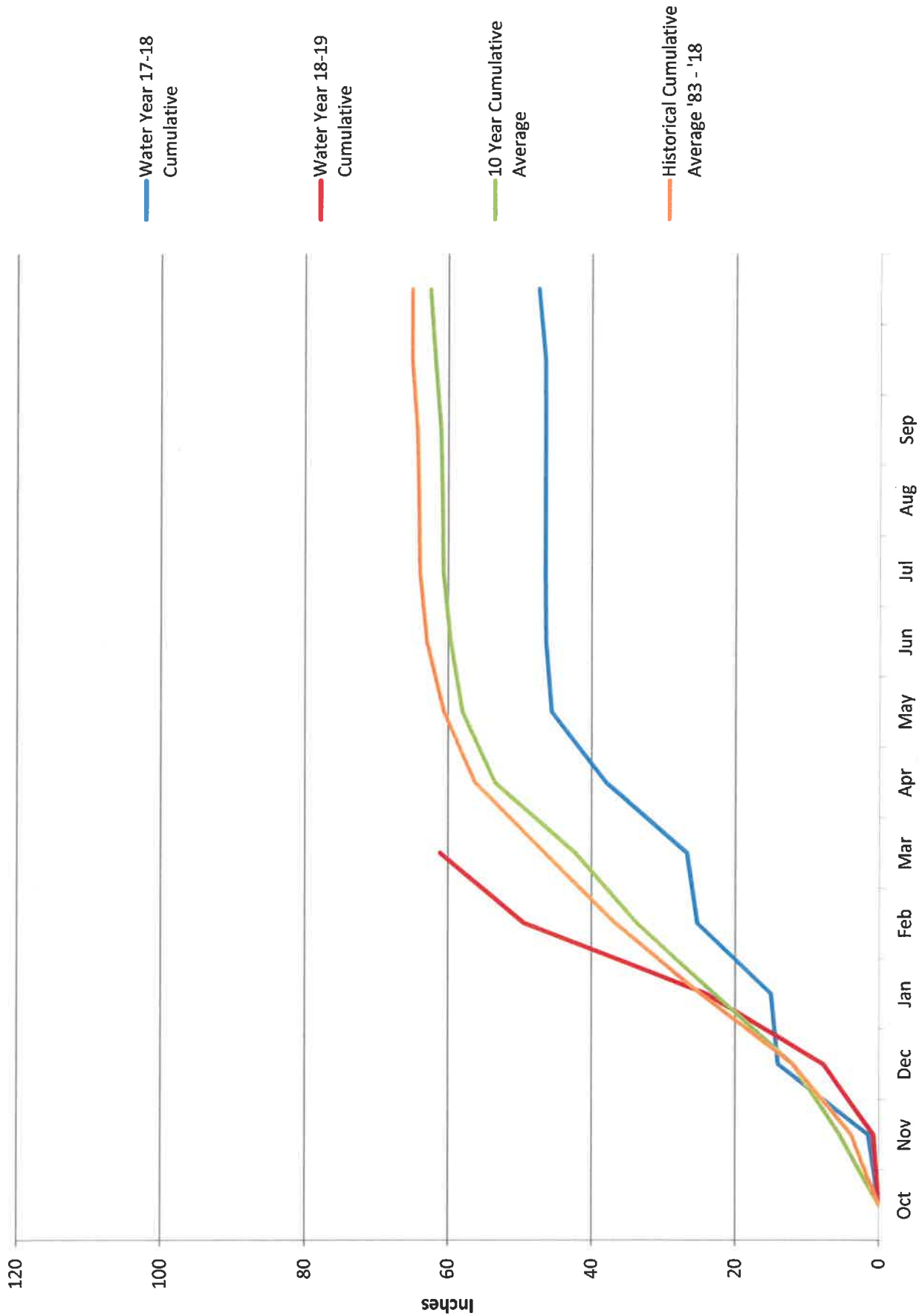
9. February 28 – March 1 – Two from Essex operations went to Ruth to cross train on Hydro plant operations.
10. March 1st – We found that Collector 2 Cable Car building had slid down the hill in a slip out / landslide.
11. March 5th - Contractor started demo of damaged cable car building and cleanup of landslide.
12. March 5th – 6th - Crane control systems onsite to install load cell on crane truck.
13. March 6th – Maintenance install temporary construction fencing at the Axel property to keep large construction equipment off the pipeline.
14. March 8th – Met with John, Pat and contractor at Collector 4 to talk over needed repairs to exposed pipe from Collector 4 due to erosion.
15. March 11th – Contractor started work to stabilize river bank and protect Collector 4 water supply line.
16. March 13th – Safety meetings
 - a. Rigging safety
 - b. Asbestos / Silica exposure
17. March 19th – Power use audit through RCEA by Lincus Energy.
18. March 21st – Another interview for the O&M Tech position. Selected candidate will start May 1st.
19. March 22nd – One of our O&M Techs found that someone broke into the Corp. yard and tried to gain access into the line shed and collector 3.
20. March 25th – 90 day BIT inspections on all large construction vehicles and trailers. There is a DOT required inspection.
21. March 25th – 29th – 3 from Essex went to a Rockwell SCADA software training class in San Ramon.
22. March 26th - I went to a River Forecast users group workshop.
23. March 27th – Pat and I went to Ruth to look at surficial slide above the hydro plant road. We also looked at Sheriffs Cove which has moved a lot of material into the lake again this year.
24. Request the Board surplus the 2008 Ford Explorer – Unit 1
25. Current and Ongoing Projects
 - a. Work on FY 19/20 budget
 - b. Continue to clean up trees from storm damage in parks and at TRF.
 - c. Ruth Bunkhouse remodel – Continues to move along. Getting close to complete.

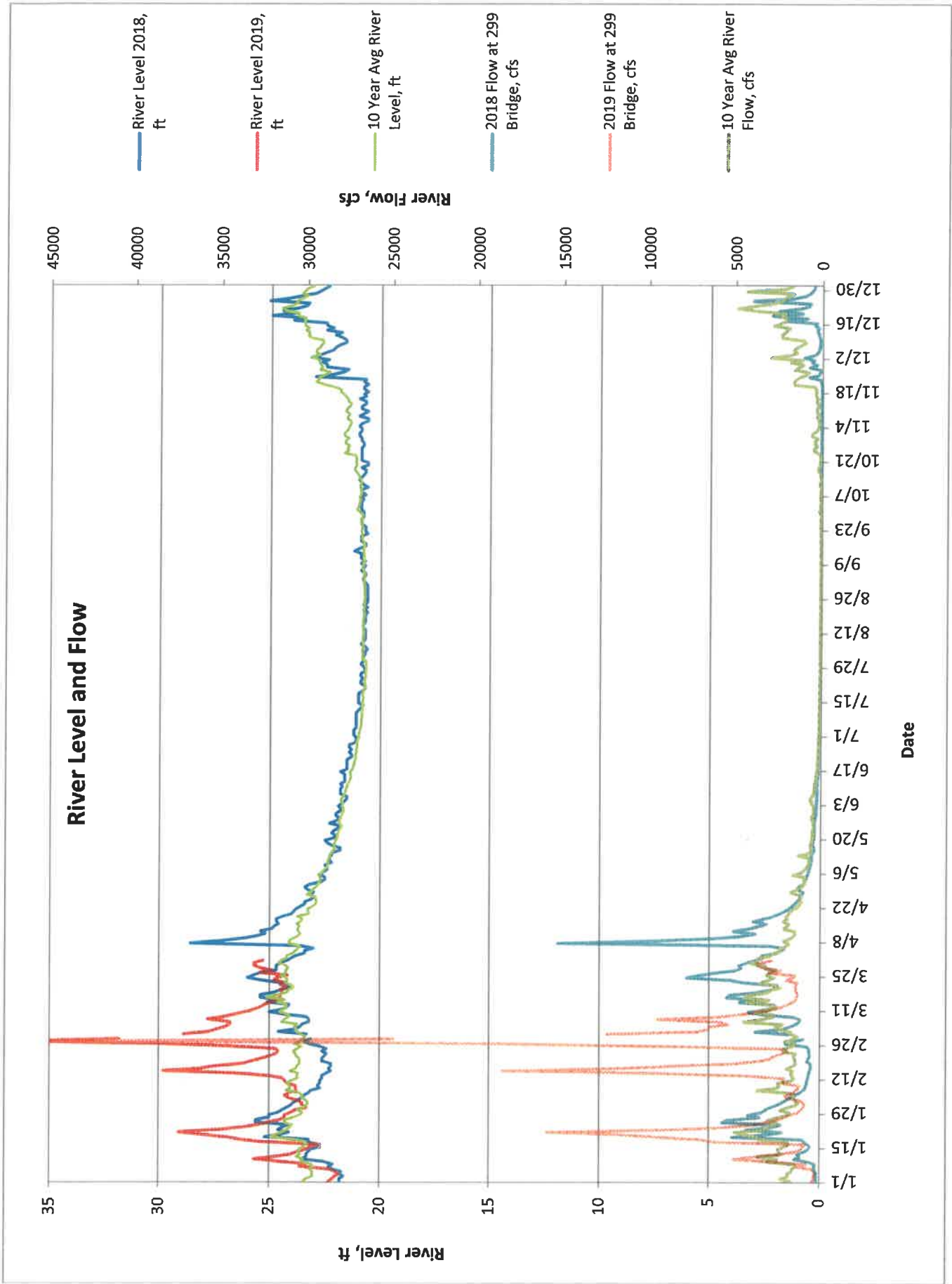


Flow at Zenia Bridge

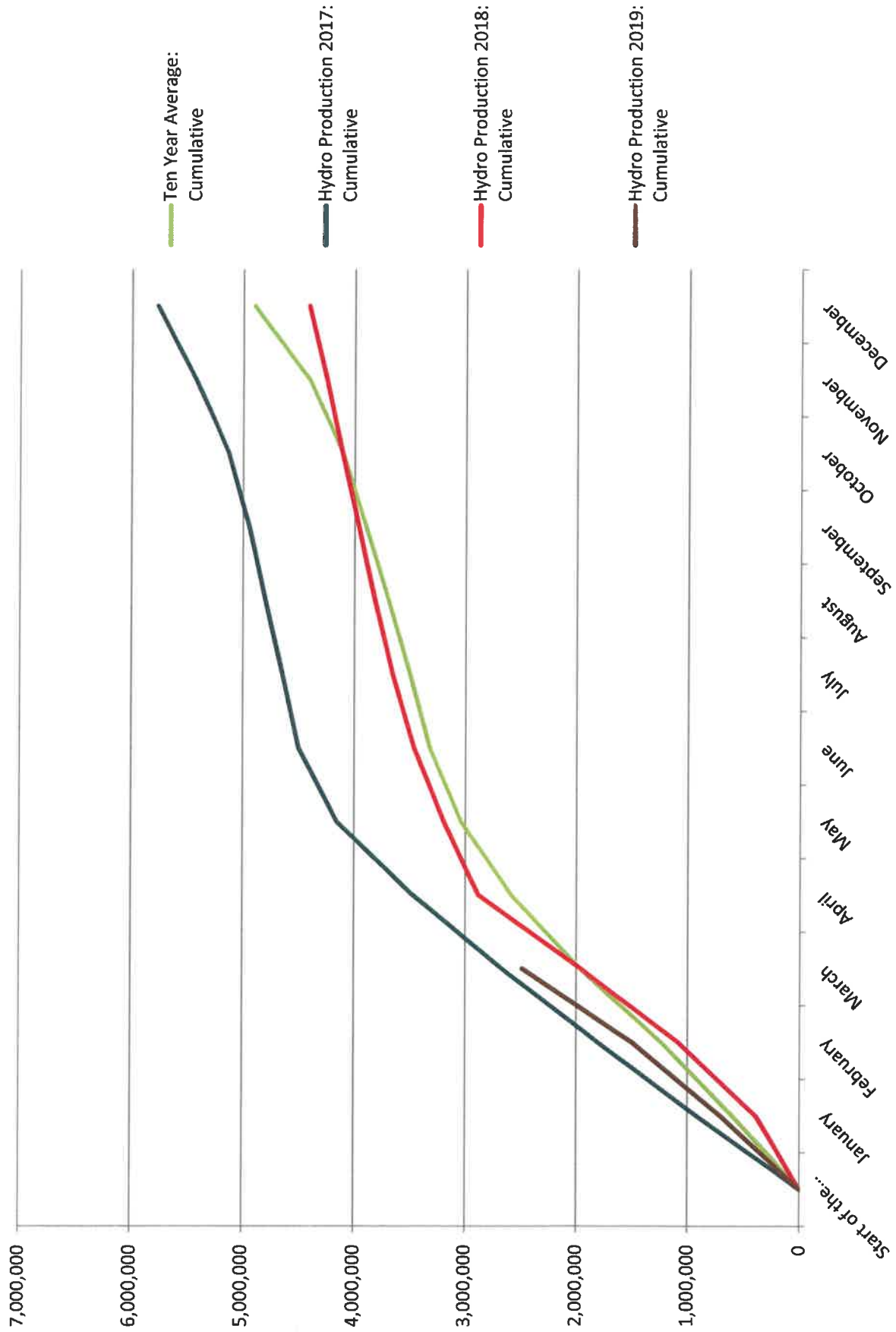


Ruth Rainfall - Water Year 2018-2019





Ruth Hydro Production: kW per Month



MANAGEMENT



H.B.M.W.D. MAR 28 2019

Hi John,

Thank you so much for gifting 212 lbs of MRE's to Food for People. We will put the supplies to good use. We are grateful for your ongoing support as we work to eliminate hunger in Humboldt County.

With gratitude,
Carly Robbins,
Development Director



Food for People

The Food Bank for Humboldt County

307 West 14th Street

Eureka, CA 95501

(707)445-3166

www.foodforpeople.org



NORTH COAST RESOURCE PARTNERSHIP 2018/19 IRWM Project Application

The North Coast Resource Partnership (NCRP) 2018/19 Project Application Instructions and additional information can be found at the NCRP 2018/19 Project Solicitation webpage (<https://northcoastresourcepartnership.org/proposition-1-irwm-round-1-implementation-funding-solicitation/>). Please fill out grey text boxes and select all the check boxes that apply to the project. Application responses should be clear, brief and succinct.

Project Applications will be accepted until 5:00 pm, ~~March 8, 2019~~ March 15, 2019. It is important to save the application file with a distinct file name that references the project name. When the application is complete, please email to kgledhill@westcoastwatershed.com

If you have questions, need additional information or proposal development assistance please contact:

- Katherine Gledhill at kgledhill@westcoastwatershed.com or 707.795.1235
- Tribal Projects: Sherri Norris, NCRP Tribal Coordinator at sherri@cieaweb.org or 510.848.2043

Project Name: Ranney Collector 2 Rehabilitation Project

A. ORGANIZATION INFORMATION

1. Organization Name: Humboldt Bay Municipal Water District

2. Contact Name/Title

Name: John Friedenbach

Title: General Manager

Email: friedenbach@hbmwd.com

Phone Number (include area code): (707) 443-5018

3. Organization Address (City, County, State, Zip Code):

Eureka, Humboldt County, CA, 95501

4. Organization Type

Public agency



BLUE LAKE RANCHERIA

P.O. Box 428
Blue Lake, CA 95525

Office: (707) 668-5101
Fax: (707) 668-4272

www.bluelakerancheria-nsn.gov

March 14, 2019

North Coast Resource Partnership
c/o Humboldt Bay Municipal Water District
PO Box 95
Eureka, CA 95502-0095
Via email to: friedenbach@hbmwd.com

RE: Blue Lake Rancheria Support for HBMWD Grant Proposal for Ranney Collector 2 Project

Dear North Coast Resource Partnership Grant Review Team,

The Blue Lake Rancheria, a federally recognized tribal government (BLR), supports the North Coast Resource Partnership (NCRP) grant proposal from the Humboldt Bay Municipal Water District (HBMWD) to rehabilitate one of its Ranney Collectors.

The HBMWD has a proven record of successful rehabilitation projects of this kind, resulting in cost-savings and significant success in the operation of its drinking water system that serves a large rural region, including BLR. HBMWD supplies drinking water to approximately 88,000 people in the Humboldt Bay area via seven municipal agencies. Any constrictions of HBMWD's water supply or water quality would impact the entire service area. BLR believes it is wise and necessary planning to replace aging water infrastructure before it becomes a problem (with far greater expense) and this proposed project achieves this goal. A timely and well-planned project as proposed by HBMWD will be more cost-effective and certainly have less impact than an emergency/crisis situation and response.

The Ranney Collectors are a critical component of HBMWD's water system in that they collect water far below the river bottom, which is of superior quality than direct diversion from the river. This indirect withdrawal is much more protective of aquatic life in the Mad River than a surface diversion, but it requires ongoing investment and maintenance. The rehabilitation of the Ranney Collector laterals will also reduce potential impacts to aquatic species by reducing the localized 'velocity pull' created by the water withdrawal. New intake screens and repaired lateral lines will increase the effective surface area for water intake and therefore reduce the force of the current created by the water withdrawals. This project will replace the old and deteriorated laterals, screens, pumps, motors, and electrical equipment for Ranney Collector 2.

BLR fully supports this project and any level of grant funding that NCRP can provide. These refurbishments help ensure the reliability and high quality of HBMWD's water supply for the foreseeable future and is beneficial to aquatic life in the Mad River. HBMWD's prior work to refurbish and extend the life of this collection system has been exceptional, winning regional engineering project awards. Working in and below the river bed will require careful minimization and mitigation efforts to protect environmental resources from short term construction impacts, however, as noted above, the HBMWD has conducted these exact tasks before on other Collectors without incident.

This project has co-benefits in terms of preserving a rare and effective drinking water system in the main stem of a river, and protecting the necessary instream flows in the Mad River dedicated for that purpose. Preserving instream flows in the Mad River is a well-established BLR priority for water quality and to protect endangered and threatened species in this watershed, which is also BLR's aboriginal territory.

BLR asks for your support and funding of this HBMWD grant application. Please contact Jana Ganion with questions, or for more information at jganion@bluelakerancheria-nsn.gov and/or (707) 668-5101 x1044.

Sincerely,



Arla Ramsey
Vice Chairperson



March 13, 2019

North Coast Resource Partnership
c/o Humboldt Bay Municipal Water District
PO Box 95
Eureka, CA 95502-0095

Dear North Coast Resource Partnership,

On behalf of Humboldt Baykeeper, I am writing in support of the Humboldt Bay Municipal Water District (HBMWD) application for Prop. 1 financial assistance to renovate one of its Ranney collectors. Humboldt Baykeeper works to safeguard our coastal resources for the health, enjoyment, and economic strength of the Humboldt Bay community, and is a member of the California Coastkeeper Alliance and the international Waterkeeper Alliance.

The proposed project will replace old and deteriorated laterals, pumps and motors, and electrical equipment for Ranney Collector 2. We fully support this project since it will help ensure the reliability and high quality of drinking water supplies for approximately 88,000 people in the Humboldt Bay area. It will also lower energy costs related to pumping and will benefit aquatic species and their habitat. Upgrading or replacing aging infrastructure before it becomes a problem is good public policy, and the proposed project achieves this. We urge the NCRP to prioritize funding for this project.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Kalt".

Jennifer Kalt, Director
jkalt@humboltdbaykeeper.org

Mailing Address: 600 F Street, Suite 3 #810
Office: 415 I Street, Arcata, CA 95521
(707) 499-3678
www.humboltdbaykeeper.org





COUNTY ADMINISTRATIVE OFFICE
Economic Development
COUNTY OF HUMBOLDT

520 E Street, Eureka, CA 95501
Telephone (707) 445-7745 Fax (707) 445-7219
<https://humboldt.gov/>

John Friedenbach
General Manager
Humboldt Bay Municipal Water District
PO BOX 95
Eureka, CA 95502-0095

March, 11th 2019

Subject: HBMWD Lateral Rehabilitation Project

This office is aware that the Humboldt Bay Municipal Water District (HBMWD) has applied for grant assistance to renovate an existing collector, and that this project will entail replacement and refurbishment of old and deteriorated infrastructure including, but not limited to, the replacement of laterals, pumps and motors.

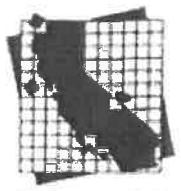
The County of Humboldt Economic Development department strongly supports initiatives and endeavors which strengthen local infrastructure, especially those that are aligned with the County of Humboldt's Comprehensive Economic Development Strategy (CEDS).

The HBMWD's proposed project, in particular, will enhance the feasibility of certain development projects that are already under consideration for the Samoa Peninsula,

Should you have any questions feel free to reach out to me.

Regards,

Scott Adair
Director of Economic Development
County of Humboldt
sadair@co.humboldt.ca.us
707-475-4800 (Direct line)



California Special Districts Association

CSDA

Districts Stronger Together

[CONTACT US](#) [JOIN](#)



[LOGIN](#)

55% Vote for General Obligation Bonds and Special Taxes



Background

Currently, the California Constitution requires a two-thirds vote at the local level for both General Obligation (G.O.) bonds and special taxes, regardless of what the city, county, or special district proposes to use the funds for.

ACA 1 creates a new constitutional vote threshold of 55 percent for both G.O. bonds and special taxes, when proposed specifically for the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing, or the acquisition or lease of real property for those purposes. The bill also specifies requirements for voter protection, public notice, and financial accountability.

ACA 1 defines “public infrastructure” to include (but not limited to) projects that provide the following:

- Water or protect water quality, sanitary sewer, treatment of wastewater or reduction of pollution from storm water runoff;
- Protection of property from impacts of sea level rise.

SUBMIT LETTER



Contact CSDA's Legislative Representative leading this issue



Join CSDA's Expert Feedback Team to help guide CSDA's

future advocacy on
this and other similar
issues

- Open space, parks and recreation facilities.
- Improvements to transit and streets and highways.
- Flood control.
- Broadband internet access service expansion in underserved areas.
- Local hospital construction.
- Public safety buildings or facilities and equipment.
- Public library facilities.

In practice, local officials propose a local bond or special tax, and then the voters in that community decide whether they support the idea or not. The voters would still need to overwhelmingly (with 55 percent of the vote) support a bond or special tax in order for it to be approved. ACA 1 will level the playing field and create parity between school districts and cities, counties, and special districts, so that all local governments have a viable financing tool to address community needs.

However, local school districts must only achieve 55 percent voter approval for school bonds to fund the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of schools, or the acquisition or lease of real property vote (Proposition 39, 2000).

From 2001 to 2013, over 2,200 local revenue measures have been placed before voters concerning school, city, county, or special district taxes or bonds. Majority vote tax measures have proven to be much more likely to pass, while just half of two-thirds vote measures succeeded. School bonds with a 55 percent have been the most successful, with four out of every five passing. In contrast, just half of two-thirds vote measures succeeded. A 55 percent voter threshold for special taxes would have made a dramatic difference. Nearly 80 percent of

all two-thirds supermajority measures garnered more than 55 percent of “yes” votes.

Cities, counties, and special districts face numerous challenges in securing funding for important local public infrastructure projects. ACA 1 would provide viable financing options while providing robust public accountability. If ACA 1 should pass both houses of the Legislature with 2/3rds vote, it would then go before the voters in 2020 in order to take effect.

Take Action

Please help CSDA in getting this bill signed into law by sending in a letter of support. Should you have any questions about the bill, please contact CSDA Legislative Representative Anthony Tannehill at anthonyt@csda.net.



1112 "I"
Street,
Suite 200
Sacramento
CA, 95814
877.924.2732
|
916.442.7887

FIND IT FAST

- SDLF
- Scholarships
- Register for an Event
- Career Center
- Membership Information
- Take Action
- Bill Tracking
- Knowledge Base
- Privacy Policy

CALIFORNIA SPECIAL DISTRICTS ALLIANCE



SPECIAL DISTRICT LEADERSHIP FOUNDATION





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

Website: 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

April 16, 2019

The Honorable Mike McGuire
California State Senate
State Capitol
Sacramento, CA 95814

Re: ACA 1 (Aguiar-Curry) – Local Government Financing - SUPPORT

Dear Senator McGuire,

On behalf of the Humboldt Bay Municipal Water District, I am writing to support ACA 1 (Aguiar- Curry), which will create a new voter approved mechanism with a vote threshold of 55% to approve local general obligation (G.O.) bonds and special taxes for certain affordable housing and **public infrastructure projects**.

We are a Municipal Water District that was formed in 1956 to develop a regional water system that provides a reliable water supply to customers in the greater Humboldt Bay area of Humboldt County. The District operates almost exclusively at the wholesale level. We supply drinking water to seven public agencies, who in turn, serve the residents, businesses and industries in our community comprising approximately 88,0000 customers. Our source of water supply is Ruth Lake reservoir.

ACA 1 targets the urgent needs of local communities. This measure gives local governments a more realistic financing option to fund an increase in the supply of affordable housing, and to address the **numerous local public infrastructure challenges** cities, counties, and **special districts** are facing. The California Constitution currently requires a two-thirds vote at the local level for both G.O. bonds and special taxes, regardless of the purpose a city, county, or special district is seeking those funds.

ACA 1 will provide mechanisms for cities, counties, and **special districts** to have a viable financing tool to help address important community needs for affordable housing and public infrastructure. Local voters would still need to overwhelmingly support a bond or special tax (with 55%) in order for it to be approved, thus protecting voters' control over how their tax dollars are spent. The bill also provides specific requirements for voter protection, public notice, and financial accountability.

Our District's Capital Improvement Plan exceeds \$50M and cannot be financed solely by water rates. Special Taxes is one funding component for a portion of our CIP. Therefore, it is critical that the ACA 1 pass.

If approved by the Legislature, ACA 1 would then have to achieve voter approval during a statewide election. This would further solidify the fact that voters support this change. Californians want to have an impact on their communities, because they know best what their families and neighbors need.

For these reasons, Humboldt Bay Municipal Water District is pleased to support Assembly Constitutional Amendment 1.

Please feel free to contact me if you have any questions.

Sincerely,

John Friedenbach
General Manager

cc: Anthony Tannehill, Legislative Representative, California Special Districts Association advocacy@csda.net
Kris Anderson, ACWA Legislative Advocate krisa@acwa.com
Brian Sanders, ACWA Regional Affairs Representative brians@acwa.com

RUTH LAKE COMMUNITY SERVICES DISTRICT AGENDA

The regular meeting of the Ruth Lake CSD Board of Directors will be held on
Thursday April 11, 2019 at 4:00pm at the RLCSD Community Hall
Located at 591 Van Duzen Road in Mad River

1. Call to order:
Flag Salute
2. Approval of Agenda:
3. Approval of Minutes: March 14, 2019 RLCSD Board Meeting, (action).
4. Public Comment: Members of the public are invited to address the Board on any items not listed on the agenda below. No action or discussion will be conducted on matters presented at this time. When Addressing the Board please state your name for the record prior to providing your comments. Please Address the Board as a whole through the Chair. Comments are limited to three minutes and must pertain to matters within the jurisdiction of the board. (action)
5. Trinity County Supervisor John Fenley, discussion Trinity County LAFCO.
6. Correspondence: Humboldt Bay Municipal Water District (HBMWD) letter Continuing work to prevent quagga mussel infestation.
7. Trinity County Sheriff Tim Saxon introduction and discussion. Deputies Wayne and Debbie Fackrell lake patrol summer of 2019.
8. Trinity River CHP Commander Ryan Hamm introduction and discussion. Update on CHP patrol in Southern Trinity Summer of 2019.
9. US Forrest District Ranger Dan Dill introduction and discussion.

10. Update of District Projects: Campground gate, Rocks Old Ruth, Barlow Campground, Trash Bins at Recreation Campground, recent discussion with Trinity County Solid Waste.

11. Items for Board Action and Investigation:

- A. Humboldt Bay Municipal Water District (HBMWD) John Friedenbach: HBMWD and RLCSD Prevention Plan for Quagga and Zebra Mussels at Ruth Lake. Discussion of plan and implementation of new plan, (Board packet). Letter of support from RLCSD needed with new plan for upcoming Quagga Grant cycle. (action)

Current Quagga Grant funding Old Ruth project.

- B. Marina Trailer: Manager's recommendation of trailer at Marina, (discussion and action).

- C. RLCSD Board Meeting: Move monthly board meeting to second Tuesday each month at 4:00 PM, Starting in May 2019, (discussion and action).

12. Manager's Report and Update:

- A. Financial
- B. Community Hall
- C. Marina
- D. Campground
- E. Leases
- F. HBMWD
- G. Buffer Strip
- H. Highway 36 Project

12. New Matters for Board Consideration:

13. Closed Session:

14. Adjournment.

**A Resolution of the Board of Directors of the Humboldt Bay Municipal Water District
Recognizing and Honoring the Service of Dale H Davidsen and
Dedicating the Ruth Cabin in his Honor**

WHEREAS, the District acquired the Ruth Headquarters property and facilities as part of the original land acquisitions around Ruth Lake in the 1950's and the building formerly used as the school teacher's residence was converted to the Ruth Bunkhouse; and

WHEREAS, the District established the Ruth Bunkhouse to provide lodging for District work crews when maintenance and construction projects require several day's work, and maintaining a facility for workers reduces commute costs and increases worker efficiencies; and

WHEREAS, although the Ruth Bunkhouse was properly maintained over the years, it was requiring more frequent and costly repairs, and the Board therefore determined that it would be more cost effective to replace it; and

WHEREAS, Dale H Davidsen was hired on August 3, 1992 as a Maintenance Mechanic, and during his tenure at the District Dale has risen through the ranks and served the District as the Maintenance Supervisor and as the Superintendent since March 2012; and

WHEREAS, throughout his career at the District has contributed valuable skills in fabrication, construction, water quality management, personnel management, safety, training, communications, emergency preparedness while dealing with pipeline leaks, mudslides, erosion, power outages, and damage to critical infrastructure; and

WHEREAS, Dale is a master machinist, a trafficker in tools, a designer of devices, and an operator of equipment both large and small; and

WHEREAS, Superintendent, Dale H Davidsen, undertook the task of remodeling the Ruth Bunkhouse, which took several budget years to come to fruition, and took much of his time; and

WHEREAS, for the Ruth Cabin remodel project, Dale has performed the services as architect/designer, plan preparation, bid coordinator, permit acquisition, price negotiation, construction manager, budget oversight, the project manager; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the **Humboldt Bay Municipal Water District** that the Ruth Cabin be known and designated at the Davidsen Cabin on and after the date of this Resolution, and that a suitable plaque be affixed to the facility so designating it; and,

BE IT FURTHER RESOLVED, that a copy of this Resolution be presented to Dale H. Davidsen as an expression of appreciation from the Board and staff of the HUMBOLDT BAY MUNICIPAL WATER DISTRICT whom he has faithfully served for the past 27 years.

PASSED and ADOPTED this 16th day of April 2019, by the following roll call vote:

AYES:
NOES:
ABSENT:

Attest:

Sheri Woo, Board President

Barbara Hecathorn
Board Assistant Secretary/Treasurer

ACWA



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

Website: 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

March 26, 2019

Dear Fellow Board Member:

We will be meeting in May at the ACWA/JPIA Conference. You will be asked to participate in the selection of the Executive Committee members to serve you in the next term. I am a candidate for re-election and respectfully request your vote.

I am completing my first four-year term on the Executive Committee. In addition to my general role in shaping the Liability, Property and Worker's Compensation programs, I chair the Employee Benefits Committee. When I ran before, I said I would work constructively with other Committee members to preserve the financial integrity of the pooled insurance programs and continue high quality service to the members. I believe I have fulfilled that promise. During my tenure we have held or reduced premiums in both our liability and property programs while expanding coverage. There was a zero increase in the self-insured employee benefits this year state wide. We have reduced costs in both health and pharmacy by about ten million dollars with minimal disruption to our members. We are currently finalizing work on a captive corporation to further increase revenues and reduce costs.

I have served on the Humboldt Bay Municipal Water District Board for 23 years. The District, located on the North Coast, provides wholesale water to seven municipalities serving 88,000 rate payers. I have been elected as Vice-President and President of the Board for two terms and am now serving a third term as Secretary/Treasurer. In addition to this service, I have been a Personnel Director, City Manager and County Administrator. In the last thirteen years, prior to retirement, I was a real estate broker and owned Rupp and Associates Realty Company. In each of these experiences I was involved in the selection and review of insurance and health benefit programs. The organizations ranged from a county staff of three thousand to a small business of seven employees.

During my time on the District Board I have been actively engaged in ACWA and ACWA/JPIA. I regularly attend and participate in State-wide meetings. I am serving as a Region 1 Board member and I am currently Vice Chair of the ACWA Finance Committee.

If I am elected to the ACWA/JPIA Executive Committee, I recommit to continue working with Executive Committee to provide the best possible service to our member agencies.

I respectfully request your vote for me to serve another term on the Executive Committee.

Thank you,

Bruce Rupp
Secretary/Treasurer



JOHN BRUCE RUPP (BRUCE)

RETIRED SMALL BUSINESS OWNER
ELECTED SPECIAL DISTRICT BOARD MEMBER
EUREKA, CALIFORNIA

- Director Humboldt Bay Municipal Water District for 23 years. Two term President of the Board.
- Retired Real Estate Broker and Business Owner.
- Married 48 years: Wife Marilyn, former Real Estate Agent and Paralegal
- Family: One son, two daughters and eleven grandchildren
- Career History

Five years as United States Army officer, combat veteran Vietnam; Bronze Star, Jump Wings, Vietnamese Cross of Gallantry

Seven years of progressively more responsible positions in Alameda County Government, San Francisco Bay Area

Ten years as City Manager, City of Alameda, CA

Four years as County Administrative Officer, Humboldt County, CA

Thirteen years as Real Estate Broker and owner of Rupp & Associates Realty

- Education: San Rafael High School, San Rafael, CA
San Jose State University, BA, Public Administration
Graduate Officers Candidate School, Defense Language Institute
- Professional and Community Service Involvement:

Rotary Member for 40 years; twice Club President; Paul Harris Fellow

Past Chair Redwood Region Economic Development Commission

Member City of Eureka Finance Advisory Committee

Member Humboldt County Headwaters Fund Board

Chair ACWA-JPIA Employee Benefits Committee

Member and Vice-Chair of ACWA Finance Committee

Member of ACWA Membership Committee

Member of ACWA-JPIA Executive Board

Member Eureka Elks Lodge

Past President, Humboldt Association of Realtors

Past Board Member League of California Cities

Former State Governor appointment to North Coast Regional Water Control Board



*Dedicated to
Satisfying our Community's
Water Needs*

BOARD OF DIRECTORS

Shawn Dewane
*President
Division V*

Marice H. DePasquale
*Vice President
Division III*

Jim Atkinson
*Director
Division IV*

Fred R. Bockmiller, P.E.
*Director
Division I*

James R. Fisler
*Director
Division II*

Paul E. Shoenberger, P.E.
General Manager

Denise Garcia
District Secretary

Marwan Khalifa, CPA, MBA
District Treasurer

**Atkinson, Andelson,
Loya, Ruud & Romo**
Legal Counsel

1965 Placentia Avenue
Costa Mesa, CA 92627
tel 949.631.1200
fax 949.574.1036
info@MesaWater.org
MesaWater.org

March 14, 2019

Mr. John Friedenbach
General Manager
Humboldt Bay Municipal Water District
P.O. Box 95
Eureka, CA 95502-0095

Dear Mr. Friedenbach,

On behalf of Mesa Water District, it is an honor to request that your agency support and vote for Fred R. Bockmiller, P.E., for election to the ACWA/JPIA Executive Committee.

Director Bockmiller has served on our Board for over two decades, making fair and informed decisions that have greatly benefited Mesa Water® and its constituents. Since 2006, he has been our representative on the ACWA/JPIA Board and, since 2008, he has served on ACWA/JPIA's Risk Management Committee. He also serves on the AWCA Energy Committee.

Due to his elected public service experience, community volunteer service, and his 30-year career at the University of California, Irvine, Director Bockmiller possesses the qualifications, knowledge, and understanding of the many issues facing ACWA/JPIA. Attached for your review is a Statement of Qualifications for Director Bockmiller's election to the ACWA/JPIA Executive Committee.

Five agencies adopted a concurring in nomination resolution in support of Director Bockmiller's candidacy for the ACWA/JPIA Executive Committee:

- East Orange County Water District;
- Municipal Water District of Orange County;
- Orange County Water District;
- Santa Margarita Water District; and,
- Yorba Linda Water District.

Our Board has the highest confidence in Director Bockmiller and his proven leadership abilities, which can help guide ACWA/JPIA to continued organizational success and excellence in serving to its member agencies. If you have any questions or requests for additional information, kindly contact our General Manager, Paul E. Shoenberger, P.E., by calling 949.631.1206 or emailing PaulS@MesaWater.org. Thank you for your consideration in voting for Director Bockmiller.

Sincerely,

Shawn Dewane
Mesa Water Board President

c: Mesa Water Board of Directors
Paul E. Shoenberger, P.E., Mesa Water General Manager

Elect Fred R. Bockmiller, P.E. to ACWA/JPIA Executive Committee**Fred R. Bockmiller, P.E.
Director, Mesa Water District**

OBJECTIVE: To further the goals of ACWA/JPIA in best serving its members, by applying my analytical and leadership skills, and my risk management experience, as a member of the ACWA/JPIA Executive Committee.

STATEMENT OF QUALIFICATIONS:

- Mesa Water District Director, 1996-present
- Five-term Board President, Mesa Water District
- ACWA/JPIA Board, 2006-present
- ACWA/JPIA Risk Management Committee, 2008-present
- ACWA Energy Committee, 2002-present
- Chair of all various Mesa Water District Committees (Executive, Audit Ad Hoc, Finance, Human Resources, IT Ad Hoc, Engineering and Operations, Public Information)
- Engineering Manager, UC Irvine Facilities Management Department

BIOGRAPHY: A Newport-Mesa native, Fred Bockmiller represents Division 1 -- encompassing the West Side of Costa Mesa and portions of Newport Beach -- on the Mesa Water District Board of Directors. Having been Board President for five prior terms -- in 1999, 2000, 2004, 2011, and 2012 -- Director Bockmiller currently serves as Chairman of Mesa Water's Engineering and Operations Committee.

Director Bockmiller represents Mesa Water on the Board of the Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA). He also serves on the ACWA/JPIA Risk Management Committee and the ACWA Energy Committee.

Director Bockmiller has previously chaired every Mesa Water committee (Executive, Audit Ad Hoc, Finance, Human Resources, IT Ad Hoc, Engineering and Operations, and Public Information). Additionally, he has represented Mesa Water at the City/Districts Liaison Committee, Orange County Council of Governments, Orange County Water District, and the Costa Mesa Westside Revitalization Oversight Committee.

Throughout his elected service, Director Bockmiller has championed water quality and cost-efficient service reliability through a perpetual agency philosophy of long-term planning for the future of Mesa Water and continuous infrastructure maintenance, renewal, and improvement. He has been a relentless champion of high-quality, fact-based decision making.

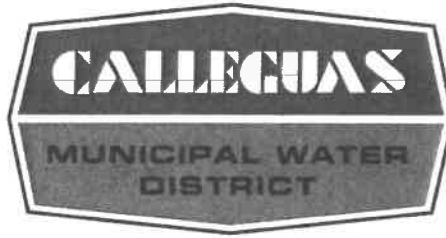
Director Bockmiller is the Engineering Manager in the Facilities Management Department at UC Irvine (UCI), a leader in energy conservation and construction efforts for more than 20 years, including completion of more than \$3 billion in major capital construction projects, and extensive energy and water conservation retrofits, which tripled the developed building space, reduced energy consumption in laboratories by 50 percent, and decreased per capita water use by more than 30%. He also represents the department at the emergency operations center for the campus with a daytime population approaching 60,000 people on 1,500 acres.

Developing the next generation is an area of interest for Director Bockmiller. He is a regular guest lecturer in UCI's Department of Mechanical and Aerospace Engineering, a mentor in the Junior Mentor Program at Newport Harbor High School, and was a Board member for 17 years of the Youth Employment Service -- a local charity that provides youth with the tools to find jobs -- where he served as CFO and President.

THOMAS L. SLOSSON, PRESIDENT
DIVISION 1

ANDY WATERS, SECRETARY
DIVISION 3

STEVE BLOIS, DIRECTOR
DIVISION 5



SECTION *L2C* PAGE NO. *1*
ANDRES SANTAMARIA, VICE PRESIDENT
DIVISION 4

SCOTT H. QUADY, TREASURER
DIVISION 2

SUSAN B. MULLIGAN
GENERAL MANAGER

web site: www.calleguas.com

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

April 2, 2019

H.B.M.W.D. APR - 4 2019

ACWA JPIA Member Agencies

RE: SCOTT QUADY for election to the California Water Insurance Fund (CWIF) Board of Directors

Dear JPIA Representative,

On behalf of Calleguas Municipal Water District Board of Directors, I respectfully request that your agency vote for Scott Quady for election to the newly founded California Water Insurance Fund (CWIF).

ACWA JPIA recently formed CWIF as a "captive insurance company" that operates as a wholly-owned private insurance company. It is expected to save members money with discounted excess and reinsurance costs, higher investment earnings, and a wider variety of risk financing options. Two positions are to be filled on the CWIF Board of Directors. An election will be held during the ACWA JPIA Board of Directors' meeting at the 2019 Spring Conference in Monterey.

Director Quady has served on the Calleguas Board since 2008 and represented the district on the ACWA JPIA Board of Directors for the past six years. His extensive knowledge of both the water industry and public agency finance would greatly benefit CWIF. Four agencies have adopted concurring resolutions in support of Director Quady's candidacy for the CWIF Board of Directors: Camrosa Water District, Montecito Water District, Santa Clarita Valley Water District, and United Water Conservation District. Biographical information about Director Quady is attached to this letter for your review.

Our Board has the highest confidence in Director Quady and his proven leadership abilities. If you have any questions or requests for additional information, kindly contact Calleguas' General Manager, Susan Mulligan, by calling (805) 526-9323 or emailing smulligan@calleguas.com. Thank you for your consideration in voting for Director Quady.

Sincerely,

A handwritten signature in black ink that reads "Thomas L. Slosson".

Thomas L. Slosson
President

attachment



Scott Quady

Scott would bring to the California Water Insurance Fund Board extensive knowledge of the water industry & public agency finance.

As Calleguas' Board Treasurer and Chair of the Finance Committee he has improved accountability and transparency by instituting formal policies for financial matters as well as committee workshops to thoroughly review key financial documents.

Scott is committed to service and fiscal responsibility.

Ten years' experience as a water district board member

Scott was elected to the Calleguas Municipal Water District (Calleguas) Board of Directors in November 2008, serving as Board President from 2012 through 2016. He has served as Treasurer and Chair of the Finance Committee since 2016 and as Chair of the Water Quality and Operations Committee since 2012.

As Chair of the Calleguas Finance Committee, Scott has taken a leadership role in updating the Investment Policy (later certified by the California Municipal Treasurers Association), establishing a Debt Management Policy, and establishing guidelines for funding of post-employment benefits.

Since 2012 Scott has been Calleguas' voting member on the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) and serves on the ACWA Water Quality and Water Management Committees. Since 2016 he has represented Calleguas on the Board of Directors of the Ventura County Regional Energy Alliance.

Extensive professional experience in the water industry

Scott has over 35 years of water-related experience.

- 2001 to 2017 (ret.) - Environmental Resource Analyst, Ventura Regional Sanitation District
- 1989 to 2001 - Laboratory Manager, United Water Services, JMM Operational Services
- 1978 to 1988 - Laboratory Supervisor, Las Virgenes Municipal Water District

He also has several degrees and certifications applicable to the water industry.

- Bachelor of Science degree in biochemistry from Cal Poly San Luis Obispo
- Master of Science Degree in environmental science from Loyola Marymount
- Engineer-In-Training (EIT) certificate from the California Department of Consumer Affairs
- Water Treatment Operator (Grade 2) from the SWRCB Division of Drinking Water
- Management level certifications (Grade 4) from the California Water Environment Association (CWEA) for both Laboratory Analyst and Environmental Compliance Inspector

Scott has lived in the Thousand Oaks area since 1969; now with his wife of 29 years, Marilee, and a four-legged child, Whitney (Rottweiler).

Perspective

Vol. 40 No. 2

March/April 2019

Two Elections Will Be Held At The Board Of Directors' Meeting In Monterey

Two elections will take place during the JPIA's May 6, 2019, Board of Directors' meeting in Monterey. The first election will be to fill four positions on the Executive Committee, each for its complete term of four year. There are two incumbents running (E.G. "Jerry" Gladbach of Santa Clarita Valley Water Agency and J. Bruce Rupp of Humboldt Bay Municipal Water District) and two positions are currently vacant.

The second election will fill two positions on the California Water Insurance Fund Board (an ACWA JPIA Captive Insurance Company). This newly formed company will have a seven-member Board, made up of four current Executive Committee members, a resident of Utah (this is a Utah State requirement) and two members who are elected from the JPIA's Board of Directors at large. For the initial term, these positions will be filled for three years each. Thereafter, they will be two-year terms.

Any candidate, who is elected to an Executive Committee position during the first election, will become ineligible to run in the second election for the California Water Insurance Fund Board.



Only the JPIA Directors or their Alternates present at the meeting may obtain the ballots for voting. Proxy voting is not permitted.

Ballots will be counted by the election inspectors and the results announced at the Board meeting. The election for the California Water Insurance Fund Board will occur after the results of the first election are announced.

Written by: Sylvia Robinson, Publications & Web Editor

Inside This Issue ...

An Independent Claims Audit Finds The JPIA Excellent	3	JPIA 2019 Spring Conference Schedule	5
Form 700s Due	3	Members Asked To Share Comments On JPIA's 40 th Anniversary	5
JPIA Distributes \$4.5 Million To Its Members	3	W.D. "Bill" Knutson Withdraws From the Executive Committee	6
Affordable Care Act Update	4	Faces Of Learning And Change	7
2019 Wellness Grants	4	Annual Property Schedule Review	8

W.D. "Bill" Knutson Withdraws From The Executive Committee

Bill Knutson of Yuima Municipal Water District, resigned his position as a JPIA Executive Committee member, after 14 years of service. As a Board of Directors' member, Bill first served on the JPIA's Workers' Compensation Program Committee in 2004. After that, he was elected to the Executive Committee and was subsequently appointed as Chair of the Workers' Compensation Program Committee. He also served as Vice Chair of the JPIA's Property Program Committee and Employee Benefits Program Committee and as a member of the Personnel Committee.

Bill has been a member of the Yuima Board of Directors since 1998, representing Division 4, and is President of the Board. He has served as the District's representative on the San Diego CWA Board and chaired several of its Committees and Ad Hoc Committees. He is also a past Vice Chairman of the Colorado River Board for the State of California.

His education includes the United States Naval Academy, Bachelor of Science, 1952; U.S. Navy Test Pilot School, Aeronautical Engineering, 1959; George Wash-

ington University, Master Business Administration, 1964; and National War College, International Relations, 1970.

He retired from the Navy after 28 years of service. During that time, he served as a Commanding Officer of Master Jet Base Naval Air Station Oceana providing all services for 5,000 Navy and Civilian personnel, plus 24 squadrons of aircraft. He also served as a Navy Program Manager and Test Pilot. Throughout his career with the Navy, he flew 76 different makes/models of aircraft and had 130 combat missions in Vietnam. Before that, Bill spent 15 years in the aerospace industry with Hughes Aircraft and General Dynamics. At Hughes Aircraft, he was Manager of radar, missile, infra-red and laser programs and at General Dynamics, he was the Special Assistant to the Manager of the Stealth A-12 Program.

Bill has served as Past President and/or Chairman of the Board for Early and Pioneer Naval Aviators Association, The Naval Order of the United States, The Tailhook Association, and The Tailhook Educational Foundation.

He is also a member of The Society of Experimental Test Pilots, The Red River Valley Fighter Pilots Association, The Navy League, Rotary International, The United States Naval Academy Alumni Association, National War College Alumni Association, and The Naval History Foundation.

In a letter to JPIA CEO, Andy Sells, Mr. Knutson stated, "It has been my distinct honor, privilege and education to have been a part of the JPIA for the past 20 some years and on the Executive Committee for 16 years. There are few organizations or businesses that serve their constituents or members as well as the JPIA serves the needs of our member agencies."

The JPIA is forever grateful to the many years of service and expertise that Bill dedicated to the organization and wish him well in his future endeavors.

Written by: Sylvia Robinson, Publications & Web Editor



W.D. "Bill" Knutson of Yuima MWD.



At a JPIA Board of Directors' meeting: L/R Former Executive Committee members Joe Dion and Lou Reinkens with Bill Knutson.



Executive Committee Strategic Planning Session: L/R David Hodgjin, Bruce Rupp, Bill Knutson, Karen Thesing, and David Drake.

An Independent Claims Audit Finds The JPIA Excellent

During the month of November 2018, JPIA underwent its biennial Workers' Compensation, Property, and Liability claims audit.

The audit was conducted by Bickmore, a risk management consulting and actuarial services company, and the auditor examined the JPIA's self-insured, self-administered claims administration practices. The JPIA has separate claims departments for the various lines of coverage (i.e., Workers' Compensation, Property, and Casualty). Over 50 workers' compensation files were audited, as well as 32 files for general liability, property, and employment liability cases.

The audit deliverables included reviewing the JPIA's written claims administration procedures and interviewing claims management staff regarding the current claims administration procedures and practices, including work flows. The audit also included a look back at claims data for the three most recent years, as well as reviewing the reports that JPIA submits to the California Office of Self Insurance Plans.

The audit findings concluded with the statement that "both units are staffed with experienced professionals and provide good service to the membership as demonstrated in the performance results." The respective units received "superior" scores.

The members often say that JPIA is excellent but once again, it is verified by an independent third party!

Written by: Karen Thesing, Director of Insurance Services

Form 700s Due April 2, 2019

JPIA Directors who haven't submitted a Form 700 should contact Bobbette Wells at bwells@acwajpia.com or (800) 231-5742, ext. 3161.

JPIA Distributes \$4.5 Million To Its Members

The JPIA is once again distributing refunds to its members. In March and April of this year, \$4.5 million in checks was distributed to approximately 193 members. Members of the Executive Committee and management staff personally delivered many checks directly to the members. The Risk Management staff delivered some of the checks during their regular district visits as well. Since the establishment of the Rate Stabilization Fund, 20 years ago, the JPIA has delivered over \$50 million in refund checks.

Why is this? Simply put, members' claims losses are less than those projected by the JPIA actuary. By utilizing the resources provided by the JPIA such as training in the areas of employee safety, employment practices, infrastructure management, and risk transfer, members have achieved a level of success unmatched in the industry. It is the combined efforts of the entire membership that make these refunds possible.

What programs are having the most impact? While the Property Program contributed to the total amount of refunds, the Liability Program and Workers' Compensation Programs have had the largest impact. Policy year 2014-2015 for both of these Programs was adjusted for the first time. This resulted in favorable adjustments to the members in the amount of \$2.1 million for the Liability Program and \$3.3 million for the Workers' Compensation Program.

Congratulations to all of the members of the JPIA. Again, it is the combined effort and hard work of the members that make these refunds possible.

Written by: David deBernardi, Director of Finance

Member Photos

The JPIA's Art Committee would like to thank all of the members who sent photos for use in various projects throughout the JPIA. The submitted photos can be seen in the hallways of the JPIA office building in Roseville and have also been cycled frequently on its lobby display monitor. With the New Year, the Art Committee will be selecting new photos to display, so members are asked to send any admirable photos (high resolution digital format) to Ethan Larson at el Larson@acwajpia.com and include a short description of the photos in order to understand their content. Some ideas for photos may include aerial photos, facilities, landscapes, disasters, and historic photos.



**Federal Regulatory Issues
 March 2019 Update**

Environmental Protection Agency		
Issue	Summary	Status
Clean Water Act rule on new definition of "waters of the United States"	EPA and the Army Corps of Engineers propose excluding ephemeral streams from the definition of "waters of United States" for the first time. This change will mean that water agencies no longer need Clean Water Act permits to conduct work in ephemeral streams. Additionally, the proposed definition excludes wastewater recycling structures constructed in uplands, such as detention, retention and infiltration basins and ponds, and groundwater recharge basins. Stormwater control features constructed in uplands to convey, treat, infiltrate, or store stormwater runoff, including green infrastructure, are also excluded from the new definition. Ditches would only be regulated if they meet certain criteria such as functioning as traditional navigable water or constructed in a tributary or adjacent wetland. Man-made infrastructure (including water supply facilities) will remain within the definition of "waters of the United States" if they were originally constructed on a water body that would otherwise qualify as jurisdictional.	New proposed rule published 2/14/2019. Comments due 4/15/2019.
Subsurface/ groundwater connection and NPDES permits	EPA is seeking public comments on the proper scope of its authority under the CWA to regulate discharges of pollutants from a point source to navigable waters regardless of whether the pollutant enters navigable waters directly or indirectly from another source, such as groundwater. In its request for comment, EPA explained that conflicting court decisions and past EPA statements in rulemakings, permitting actions, and guidance documents have raised questions about whether releases to groundwater or other subsurface flow that reach jurisdictional surface waters should be subject to CWA jurisdiction.	ACWA's comment letter emphasized that the potential groundwater connection that water re-use facilities, stormwater management basins, groundwater recharge basins, constructed wetlands and similar water and wastewater infrastructure have to jurisdictional waters is not sufficient to require National Pollution Discharge Elimination System (NPDES) permits. ACWA requested EPA clarify in rulemaking that these water and wastewater infrastructure facilities do not require NPDES permits for their potential subsurface connection to "waters of the United States." Comments submitted May 21, 2018.



Bringing
Water
Together

Environmental Protection Agency		
Issue	Summary	Status
Revised Lead and Copper Rule	EPA is currently evaluating and developing supporting materials for proposal and seeking more stakeholder input on how to set partial line replacement requirements. Also examining how water utility customers will pay for replacements.	EPA held a federalist consultation meeting on proposed updates to the rule on 1/8/2018. ACWA worked with AWWA and AMWA to provide comments on 3/8/2018. New proposed rule anticipated 02/2019.
Perchlorate	EPA made a determination to regulate perchlorate on 2/2/11. SAB submitted final report to EPA using novel method for assessing risk to children 5/29/2013.	NRDC sued EPA to force them to establish a national standard last February. Judge ruled in favor of NRDC 9/19/2016. EPA under a consent decree to issue proposed standard for perchlorate by 10/31/2018 and a final standard by 12/19/2019. EPA failed to meet the court ordered deadline and all parties agreed to an extension until April 30, 2019. Government shut down delayed publication date until mid-May.

Army Corps of Engineers		
Issue	Summary	Status
WRDA Implementation	The Corps is seeking public input on the development of implementation guidance for 37 specific provisions of WRDA 2018, three provisions of WRDA 2016, and two provisions of WRDA 2014. Provisions open for comment include the surplus water contracts and water storage agreements (section 1138 of WRDA 2018) and a study of water resource development projects by non-federal interests (section 1152 of WRDA 2018). The public is asked to share input and recommendations for implementing these specific provisions, as well as any factors seen as critical for consideration during the development of implementation guidance for these provisions.	The Corps issued the request for comments on 12/14/2018 and all input is due 2/12/2019. ACWA is working with NWRA to provide comment.
Clean Water Act Rule	See information under EPA.	New proposed rule published 2/14/2019. Comments due 4/15/2019.



Bringing
Water
Together

Endangered Species Act Implementation		
Issue	Summary	Status
Revisions to FWS Mitigation Policy	Updates FWS 1981 mitigation policy and applies it to the ESA for the first time. The proposed mitigation framework uses a landscape scale approach to achieve mitigation that takes into account climate change. It sets a goal of a "net conservation gain" for proposed mitigation projects and establishes a floor of "no net loss".	Withdrawn 7/27/2018. "It is no longer appropriate to retain the 'net conservation gain' standard throughout various Service-related activities and is inconsistent with the current Executive branch policy."
FWS/NMFS Notice of Proposed Rulemaking: Revisions to Section 7 Consultation Requirements	Addresses the consultation between the Services and federal action agency on whether a proposed action will jeopardize the continued existence of a threatened species. Revises the adverse modification definition; eliminates the categorization of effects as direct, indirect, interdependent, or interrelated; proposes new regulatory language defining a "framework" for applying the reasonably certain to occur standard; proposes numerous streamlining measures for the informal consultation process and formal consultation process designed to reduce redundancies.	Proposed 7/25/2018. ACWA, working with NESARC, provided comments on 9/24/2018.
FWS/NMFS Notice of Proposed Rulemaking: Revisions to Section 4 Critical Habitat Designations	Proposes adoption of a framework for determining the "foreseeable future" as applied in determining whether a species is threatened; clarification of the factors informing the delisting of a species; revisions of the factors informing a decision that designation of critical habitat is not prudent; and clarification of the requirements for designation unoccupied critical habitat. Allows reference but not consideration of economic and other impacts in listing determinations.	Proposed 7/25/2018. ACWA, working with NESARC, provided comments on 9/24/2018.
FWS Notice of Proposed Rulemaking: Rescind the blanket 4(d) Rule	Proposal to revise FWS rule to make it consistent with the approach taken by NMFS. Protections of Section 9 of the ESA would no longer automatically apply to newly classified threatened species.	Proposed 7/25/2018. ACWA, working with NESARC, provided comments on 9/24/2018.

RREDC/RCEA



Redwood Coast Energy Authority

633 3rd Street, Eureka, CA 95501

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

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

BOARD OF DIRECTORS MEETING AGENDA

Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501

March 28, 2018
Thursday, 3:30 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.

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 February 28, 2019, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

3.4 Authorize the Executive Director to Execute an Amendment to the Power Purchase Agreement with DG Fairhaven Power, LLC Changing the Green Attribute Price Associated with Surplus Delivered Energy from \$14.50 per Megawatt-hour to \$17.00 per Megawatt-hour.

4. REMOVED FROM CONSENT CALENDAR ITEMS

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

5. OLD BUSINESS

5.1 Offshore Wind Project Grid-Interconnection Study

Consider approval of expenditure of \$273,500 toward the Redwood Coast Offshore Wind Project's CAISO interconnection process phase-2 financial security posting and authorize the Executive Director to execute any associated documents.

6. NEW BUSINESS

6.1. FY 2018-2019 2nd Quarter Budget Summary

Adopt proposed FY18-19 Budget Mid-Year Adjustment with revised FY18-19 Budget Totals.

6.2. Salary Survey Report

Receive salary survey report.

6.3. RCEA Energy Efficiency Programs Update (Information only, no action)

6.4. Audit Services RFP

Authorize staff to issue a request for proposals for professional financial audit services and complete a review of submitted proposals and authorize the Executive Director to contract with the selected respondent and execute all associated documents following review and approval by the RCEA Board Finance Subcommittee and RCEA Legal Counsel.

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. Feed-In Tariff

Authorize staff to launch the RCEA Feed-in Tariff program effective April 1.

7.2. 100% Clean and Renewable Electricity by 2025 Goal

Adopt Resolution 2019-1 of the Board of Directors of the Redwood Coast Energy Authority Adopting the Target of a 100% Clean and Renewable Electricity Mix by 2025.

8. NEW CCE BUSINESS – None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1. Community Choice Energy Program Update by Power Resources Director Richard Engel.

9.2. Building Lease Renewal Report by Operations Director Dana Boudreau.

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, April 25, 2019, 3:30 p.m.
Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501



Redwood Coast Energy Authority

633 3rd Street, Eureka, CA 95501

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

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

SECTION L4 PAGE NO. 5

BOARD OF DIRECTORS DRAFT MEETING MINUTES

**Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501**

**February 28, 2018
Thursday, 3:30 p.m.**

Chair Michael Winkler called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:28 p.m. Notice of this meeting was posted on February 22, 2019. PRESENT: Vice Chair Austin Allison, Estelle Fennell (arrived 3:30 p.m.), Summer Daugherty (arrived 3:33 p.m.), Dean Glaser, Dwight Miller, Robin Smith, Frank Wilson, Chair Michael Winkler, Sheri Woo. ABSENT: None. STAFF PRESENT: Business Planning and Finance Director Lori Biondini; Operations Director and Acting Executive Director Dana Boudreau; Power Resources Director Richard Engel; Matt Hague, CPA; Demand Side Management Director Lou Jacobson; Clerk of the Board Lori Taketa.

REPORTS FROM MEMBER ENTITIES

Director Smith reported that Ferndale residents care about clean energy and current perceived community reluctance toward Terra-Gen's Humboldt Wind Project is likely based on negative memories of Shell's past, attempted wind project.

Director Fennell arrived at 3:30 p.m. She reported that she sits on the Eel Russian River Commission and is monitoring the PG&E bankruptcy with regard to the Potter Valley Project.

Director Daugherty arrived at 3:33 p.m.

Director Woo reported that both Humboldt Bay Municipal Water District Ruth Lake turbines are running and generating hydropower. She expressed uncertainty about whether PG&E would pay for the electricity.

Director Allison reported that the City of Eureka was working toward using non-CRV glass for road repair rather than sending the material to landfills. The City of Eureka is working toward a goal of zero waste city operations by 2020.

Chair Winkler stated the City of Arcata set a goal to phase out natural gas use in City facilities in 15 years and move toward high-efficiency electrical heating and cooking devices powered by renewable sources in new construction.

ORAL COMMUNICATIONS

Chair Winkler invited public comment.

Arcata resident Sean Armstrong stated that the Sierra Club is working with municipalities to ban natural gas in new construction and the City of Berkeley is about to issue an ordinance to do this. Mr. Armstrong reported that local studies find \$2000-3000 in cost savings per

apartment when natural gas is not installed. Mr. Armstrong encouraged RCEA to focus first on replacing inefficient, health-harming gas stoves with high-efficiency electric stoves.

Member of the public Ellen Golla stated that if RCEA is going to encourage a transition to electric heating, people who heat with electricity need to receive credits, otherwise more rate payers will use wood stoves for heat and cause more health hazards.

Chair Winkler stated that ratepayers who heat their homes with electricity are entitled to double the normal baseline quantity, or the amount of electricity a household can purchase at the lowest rate.

Humboldt State University students representing the Sunrise Movement stated their support for the Green New Deal and a transition to 100% renewable energy which does not include biomass. They thanked the directors and staff for their work.

Chair Winkler closed public comment.

CLOSED SESSION

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

The RCEA Board convened in closed session at 3:43 p.m. to consider the following items:

- 3.1 Public Employee Performance Evaluation, pursuant to Government Code Section 54957(b)(1): Executive Director
- 3.2 Conference with labor negotiator pursuant to Government Code Section 54957.6:
RCEA representative: Director Sheri Woo.
Unrepresented employee: Executive Director

The Board reconvened to open session at 3:52 p.m. Chair Winkler stated there was nothing to report out from the closed session.

CONSENT CALENDAR

- 6.1 Approve Minutes of January 28, 2019, Board Meeting.
- 6.2 Approve Disbursements Report.
- 6.3 Accept Financial Reports.
- 6.4 Receive the 2017 Power Source Disclosure Audit.
- 6.5 Approve Amendment No. 4 to Agreement for Employment of Executive Director with Matthew Marshall.
- 6.6 Authorize the Executive Director to execute an amendment to the power purchase agreement with Humboldt Sawmill Company with the following key contract adjustments:
 - Extend contract end date to 2024.
 - Reduce unit price for the period March 1, 2019-December 31, 2019 to \$65/MWh, 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.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

M/S: Wilson, Glaser. Approve Consent Calendar items.

The motion passed. Ayes: Allison, Daugherty, Fennell, Glaser, Miller, Smith, Winkler. Noes: None. Absent: None. Abstentions: Wilson, Woo (recused from voting on item 6.6).

Chair Woo recused herself from voting on agenda item 6.6 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 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 power purchase agreement is remote. Director Wilson also recused himself from voting on item 6.6 because he is an HRC employee.

OLD BUSINESS

8.1 FY 16-17 Fiscal Audit – Independent Auditor's Report (Information only)

David L. Moonie & Co. CPA Matt Hague reviewed the means by which he audited the agency and the Community Choice Energy program for fiscal year 2016-17. Mr. Hague reviewed the report and findings, stating that some prior year findings were repeated due to the subsequent year's delayed audit.

The directors confirmed that staff's response to findings were satisfactory. Director Woo stated that the Board acknowledges the agency's dramatic growth and takes the agency's financial responsibilities very seriously. Ms. Woo stated that the newly-formed Finance Subcommittee will be paying close attention to agency fiscal matters and that audits would be completed in a timely manner.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

8.2 ACV Microgrid Updates, Construction Agreement, MOU and Lease

David Carter, Managing Research Engineer at Schatz Energy Research Center presented a status report on the Redwood Coast Airport Renewable Energy Microgrid project, Humboldt County's third and largest microgrid project, which will integrate a large amount of distributed renewable energy resources into the larger utility grid and provide state-mandated battery storage. The project's innovative DC coupling technology will insulate the larger grid from the 2.1MW solar array's production fluctuations when clouds block the sun. The generated electricity will create revenue for RCEA by selling electricity when it is most valuable, provide disaster resiliency for the regional airport and Coast Guard station, and provide local renewable energy to CCE customers. The project is PG&E's first front-of-the-meter microgrid.

The project's completed CEQA process resulted in a mitigated negative declaration and the FAA approval process is progressing on schedule. The solar panels will meet strict requirements and be oriented to prevent glare for pilots. Final design and permitting work will take place in 2019. Lab testing will take place in early 2020. Construction will be complete and commissioning will start in the beginning of 2021. The project is anticipated to be in operation for 25 years.

Tesla Senior Manager of Utilities, America Tristan Glenwright participated in the meeting by phone and stated that the battery service life is 15+ years, at which time they will operate at 70% capacity. Additional batteries may be required at that point to operate at full capacity.

Upon inquiry by Director Woo about the PG&E bankruptcy's effect on their project contracts, Mr. Carter stated that PG&E supports the project and sees microgrids as a way to operate the grid more safely in fire-prone areas in the future. The two full-time PG&E staff dedicated to the project are funded by a separate source, a CEC technology innovation grant.

Chair Winkler invited public comment.

A member of the public inquired whether the County would localize energy distribution if PG&E went bankrupt. Chair Winkler stated that RCEA has localized energy supply control through the CCE program.

Members of the public asked about electric vehicle charging at the airport, to which Mr. Carter responded that the project design includes four EV chargers with space for three more as demand grows.

A member of the public asked about the payback schedule for the project given the airport's foggy location, to which Mr. Carter responded that while the payback period may be longer than projects in sunny locations, this technology research and development project's data will be tracked to inform future projects and policy.

Chair Winkler closed public comment.

The directors referred to the community-developed Comprehensive Action Plan for Energy (CAPE) and the RePower Humboldt Plan, pointing to RCEA's participation in this project as part of these plans' implementation. Chair Winkler stated he would like the Board to consider revision of the RePower Humboldt Plan and staff added that a CAPE revision is in process.

M/S: Allison, Miller: Authorize the Executive Director to develop and execute, upon approval by the RCEA General Counsel, an agreement with Tesla Inc. for engineering, procurement, and construction services for the Redwood Coast Airport Renewable Energy Microgrid Project and any other associated documents as necessary.

The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Glaser, Miller, Smith, Wilson, Winkler, Woo. Noes: None. Absent: None. Abstentions: None.

M/S: Allison, Fennell: Authorize the Executive Director to execute the Redwood Coast Airport Renewable Energy Microgrid Memorandum of Understanding based on pending mutual agreement of all parties.

The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Glaser, Miller, Smith, Wilson, Winkler, Woo. Noes: None. Absent: None. Abstentions: None.

8.3 Finance Subcommittee Membership

Director Daugherty stated she would like to serve on the Finance Subcommittee.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

M/S: Fennell, Allison: Appoint Summer Daugherty to the Finance Subcommittee for a one-year term ending on the first regular Board meeting of 2020.

The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Glaser, Miller, Smith, Wilson, Winkler, Woo. Noes: None. Absent: None. Abstentions: None.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

Chair Winkler determined a quorum was present to conduct CCE business.

OLD CCE BUSINESS

10.1 Offshore Wind Project Update (Information only)

Director of Business Planning and Finance Lori Biondini reported on the offshore wind project kick off meeting with the Humboldt Bay Harbor, Recreation and Conservation District and project partners where harbor infrastructure construction timelines were discussed. Staff is consulting with The Energy Authority to evaluate the energy to be provided by this project. The Bureau of Ocean Energy Management's lease application response is expected in a little less than 18 months. Staff is exploring submitting a Headwaters Fund Grant application to help pay for project development thus far.

Chair Winkler invited public comment. No one came forward to speak. Chair Winkler closed public comment.

NEW CCE BUSINESS

11.1 Community Advisory Committee 100% Clean and Renewable 2025 Goal Recommendation

Demand Side Management Director Lou Jacobson reported that the Community Advisory Committee came to a consensus recommendation on January 18 that the Board adopt a

100% clean and renewable electricity by 2025 goal without modifying other existing RCEA targets and establish a process to obtain public input on the definitions of “clean” and “renewable.”

Director Jacobson presented The Energy Authority's analysis that meeting a 100% renewable goal by 2025 using existing state definitions of “renewable” would impact the CCE program's ability to meet existing reserve, local solar and community program targets. TEA estimates a reduction in net revenue in 2023 of \$6.5 million without biomass and \$6.7 million with extended biomass contracts.

Director Jacobson added that both RePower Humboldt and CAPE, the CCE program's steering documents, already outline aggressive 100% renewable energy by 2030 goals, and that the CAC's proposal accelerates achievement of this goal by 5 years.

Director Jacobson stated a staff recommendation that RCEA lead a community discussion on definitions of 100% “clean” and “renewable” in late March or early April, reassess CCE program impacts after this discussion, and present the findings to the Board in April or May.

The Directors requested analysis of biomass' impacts on climate, health and local industry; clarified biomass' inability to provide newly state-mandated dispatchable energy; verified that the Schatz Energy Research Center's local biomass residue impact study findings will be available at the end of 2019; and were advised by staff to factor the following in their decision making: mandated long-term renewable power contract requirements, RePower Humboldt's goal of 100% local renewable energy by 2030, RCEA's current local renewable power solicitation, and the higher cost of local electricity procurement. The Directors were reminded that local offshore wind would likely become available between 2024-2026.

Chair Winkler invited public comment.

Valentina Acosta of Humboldt State University's Sunrise Movement stated her support for the Green New Deal's climate change-oriented agenda and her opposition to biomass for its negative environmental effect.

Arcata CCE customer Diane Ryerson stated her support for: 100% renewable energy by 2025, offshore wind, the solar microgrid, rapid storage development, collaboration with cities and the County to exceed state energy conservation requirements, requiring community benefit agreements for all energy infrastructure contracts, preserving existing redwood forests and fostering old-growth characteristics in mixed forests. She requested that her CCE bill payments go to wind, solar and energy storage, and not to subsidize burning timber industry waste.

Arcata resident Walt Paniak stated his support for replacing biomass with solar and wind energy and energy storage, citing health, greenhouse gas emission and cost concerns with biomass. He requested that the public be notified about past and current tax credits for renewable contracts.

Colin Fiske, Executive Director of the Coalition for Responsible Transportation Priorities, RCEA Community Advisory Committee member and 350 Humboldt volunteer stated that the Board's adoption of the CAC's recommendation would demonstrate recognition of the climate

crisis' urgency and reflect support of the community's priorities and values. Mr. Fiske supports adopting the 2025 recommendation as an official goal, conducting community outreach for an understanding of what constitutes clean and renewable energy, and use of the information gathered for planning purposes.

Tom Wheeler, Executive Director of EPIC, urged the Board to adopt the 100% clean and renewable energy by 2025 goal and pointed out that many RCEA member agencies have already adopted this goal.

Member of the public Wendy Ring stated that CO2 emission decline must begin by 2020 in order to avoid global warming of over 1.5 degrees centigrade and that global warming must be considered when defining "renewable." She stated cost is not a factor since non-action will cost much more.

Jack Nounnan of North Coast Earth First! and Climate Crisis Fund supported taking action now to avert devastation and community cooperation to monitor forest industry impacts.

Arcata resident and 350 volunteer Pat Carr stated support for the 100% renewable energy by 2025 goal and opposition to biomass use. He supports seeking maximum community input on the definition of clean and renewable energy and on RCEA's path to achieve this goal.

Upon inquiry by member of the public Chuck Dwelly about whether RCEA is considering tidal energy as a resource, Chair Winkler responded that the agency's current plans need to be based on commercially available sources, and tidal energy is not yet commercially available.

A member of the public stated her support for community discussion on clean and renewable energy definitions, requesting extending public discussion over several months due to anticipated developments, and inquired how staff derived the financial impact amounts for 100% renewable energy by 2025.

Member of the public John Schaefer stated that moving to all-renewable energy by 2025 is possible but will be difficult. Mr. Schaefer opposes local biomass due to the age and emissions of the region's power plants and supports RCEA growing more trees. He advised against reliance on offshore wind due to costliness but favored onshore wind.

Member of the public Ellen Golla stated that people other than herself also care about biomass. Ms. Golla opposes the use of the term "renewable" in favor of "clean" energy and is in favor of moving toward clean energy that excludes biomass.

Erik Rydberg, McKinleyville resident and Green Party of Humboldt Coordinating Committee member stated support for the Green New Deal and the Sunrise Movement. Mr. Rydberg opposes biomass, is concerned with climate change's life-threatening effects, and supports moving from renewable to clean energy immediately regardless of expense.

Humboldt Wind Project Community Liaison Natalynne DeLapp spoke about the Humboldt Wind onshore wind project, stating the project could potentially meet 40% of Humboldt County's electricity needs and would support a 100% clean and local energy goal.

Arcata and Eureka resident Kelsey Reedy spoke on behalf of Humboldt Move to Amend and the Green Party of Humboldt County, stating support for 100% clean and renewable energy by 2025, opposition to biomass and support for using funds for clean energy.

Eureka resident and 350 Humboldt volunteer Deborah Dukes asked what kind of world we will leave the HSU Sunrise Movement members in the name of rate savings or appeasing rate payers. Ms. Dukes stated that she has taken all energy saving and fuel switching actions an individual can take and requested the directors make difficult decisions on behalf of the County for a better future world.

Lily Price of HSU Sunrise Movement stated that miracles are possible if we work together.

Eureka resident and 350 Humboldt Climate Action Committee member Cena Marino stated that no one is speaking for the species dying because of climate change and that people need to speak on their behalf.

Chair Winkler closed public comment.

The directors discussed the importance of having fewer children to address climate change, the effect of rapid 100% clean energy implementation on the agency's survival, the availability of other funding sources to accelerate the transition, the challenge of informing the Humboldt County ratepayers who do not share the concerns of the community members present at the meeting, the current option for ratepayers to opt up to 100% renewable energy through RCEA's CCE program to share the cost of attaining the 2025 goal, the need for more discussion so the directors and the public can understand options and costs, and the possibility of holding meetings such as were held prior to the CCE program's launch which resulted in the agency's current reserve building and community program goals.

Individual directors expressed support for community outreach and participation, the need for more information on how The Energy Authority arrived at the projected cost of reaching the accelerated goal, suggested updating the RePower Humboldt plan and requested an inventory of locally-procurable energy sources and education partners. Concern was also expressed about being unrealistic about expensive new initiatives and the cost potentially making RCEA less competitive to ratepayers than PG&E, the impossibility of controlling other countries' climate-influencing actions, and the need for energy redundancy through biomass.

Chair Winkler read his written response to local residents who emailed him regarding this issue and included his five personal energy goals for RCEA and Humboldt County. Response from other directors included requesting that Chair Winkler's goals not be considered as representative of the Board, that they be assessed by staff and included in discussion while updating the agency's guiding plans.

Staff pointed out that the RePower Humboldt visioning process involved three years to scope and engage the public and cost about \$200,000 and that onshore wind, biomass, solar, and offshore wind resources have not changed since the plan's publication six years ago. Chair Winkler stated that technology has changed.

Acting Executive Director Boudreau summarized Board direction to staff, stating that staff is to present the Board with a deeper analysis of the financial impacts of 100% renewable

energy by 2025 based on existing CCE action guidelines. The Board further directs staff to present suggestions on what a public engagement process might look like and the estimated costs of this work.

11.2 PG&E Bankruptcy Update (Information only)

General Counsel Nancy Diamond reported that the PG&E bankruptcy is very complex and affects the agency on multiple fronts. Counsel Diamond is working closely with the California Community Choice Association (CalCCA) to ensure that CCA payments collected by PG&E are not considered PG&E assets during bankruptcy proceedings. The bankruptcy court has affirmatively declared that revenues collected on behalf of the CCAs are the property of the CCAs. The CalCCA group has retained bankruptcy counsel and the CCAs are receiving payments.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

STAFF REPORTS

12.1 Update by Demand Side Management Director Lou Jacobson on RCEA's Energy Efficiency programs.

Demand Side Management Director Lou Jacobson reported on RCEA's current and past year energy efficiency work, including completion of over 400 Energy Watch projects in 2018. These services were delivered in partnership with PG&E and led to approximately 2.4 million kWh in first year energy savings. The CCE-funded public agency solar program (PASP) has identified 22 feasible solar projects at local public agencies. Should all feasible projects be completed, staff estimate that the effort will result in approximately 1.5 MW DCPV installed, potentially leading to \$400,000 in energy savings in the first year. Staff is working to bring in additional resources through a PG&E program to help address energy efficiency opportunities for a number of local water and wastewater treatment plant operators. PASP also supported the completion of 26 additional efficiency projects leading to the disbursement of more than \$35,000 in incentives. The residential CCE-program helped fund 146 residential services. The Clean Energy Jobs Act of 2012 or Proposition 39 support services have led to more than 50 completed public works projects including: solar panels; smart thermostats; efficient lighting, windows and refrigeration; heat pumps; and fuel switching from propane. Prop 39 implementation will end in 2020 and final project reporting will sunset in 2021. Staff is beginning to assess a Comprehensive Action Plan for Energy (CAPE) update and is also working with the County on a multijurisdictional climate and energy action plan. Staff is also working with the Community Advisory Committee to solicit energy efficiency program ideas from the community through a Citizen Sourcing Program.

Director Jacobson described changes in energy efficiency program funding and the opportunities staff is pursuing to continue providing these services, such as joining with other agencies to form a rural regional energy network or becoming a program administrator.

12.2 Report from Acting Executive Director Dana Boudreau

Acting Executive Director Dana Boudreau read a statement from Executive Director Matthew Marshall acknowledging outgoing Board Chair Sheri Woo's efforts during the Community

Choice Energy launch, her commitment to a transparent process, stakeholder engagement, and bold and expedient action to address the climate crisis.

FUTURE AGENDA ITEMS

The directors requested more information from Demand Side Management Director Lou Jacobson on the Rural Regional Energy Network and Program Administrator status.

CLOSED SESSION

Chair Winkler invited public comment on the closed session item. No one came forward to speak. Chair Winkler closed public comment.

The RCEA Board convened in closed session at 6:35 p.m. to consider the following item:

- 14.1** Closed Session to meet with legal counsel per Government Code Section 54956.9(c), In re PG&E, Bankruptcy Court, 19-30088, Northern District of California.

The Board reconvened to open session at 6:54 p.m.

M/S: Daugherty/Allison: Retain the law firm of Boutin Jones, Inc. as bankruptcy counsel for PG&E bankruptcy matters and authorize Executive Director Matthew Marshall and General Counsel Nancy Diamond to finalize the terms of the retention agreement.

The motion passed on a unanimous voice vote. Ayes: Allison, Daugherty, Fennell, Glaser, Miller, Smith, Wilson, Winkler, Woo. Noes: None. Absent: None. Abstentions: None.

Chair Winkler adjourned the meeting at 6:55 p.m.

Respectfully Submitted,

Lori Taketa
Clerk of the Board



Redwood Region Economic Development Commission
 Prosperity Center 520 E Street, Eureka, California 95501
 Phone 707.445.9651 Fax 707.445.9652 www.rredc.com

REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION
Regular meeting of the Board of Directors
 At the Prosperity Center 520 E Street, Eureka
March 25, 2019 at 6:30 pm
AGENDA

- I. **Call to Order & Flag Salute**
- II. **Approval of Agenda and Minutes**
 - A. Approval of Agenda for March 25, 2019
 - B. Approval of Minutes of the Board of Directors Meeting February 25, 2019
- III. **Public Input for non-agenda items**
- IV. **Program – Update on Energy Projects in Humboldt County –** Matthew Marshall, Executive Director, and Patrick Owen, Manager of Human Resources and Workforce Development, Redwood Coast Energy Authority
- V. **Consent Calendar**
 - A. Acceptance of Agency-wide Financial Reports: February 28, 2019
- VI. **Reports – No Action Required**
 - A. Loan Portfolio Reports: February 2019
 - B. Executive Director's Report
- VII. **Old Business**

None
- VIII. **New Business**
 - A. Approval of RREDC Budget for FY 2020
- IX. **Member Reports**
- X. **Agenda/Program Requests for future Board of Directors Meetings**
- XI. **Adjourn**

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