HUMBOLDT COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING

AGENDA

DATE: **Tuesday, September 22, 2026**

TIME: **5:00 p.m.**

LOCATION: **5055 Walnut Drive, Eureka, CA**

The HCSD Boardroom is open to the public during the meeting's open session. This meeting is also held by video/teleconference, per CA Govt Code § 54953(b). If a member of the public cannot attend in person and would like to speak on an agenda item, including Public Participation, please join via Zoom (zoom.us) by entering Meeting ID 843 3214 5989 and Passcode 015177. Access may also be via telephone by dialing 1-669-900-9128.

A. ROLL CALL

Directors: Benzonelli, Gardiner, Hansen, Matteoli, Ryan

B. PLEDGE OF ALLEGIANCE

C. CONSENT CALENDAR

1. Approval of September 22, 2026, Meeting Agenda *Pgs. 1-2*
2. Approval of Minutes of the Regular Meeting of September 8, 2026 *Pgs. 3-6*

D. REPORTS

1. General Manager

   a) District Update *Pgs. 7-10*

2. Legal Counsel

3. Director Reports

E. PUBLIC PARTICIPATION

The public may comment on items not on the agenda. Please use the information above to participate via Zoom. The Board requests that speakers state their name and where they are from and limit their communications to 3 to 5 minutes. After all oral communications, the Board or staff may briefly respond to comments with information; however, the Brown Act prohibits discussion of matters not on the published agenda. Matters requiring discussion or action will be placed on the agenda of a future meeting.

F. NEW BUSINESS

1. Consideration of Adopting Resolution 2026-10: Authorizing the Destruction of Records *Pgs. 11-14*
2. Consideration of Adopting Resolution 2026-11: Adopting a Local Vendor Preference Policy *Pgs. 15-23*
3. Consideration of Adopting Resolution 2026-12: Adopting a Revised Employee-Employer Relations Policy *Pgs. 25-40*
4. Consideration and Discussion of Director Roles and Responsibilities Regarding Staff Direction *Pgs. 41-42*
5. Consideration and Discussion on the Potential Impact of Data Centers on HCSD. *Pgs. 43-44*

G. ADJOURNMENT

Next Res: 2026-13
Next Ord: 2026-01

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Robert Christensen at (707) 443-4558, ext. 210, or by email at asm@humboldtcsd.org. Notification 48 hours before the meeting will enable the District to make reasonable arrangements to ensure accessibility for this meeting (28 CFR 35.102–35.104, ADA Title II).

Pursuant to CA Govt §54957.5(a), any public record writings relating to an agenda item for an open session of a regular meeting of the Board of Directors, not otherwise exempt from public disclosure, are available for public inspection upon request at the District offices located at 5055 Walnut Drive, Monday through Friday during regular business hours.

DRAFT MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
HUMBOLDT COMMUNITY SERVICES DISTRICT

The Humboldt Community Services District Board of Directors met in regular session at 5:00 p.m. on Tuesday, September 8, 2026, at 5055 Walnut Drive, Eureka, California, and on Zoom.

A. CALL TO ORDER AND ROLL CALL

President Hansen called the meeting to order at 5:00 pm. Present upon roll call: Directors Benzonelli, Hansen, Gardiner, Matteoli, and Ryan. Staff in attendance: General Manager Williams (GM), Finance Manager Montag (FM), and Administrative Services Manager/Board Secretary Christensen (ASM)

B. PLEDGE OF ALLEGIANCE

President Hansen invited those present to join in the Pledge of Allegiance.

C. CONSENT CALENDAR

1. Approval of September 8, 2026, Meeting Agenda
2. Approval of Minutes of the Regular Meeting of August 11, 2026

IT WAS MOVED BY DIRECTOR RYAN, SECONDED BY DIRECTOR BENZONELLI, TO APPROVE THE SEPTEMBER 8, 2026, CONSENT CALENDAR. MOTION CARRIED UPON THE FOLLOWING ROLL CALL VOTE:

AYES: BENZONELLI, GARDINER, HANSEN, MATTEOLI, RYAN
NOES: NONE

D. REPORTS

1. General Manager

   a) District Update

   GM reviewed the California Special District Association (CSDA) Humboldt Chapter highlights over the past year and remarked on the well-attended Humboldt Area Chapter BBQ on September 2nd.

   A candidate for the vacant Utility Worker position in the Maintenance Department accepted an offer and is currently proceeding through the background check process. On September 10, the District will be interviewing six candidates for the Utility Services Planner position.

2. Finance Manager

a) July 2026 Budget Statement

FM reviewed the budget statement and highlighted the notes on page 10. FM also noted that the rate increases for the current fiscal year began in August and will not be reflected in the July statement.

b) August 2026 Check Register

FM highlighted several notable purchases, including a payment to Cal-Pac Machine for repairs and service to the District's front-end loader; a payment to Industrial Electric for materials for the District's SCADA project; and a payment to Two Brothers Cathodic Services for the District's annual cathodic protection system inspection.

c) FY 2026 Q4 Investment Report

FM reported that the District realized an annualized 3.22% return on investments held with the County of Humboldt; an annualized 4.03% return on investments held with California CLASS JPA; and an annualized 3.33% return on investments held with Redwood Capital Bank.

3. Legal Counsel

No report.

4. Director Reports

Director Benzonelli reported that she attended a virtual CSDA-hosted meeting with Assemblymember Damon Conolly, who is a candidate for State Senate.

Director Ryan attended the Redwood Region Economic Development Commission (RREDC) Executive Committee Meeting on September 3rd. Director Ryan also reported on an article about the Civil Grand Jury's report on water rates, which concluded that to continue providing services and maintaining infrastructure, local water agencies will need to increase rates. Director Ryan requested a future agendized Board discussion on the potential impact of data centers on the District.

Director Gardiner reported that he observed the District's Shady Lane Steel Main Replacement project and that area residents were complimentary of the District's work.

E. PUBLIC PARTICIPATION

No public comment.

F. NEW BUSINESS

1. Conduct a Public Hearing and Consider Adoption of Resolution 2026-09: Adopting the Initial Study & Proposed Mitigated Negative Declaration for the Hoover Street Lift Station (SLS) Flood Protection Project

   GM summarized the history of the Hoover SLS Flood Protection Project and reported that the project is intended to reduce the risk of tidal inundation that will worsen with sea-level rise. As part of the California Environmental Quality Act (CEQA) compliance process, the District commissioned an Initial Study (IS) that evaluated the project against a full range of environmental factors identified in the CEQA Guidelines. The study identified four areas (Air Quality, Biological Resources, Cultural Resources, and Geology and Soil) that could have significant impacts, but mitigation would reduce them to a less-than-significant level.

   The mitigation was included in a proposed Mitigated Negative Declaration (MND) that was publicly noticed and circulated for a thirty-day period from August 6 – September 5, 2006. During the circulation period, the District received no public comments.

   Director Ryan noted that the report was thorough and well written and appreciated that the three local tribes that could be impacted by the project were notified. Director Gardiner inquired about the potential impacts of vibration. Vibration was identified as a potential impact that could disturb the local environment and also potentially impact the District's underground infrastructure.

   President Hansen opened the hearing at 5:37 p.m.

   There was no public comment.

   Director Hansen closed the hearing at 5:38 p.m.

   IT WAS MOVED BY DIRECTOR BENZONELLI, SECONDED BY DIRECTOR GARDINER, TO ADOPT RESOLUTION 2026-09: ADOPTING THE INITIAL STUDY & PROPOSED MITIGATED NEGATIVE DECLARATION FOR THE HOOVER STREET LIFT STATION FLOOD PROTECTION PROJECT. MOTION CARRIED UPON THE FOLLOWING ROLL CALL VOTE:

   AYES: BENZONELLI, GARDINER, HANSEN, MATTEOLI, RYAN
   NOES: NONE

2. Consideration of Appointing an Ad Hoc Committee to Conduct the 2026 General Manager Annual Review

President Hansen reviewed the responsibilities of the Ad Hoc Committee. This year, the Board has requested, and staff recommends, that the Board engage a consultant to assist with the annual review process.

Director Gardiner requested that the consultant expenditure come back to the Board for approval. Director Gardiner also requested a process for Board members to provide the Board President with items they want included in the evaluation, which the Board President would then provide to the consultant.

The Board discussed the procedure of providing input on the evaluation process and consideration for the Brown Act.

Director Benzonelli, Director Ryan, and Director Gardiner expressed interest in serving on the Ad Hoc Committee

PRESIDENT HANSEN APPOINTED DIRECTOR RYAN AND DIRECTOR BENZONELLI TO THE AD HOC COMMITTEE TO CONDUCT THE 2026 GENERAL MANAGER ANNUAL REVIEW

G. ADJOURNMENT

Director Benzonelli requested that staff return at a future Board meeting with guidance regarding when it is appropriate for individual Board members to direct staff outside of a Board meeting.

Without further business, **IT WAS MOVED BY DIRECTOR MATTEOLI, SECONDED BY DIRECTOR BENZONELLI,** TO ADJOURN. MOTION CARRIED UPON THE FOLLOWING ROLL CALL VOTE.

AYES: BENZONELLI, GARDINER, HANSEN, RYAN MATTEOLI
NOES: NONE

THE BOARD ADJOURNED ITS REGULAR MEETING OF September 8, 2026, AT 5:53 P.M.

_____
Submitted, Board Secretary

MEMORANDUM

TO: Board of Directors

FROM: Terrence Williams, General Manager

DATE: September 18, 2026

SUBJECT: General Manager Report for September 22, 2026 Board Meeting

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Baduwa't Watershed Resilience Initiative

HBMWD has introduced a new regional coalition, the Baduwa't Watershed Resilience Initiative, aimed at protecting the Baduwa't (Mad River) watershed, the source of the water supply that HCSD purchases through HBMWD. The initiative is positioning the region to compete for California's Proposition 4 Watershed Resilience Program, which is expected to award roughly $8 million to one selected watershed for multi-year planning and pilot implementation.

This initiative is relevant to HCSD for several reasons:

- Supply reliability. Ruth Lake storage and water quality are vulnerable to post-fire erosion, sediment, and turbidity from the upper watershed. Watershed-scale planning protects the yield and quality HCSD depends on as a wholesale customer.
- Delivery system resilience. The transmission mains and bay crossings that move water to HCSD's service area face sea level rise, subsidence, and seismic risk. A coordinated plan can help sequence the environmental reviews (CEQA, NEPA, Clean Water Act, Streambed Alteration) needed to fund repairs.
- Shared regulatory exposure. Because the source sits behind a high-hazard, FERC-licensed dam, dam-safety and drinking-water compliance obligations currently concentrate on HBMWD alone. Watershed-scale planning could help spread that risk across the region.
- Funding potential. The initiative is oriented toward securing outside state and federal dollars, which could ease long-term pressure on the wholesale rate HCSD pays, rather than relying on rate increases to fund resilience work.
- Regional leverage. A headwaters-to-coast coalition of HBMWD and its wholesale customers, including HCSD, strengthens the region's competitiveness for funding that no single agency could win alone.

Professional facilitation of the coalition is already funded through a North Coast Resource Partnership technical assistance award. HBMWD is contributing a portion of the required matching funds. The more match funds that are contributed the larger the facilitation grant becomes available. Agencies and organizations contributing matching funds will be positioned to help lead the direction of the coalition.

The attached one-pager provides fuller detail on the initiative's timeline, funding structure, and partners for board reference.

BADUWA'T WATERSHED RESILIENCE INITIATIVE

A Summit to Sea to Tap Coalition for Integrated Watershed Planning
Proposition 4 Watershed Resilience Program
Wholesale Customer Partners

Protecting our shared source

Every drop our communities deliver begins in one place: the Baduwa't (Mad River). **We are inviting our wholesale customers to help protect that shared source** by joining the Baduwa't Watershed Resilience Initiative and helping seed its early work. Humboldt Water draws the region's entire supply from a single river that flows ~1,900 square miles, from its headwaters in the Yolla Bolly Mountains of Trinity County, past Ruth Lake, to the collectors near the coast. The health of that watershed, upstream of every meter each of us reads, is the foundation of the water your ratepayers depend on. When the watershed is at risk, or when aging infrastructure, tightening dam-safety and drinking-water requirements, and slow permitting collide, every one of our systems is at risk. This initiative is how we get ahead of that risk and secure reliable supply for the long term, together.

Why This Matters to Your System

- **Source protection is supply protection**: post-fire erosion, sediment, and turbidity from the upper watershed reduce Ruth Lake storage and stress treatment. Watershed-scale planning protects the yield and quality every customer relies on.
- **Resilience for the delivery system**: the transmission mains and bay crossings that move water to your communities face sea level rise, subsidence, and seismic risk. Fixing them means clearing CEQA, NEPA, Clean Water Act, and Streambed Alteration reviews; a watershed-scale plan sequences that work and shortens the path to repairs.
- **Regulatory and permitting exposure**: our source sits behind a high-hazard, FERC-licensed dam and must meet ongoing dam-safety and drinking-water requirements. These obligations protect the public, but they also concentrate cost and risk on a single wholesaler. Planning at the watershed scale helps the region stay ahead of them, rather than reacting one crisis or deadline at a time.
- **Outside dollars, not rate dollars**: the goal is to fund watershed and infrastructure resilience through Proposition 4 and follow-on programs, easing pressure on the wholesale rate over the long term.
- **A stronger regional voice**: a headwaters-to-coast coalition positions the whole region, and each of your systems, to compete for state and federal funding no single agency could win alone.

Momentum: Science and Partners Aligning Now

The timing is deliberate. This month, regional leaders and state agencies gathered at the North Coast Catalyst Convening, part of a statewide series hosted by the Governor's Office of Land Use and Climate Innovation and the Strategic Growth Council, to elevate community-driven climate and water priorities and connect them directly to state agencies and funding. The Baduwa't initiative was part of that conversation. Earlier in August, coalition partners also shared an aerial tour of the watershed with EcoFlight, joined by partners including the Watershed Research and Training Center, California Trout, Trout Unlimited, Trinity County Resource Conservation District, Department of Water Resources, and Humboldt and Trinity County leadership, seeing the river as one connected system from headwaters to coast. Alongside this outreach, Humboldt Water has been meeting directly with DWR staff and executive leadership about this opportunity. The convenings share the findings of California's Fifth Climate Change Assessment, the state's newest body of climate science, whose regional synthesis reports and downscaled Cal-Adapt data give our coalition a rigorous, shared foundation for understanding how drought, wildfire, flooding, and sea level rise will reshape this watershed, and for planning the supply our communities will need.

The Ask: Seed the Start-Up, Share the Ownership

Professional facilitation of the coalition is already funded through a North Coast Resource Partnership technical assistance award, and Humboldt Water is contributing matching funds. What the initiative needs now is modest seed funding for the broader start-up: convening the coalition, community and tribal engagement, and building a competitive application. We are inviting each wholesale customer to contribute at a right-sized level, so the cost and the ownership of this early work are shared across the region rather than carried by Humboldt Water alone. Your contribution is an investment in protecting your own supply, and a seat in shaping what the coalition pursues.

What Your Contribution Helps Build

→ A shared watershed vision and a portfolio of projects that benefit water supply, from summit to sea to tap
→ A competitive Proposition 4 application, developed with DWR technical assistance
→ A public Story Map and data foundation, built on the Fifth Assessment, that every customer can use
→ A durable coalition positioned for the much larger implementation and infrastructure funding ahead

Summer 2026	WE ARE HERE: facilitation funded, convening the coalition to build a shared vision
March 2027 →	Anticipated guidelines and initial application
Anticipated	Short-list invited to detailed application, with DWR technical assistance
Upon award	Multi-year watershed resilience planning + pilot implementation

~$100M	**~$8M**	**$0**
Watershed Resilience Program pool (40% of Prop 4 to disadvantaged communities)	Anticipated award (implementation)	Required local cost share

The 2024 pilot round awarded $2M to each of five regional pilot watersheds. The implementation round is expected to be substantially larger, and we are planning around an anticipated award on the order of $8M, with no required local match, though final award sizes and guidelines have not yet been published by DWR.

A Regional Investment, Shared Across the Region

We are extending this invitation to all our wholesale customers together, so that no single agency carries the start-up alone and every participating system has a voice in the outcome. Whatever the coalition builds becomes the foundation for the much larger implementation and infrastructure funding ahead, and for protecting the source and the delivery system your communities depend on for decades to come. A modest contribution now is a long-term investment in reliable supply for your ratepayers.

LET'S PROTECT OUR SOURCE TOGETHER

Will you help seed this work? Let's talk about a contribution that fits your system and about the role your agency wants in shaping the coalition. Protecting the Baduwa't protects every community we serve.

Land Acknowledgment The Baduwa't (Mad River) and the lands and waters of this watershed have been cared for since time immemorial by tribal peoples whose stewardship continues today. A land acknowledgment belongs in this work, but its words are not ours to write alone. As an early act of this partnership, the coalition will develop one together with the watershed's tribal nations, in language they shape and approve.

Humboldt Community Services District

Dedicated to providing high quality, cost effective water and sewer service for our customers

AGENDA REPORT

For HCSD Board of Directors Regular Meeting of: September 22, 2026

AGENDA ITEM: **F.1**

TITLE: Consideration of Adopting Resolution 2026-10: Authorizing Destruction of Records

PRESENTED BY: Terrence Williams, General Manager

Recommendation:
Motion to adopt Resolution 2026-10 Authorizing the Destruction of Records.

Summary:
District staff recently conducted a review of District records and identified records eligible for destruction pursuant to the District's Records Management Policy. The attached list identifies the records proposed for destruction.

The Finance Manager, Administrative Services Manager, and General Manager have reviewed and compiled the records identified for destruction. District Counsel has also reviewed the list and determined that the identified records are appropriate for destruction.

The District's Records Management Policy, originally established in 2002 and last amended on February 25, 2003, establishes retention periods for various categories of District records. The records identified for destruction have met or exceeded the applicable retention periods established by the Policy and are not otherwise required to be retained.

California Government Code Section 60200 et seq. provides statutory authority concerning the retention and destruction of records maintained by special districts. The proposed destruction is consistent with applicable statutory requirements and the District's Records Management Policy.

The records may be destroyed upon approval by the Board of Directors by resolution and approval by District Counsel.

Fiscal Impact:
The estimated cost for confidential and secure destruction of the selected records is less than $1,500.

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HCSD RESOLUTION NO. 2026-10

A RESOLUTION OF THE
HUMBOLDT COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
AUTHORIZING THE DESTRUCTION OF RECORDS

WHEREAS, Humboldt Community Services District staff have determined that certain records are no longer needed for the operation of District business, nor required by statute; and

WHEREAS, records selected for destruction meet the criteria of Government Code Sections 34090 and 60200 et.seq. and are in conformance with the retention schedule established by the District's Records Management Policy dated April 9, 2002 and amended February 25, 2003; and

WHEREAS, Government Code Sections 34090 and 60200 et.seq. authorize the destruction of District records upon approval of the Board of Directors by resolution and approval by the District's Legal Counsel.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Humboldt Community Services District hereby declares the attached District records to be no longer needed and may therefore be destroyed.

PASSED, APPROVED AND ADOPTED this ____ day of _____ 2026 by the following roll call vote:

AYES:
NOES:
ABSENT:

_____
Michael Hansen, Board President

ATTEST:

_____
Robert Christensen, Board Secretary

Records Destruction
Finance, Administration, Engineering and Operations
Updated 9/18/2026

The following Finance/Customer Service, District Facilities, and Administration records are submitted for destruction:

RECORD DESCRIPTION	RETENTION SCHEDULE	TIME PERIOD TO BE DISPOSED
Finance - Accounting		
Bank Statements & Reconciliations	AU+4	Pre 2018
Cash A/P & A/R Control Reports	AU+4	Pre 2018
Cash Journals	AU+4	Pre 2018
Accounts Receivable		
Utility Billing Register/ Billing By Cycle	CU+2	Pre 2024
Accounts Payable		
Vouchers	AU+4	Pre 2018
Invoices	AU+4	Pre 2018
Check copies, Voided Checks	AU+4	Pre 2018
Check registers	AU+4	Pre 2018
Purchase Order lists	CL+2	Pre 2023
Utility Billing		
UB pmt stubs, direct debit pmt batches, bill consolidator reports	AU+2	Pre 2020
UB Cash Receipts update reports	AU+4	Pre 2018
Deposit Verification & Refunds Reports	AU+4	Pre 2018
Collection / Bad Debt reports	CU+2	Pre 2024
Returned Mail	CU+2	Pre 2024
Adjustment Registers/ Batches	CU+2	Pre 2024
Payroll		
Registers: time sheet edit repot, deductions	AU+4	Pre 2018
Registers: employer tax reports, workers comp reports	AU+4	Pre 2018
Registers: check register, check history	AU+4	Pre 2018
Data Sheets	AU+4	Pre 2018
Employee Accrual Registers	AU+4	Pre 2018
Administration & Personnel		
Oaths of Office	T +6	
Form 700 Statements	T +7	
Board Agendas	CU +2	
Agenda Reports	CU +2	
Legal Advertising	CU +4	Pre 2022
Notices, Meeting	CU +2	Pre 2023
CCR (publications)	S +2 (DOH 3 yrs)	
General Correspondence	CU +2	Pre 2023
Accident Reports	CL +7	Pre 2018
Claims, Damage	CL +5	Pre 2021
Incident Reports	CL +7	Pre 2018
Public Records Request	CL +2	Pre 2024
Contracts-Equipment/Services	T+5	
Legal Advertising	CU +4	Pre 2022
Time Sheets	AU + 6	Pre 2018
Recruitment	CL +3	Pre 2022
Salary Surveys/Studies	CU +2	Pre 2023
Training Records	CU +7	Pre 2018
Personnel Files (Personal)	T +3	Employees Terminated Prior to 2022
Personnel Files (Financial)	T +5	Employees Terminated Prior to 2020
I9 (Immigration)	T +3	Employees Terminated Prior to 2022
Motor Vehicle Pulls (DMV)	CL +7	Pre 2019
CalOSHA Form 300, 300A,301	CU +5	Pre 2021
District Facilities		
Maintenance and Operations Records	CU +2	Pre 2023
Incident Files	CU +2	Pre 2023
Bacteriological Analysis	CU +12	Pre 2013
Volumetric Water Production Levels	CU +2	Pre 2023
Volumetric Sewer Production Levels	CU +5	Pre 2020

Reviewed by:

Michael Montag, Finance Manager: _____

Robert Christensen, Administrative Services Manager: _____

Terrence Williams, General Manager: _____

Legend
CL = Closed or Completion
CU = Current year.
AU = Audit year.
T = Terminated.
S = Superseded

AGENDA REPORT

For HCSD Board of Directors Regular Meeting of: September 22, 2026

AGENDA ITEM: **F.2**

TITLE: Consideration of Adopting Resolution 2026-11: Adopting a Local Vendor Preference Policy

PRESENTED BY: Terrence Williams, Manager

Recommendation:
Staff recommends reviewing the attached Local Vendor Preference Policy. Consider adopting associated Resolution 2026-11 by motion and roll call vote.

Summary:
The Board has requested that staff develop a policy that provides for a measured advantage for qualified Humboldt County businesses when competing for District purchases. Staff, in consultation with District Counsel, has prepared the attached Local Vendor Preference Policy for the Board's consideration.

The proposed policy applies to competitive written solicitations for supplies, materials, or equipment in which price is the determining factor and the District has legal discretion to set the award criteria. It does not apply to public works or construction contracts subject to the lowest-responsible-bidder requirements of Public Contract Code sections 20682 or 20682.5, to the Uniform Public Construction Cost Accounting Act, to professional or other services, or to procurements where a federal, state, or grant funding condition prohibits a local preference. The preference also does not apply to sole-source, emergency, cooperative, or other non-competitively-solicited purchases.

For a qualifying procurement, a business with a bona fide physical place of business in Humboldt County may receive a Local Preference Credit equal to the lesser of 5% of its Total Evaluated Bid Price or $5,000. The credit is used only to evaluate and rank bids; it does not reduce the vendor's actual bid price or the amount the District ultimately pays under the contract. If applying the credit results in a Local Vendor having the lowest evaluated bid, the contract may be awarded to that vendor at its original bid price, subject to the District's standard responsiveness and responsibility review.

The policy requires vendors to claim Local Vendor status and submit supporting documentation by the bid deadline, requires the solicitation to expressly state that the preference applies before it can be used, and requires staff to disclose in the award transmittal whether the preference affected the recommended award.

Fiscal Impact:
The District's cost of extending the preference cannot exceed the lesser of 5% of the bid or $5,000.

HCSD RESOLUTION NO. 2026-11

A RESOLUTION OF THE HUMBOLDT COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS ADOPTING THE HCSD LOCAL PREFERENCE POLICY

WHEREAS, the Humboldt Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

WHEREAS, the District has authority under Government Code Section 61063 to establish purchasing procedures for supplies and equipment not otherwise governed by applicable public contracting requirements; and

WHEREAS, the District seeks to establish a limited local vendor preference for certain District purchases in order to support the economic base of Humboldt County while preserving fair competition, transparency, fiscal responsibility, and compliance with applicable procurement laws and funding requirements; and

WHEREAS, District staff has prepared the HCSD Local Vendor Preference Policy and recommends its adoption by the Board of Directors.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the Humboldt Community Services District as follows:

- The Board of Directors hereby adopts the HCSD Local Vendor Preference Policy.
- The adopted policy shall govern eligible District procurements as described in the policy and shall supersede any previous District local vendor preference policies or procedures that are inconsistent with the adopted policy.
- The General Manager, or the General Manager's designee, is authorized and directed to implement and administer the policy, make non-substantive administrative revisions as necessary to maintain compliance with applicable law, and take all actions necessary to carry out the intent of this resolution. This Resolution shall become effective immediately upon its adoption

PASSED, APPROVED, and ADOPTED this ____ day of _____ 2026, on the following roll call vote:

AYES:

NOES:

ABSENT:

_____
Michael Hansen, Board President

ATTEST:

_____
Robert Christensen, Board Secretary

Humboldt Community Services District

Adopted _____, 2026

Local Vendor Preference Policy

Policy

This policy establishes a limited local vendor preference for certain District purchases in order to support the economic base of Humboldt County while preserving fair competition, transparency, fiscal responsibility, and compliance with applicable procurement laws and funding requirements.

Authority and Applicability

This policy is adopted by the Board of Directors ("Board") pursuant to Government Code section 61063 and the District's authority to establish purchasing procedures for supplies and equipment not otherwise governed by Article 43 (commencing with section 20680) of the Public Contract Code.

The preference applies only to an Eligible Procurement, as defined below, and only when the solicitation expressly states that the Local Vendor Preference applies. Nothing in this policy authorizes the District to depart from a procurement or award procedure required by statute, regulation, grant condition, funding agreement, or other applicable law.

Definitions

ELIGIBLE PROCUREMENT - A competitive written procurement for supplies, materials, or equipment for which price is the determining factor for award and for which the District has legal discretion to establish the award criteria. An Eligible Procurement does not include any procurement identified in the Limitations and Exceptions section of this policy.

LOCAL VENDOR - A lawful business entity that, as of the bid submission deadline, maintains a bona fide physical place of business within Humboldt County from which it conducts meaningful business operations that substantially and directly enhance its ability to perform the proposed contract. Meaningful operations may include sales, manufacturing, servicing, distribution, warehousing, provision of goods, or other operational activity related to the procurement. A post office box, mail drop, virtual office, registered-agent address, local subcontractor, or local sales representative without supporting local operations is not sufficient by itself to establish Local Vendor status. A lawfully operated home-based business may qualify if the bidder demonstrates that the Humboldt County location is a bona fide place from which the business materially conducts the operations relevant to the procurement.

LOCAL PREFERENCE CREDIT - An evaluation credit equal to the lesser of (a) five percent (5%) of the Local Vendor's Total Evaluated Bid Price, or (b) Five Thousand Dollars ($5,000). The Local Preference Credit is used solely to evaluate bids and does not reduce or otherwise modify the Local Vendor's actual bid price or the amount payable under the contract.

TOTAL EVALUATED BID PRICE - The total price used under the solicitation to compare bids, including applicable line-item extensions, options, freight, delivery charges, taxes, or other price components to the extent the solicitation states that those components will be included in the bid evaluation.

Local Vendor Preference

For each Eligible Procurement, the District shall apply the Local Vendor Preference as follows:

1. A bidder seeking the preference must claim Local Vendor status and submit the certification and supporting documentation required by the solicitation no later than the bid submission deadline. Local Vendor status may not first be claimed after bids are opened.

2. The District shall determine whether each bidder claiming the preference satisfies the Local Vendor definition. The District may request clarification of timely submitted documentation, but may not permit a bidder to cure the complete failure to timely claim Local Vendor status.

3. For evaluation purposes only, the District shall subtract the Local Preference Credit from each qualifying Local Vendor's Total Evaluated Bid Price. The resulting amount is the Local Vendor's evaluated bid price for purposes of determining the lowest evaluated responsive and responsible bidder.

4. If application of the Local Preference Credit causes a qualifying Local Vendor to have the lowest evaluated responsive and responsible bid, the contract may be awarded to that Local Vendor at the Local Vendor's original bid price, subject to all other applicable award requirements.

5. If application of the Local Preference Credit results in a tie between a qualifying Local Vendor and a non-local bidder, preference shall be given to the qualifying Local Vendor. If two or more qualifying Local Vendors remain tied, the District shall apply the tie-breaking procedure stated in the solicitation or, if none is stated, select among the tied Local Vendors by lot.

6. The preference is an evaluation mechanism only. It does not permit post-opening negotiation or revision of a bidder's price, scope, specifications, or other material bid terms.

Local Vendor Certification

The solicitation shall identify the documentation required to claim Local Vendor status. Depending on the nature of the business, acceptable documentation may include a current business license or tax certificate where required, Secretary of State filing, fictitious business name filing, lease or ownership documentation, utility records, payroll or employee records, or other objective documentation demonstrating a bona fide Humboldt County business location and meaningful operations.

The bidder shall certify that the information submitted to establish Local Vendor status is true and correct. A material misrepresentation regarding Local Vendor status may result in denial of the preference, rejection of the bid, or other remedies available to the District under the solicitation, contract, or applicable law.

Limitations and Exceptions

The Local Vendor Preference does not apply to, and may not be used in a manner that would:

1. Apply to a public project, construction contract, or other procurement for which applicable law requires award to the lowest responsible bidder, including contracts governed by Public Contract Code sections 20682 or 20682.5 or the Uniform Public Construction Cost Accounting Act (Public Contract Code section 22000 et seq.).

2. Apply to materials or supplies purchased for the construction or completion of a building, structure, or improvement when the procurement is governed by Public Contract Code section 20682.

3. Apply to professional services, nonprofessional services, or other service contracts. This policy is limited to eligible purchases of supplies, materials, and equipment.

4. Apply to architectural, landscape architectural, engineering, environmental, land surveying, construction project management, or other professional services subject to a qualifications-based or otherwise legally prescribed selection process, including services subject to Government Code section 4526.

5. Apply to a procurement funded in whole or in part by federal, state, grant, gift, or other outside funds when the applicable law, regulation, grant condition, funding agreement, or other restriction prohibits or conflicts with a local preference.

6. Apply to cooperative or piggyback purchases, sole-source or single-source purchases, emergency purchases, purchases made without competitive written solicitation, or any other procurement for which application of the preference would be inconsistent with the purchasing method being used.

7. Conflict with any statute, regulation, funding condition, cooperative purchasing term, or other legally prescribed procurement or award method.

Solicitation Requirements

The Local Vendor Preference shall apply only when the solicitation expressly states that the preference applies. The solicitation shall describe the Local Vendor eligibility requirements, the required certification and documentation, the method for calculating the Local Preference Credit, and the manner in which the preference will be applied in determining award.

The Board may waive application of this policy for a specific otherwise-eligible procurement when it determines, before issuance of the solicitation, that a waiver is in the District's best interest. Staff may determine that the policy does not apply when a procurement falls within an express limitation or exception stated in this policy. Questions regarding applicability shall be referred to District Counsel before the solicitation is issued.

Responsiveness and Responsibility

Nothing in this policy limits the District's authority or obligation to determine whether a bidder is responsive and responsible. The District may consider financial capacity, licensing, insurance, past performance, safety record, experience, available resources, delivery capability, and any other responsibility criteria stated in the solicitation or permitted

by law. A Local Vendor that is nonresponsive or not responsible is not entitled to the preference.

Recordkeeping and Board Reporting

For each procurement in which the preference is applied, staff shall retain in the procurement file the solicitation language implementing the preference, each Local Vendor certification and supporting documentation, the bid tabulation, the Local Preference Credit calculation, the evaluated bid results, and the basis for the final award recommendation.

When an award subject to this policy is presented to the Board for approval, the staff report or other transmittal shall identify whether the recommended vendor qualified as a Local Vendor and whether application of the Local Vendor Preference affected the recommended award.

Severability

If any provision of this policy, or its application to any circumstance, is held invalid or unenforceable by a court of competent jurisdiction or is superseded by state or federal law, the remainder of the policy and its application to other circumstances shall remain in effect.
cluding termination.

AGENDA REPORT

For HCSD Board of Directors Regular Meeting of: September 22, 2026

AGENDA ITEM: **F.3**

TITLE: Consideration of Adopting Resolution 2026-12: Adopting a Revised Employer-Employee Relations Policy

PRESENTED BY: Rob Christensen, Administrative Services Manager

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Recommendation:

Review revisions to the HCSD Employer-Employee Relations Policy and approve by motion and roll call vote.

Summary:

HCSD maintains an Employer-Employee Relations Policy to implement the Meyers-Milias-Brown Act and provide orderly procedures for the employer-employee relations between the Humboldt Community Services District and its employee organization.

Previously, the District's Employer-Employee Relations Policy had been located within the District's Personnel Policies & Procedures (PPP) Manual. During an initial meeting with the Board ad hoc committee reviewing the District's revisions to the PPP Manual, staff received feedback that some policies in the District's PPP Manual would be more appropriate as separate, stand-alone policies. Committee Members identified the Employer-Employee Relations Policy as a strong candidate for separation from the District's PPP Manual.

District staff reviewed the Employer-Employee Relations policy and identified elements that needed to be expanded or changed to better reflect the requirements of the Meyers-Milias-Brown Act and the Public Employment Relations Board (PERB). The District utilized policy examples from the California Special Districts Association professional network and policy library to update the policy.

The following is a summary of significant revisions included in the draft policy:

- The policy now refers to and references the Meyers-Milias-Brown Act by name.
- A definition was added for *consult/consultation in good faith.*
- In the policy section *Filing of Recognition Petition by Employee Organization*, requirement (h) was expanded to include all protected classes of employees.
- The policy section *Granting Recognition Without an Election* was added to provide the District with a process in-lieu of an election when a majority of

employees in a unit have designated a petitioning employee organization to represent them.

- The *Appeals* section was added to provide employee organizations or employees who are aggrieved by the determination of the Employee Relations Officer options to submit the matter for appeal to the State Mediation and Conciliation Service or to the HCSD Board of Directors.
- A *Meetings of Recognized Employee Organization* was added to provide two hours per fiscal year for the employee organization to meet during the District's business hours.
- The *Impasse Procedures* section was significantly expanded to outline the process of presenting a dispute to the California Public Employment Relations Board.

Fiscal Impact:

No fiscal impact.

HCSD RESOLUTION NO. 2026-12

A RESOLUTION OF THE HUMBOLDT COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS ADOPTING THE REVISED EMPLOYER - EMPLOYEE RELATIONS POLICY

WHEREAS, the Humboldt Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

WHEREAS, the District has authority under Chapter 10, Division 4, Title 1 of Section 3500, commonly known as the Meyers-Milias-Brown Act, to adopt a policy that provides updated procedures for meeting and conferring in good faith with Recognized Employee Associations; and

WHEREAS, District staff has prepared revisions to the HCSD Employee – Employer Relations Policy and recommends its adoption by the Board of Directors.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the Humboldt Community Services District as follows:

- The Board of Directors hereby adopts the HCSD Employer – Employee Relations Policy.
- The adopted policy shall govern District procedures for recognizing and negotiating with Recognized Employee Organizations
- The General Manager, or the General Manager's designee, is authorized and directed to implement and administer the policy, make non-substantive administrative revisions as necessary to maintain compliance with applicable law, and take all actions necessary to carry out the intent of this resolution.
- This Resolution shall become effective immediately upon its adoption

PASSED, APPROVED, and ADOPTED this ____ day of _____ 2026, on the following roll call vote:

AYES:

NOES:

ABSENT:

_____
Michael Hansen, Board President

ATTEST:

_____
Robert Christensen, Board Secretary

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Humboldt Community Services District

Adopted _____, 2026

Employer -Employee Relations Policy

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General Provisions

Policy

The purpose of the Policy is to implement Chapter 10, Division 4, Title 1 of Section 3500, *et. seq.,* of the Government Code of the State of California captioned “Local Public Employee Organizations” (the Meyers-Milias-Brown Act) by providing orderly procedures for the administration of employer-employee relations between the Humboldt Community Services District and its employees' organizations..

This Policy is intended to provide procedures for meeting and conferring in good faith with Recognized Employee Organizations regarding matters that directly and significantly affect and primarily involve the wages, hours, and other terms and conditions of employees in appropriate units that are not preempted by federal or state law. However, nothing herein shall be construed to restrict any legal or inherent exclusive District rights with respect to matters of general legislative or managerial policy, which include among others: the exclusive right to determine the mission of its departments; set standards of service; determine the procedures and standards of selection for employment; direct its employees; take disciplinary action; relieve its employee from duty because of lack of work or for other lawful reasons; determine the content of job classifications; subcontract work; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

Definitions

The words and terms defined in this section shall have the following meanings throughout this Policy. Any term not defined herein which is defined in the Meyers-Milias-Brown Act shall have the meaning set forth therein.

BOARD - The Board of Directors of the Humboldt Community Services District.

CONFIDENTIAL EMPLOYEE - Any employee who, in the routine course of his or her duties, has access to information relating to the District's employer-employee relations.

CONSULT/CONSULTATION IN GOOD FAITH - To communicate orally or in writing with all affected recognized employee organizations for the purpose of presenting and obtaining information concerning proposed action in a good faith effort to reach consensus; and does not require the exchange of written proposals or an endeavor to reach agreement.

DISTRICT - shall mean the Humboldt Community Services District and, where appropriate herein, the Board or any other duly authorized representative thereof.

DAY - Calendar day unless expressly stated otherwise.

EMPLOYEE - Any employee employed by the District, excepting those persons elected by popular vote.

EMPLOYEE RELATIONS OFFICER - The individual designated by Resolution by the Board of Directors of the Humboldt Community Services District.

IMPASSE - Representatives of the District and a recognized employee organization have reached a point in meeting and conferring where their differences on matters to be included in a

Memorandum of Understanding, and which are within the scope of representation, remain so substantial and prolonged that further meeting and conferring would be futile.

MANAGEMENT EMPLOYEE - Any employee who has significant authority to formulate, administer, or manage District or departmental policies or programs or to administer the District or a department with respect to employer-employee relations matters.

MEDIATION - Effort by an impartial third party to assist in reconciling an impasse on matters to be included in a Memorandum of Understanding through interpretation, suggestion, or advice.

MEET AND CONFER IN GOOD FAITH - Representatives of the District and a recognized employee organization shall have the mutual obligation personally to meet and confer promptly at the request of either party in order to exchange information, opinions, and proposals freely, and to endeavor to reach agreement on matters within the scope of representation prior to the adoption of the District's final budget for the ensuing year. Such obligation does not compel either party to agree to a proposal or require the marking of a concession.

MEMORANDUM OF UNDERSTANDING - A written statement incorporating matters agreed upon through meeting and conferring between representatives of the District and a recognized employee organization. The agreement set forth in the Memorandum of Understanding shall become binding only if formally ratified by the Board.

PROOF OF EMPLOYEE SUPPORT - (1) an authorization card recently signed and personally dated by an employee, provided that the card has not been subsequently revoked in writing by the employee; (2) a verified authorization petition or petitions recently signed and personally dated by an employee; or (3) employee dues deduction authorizations, using the payroll register for the period immediately prior to the date a petition is filed hereunder, except that dues deduction authorizations for more than one employee organization for the account of any one employee shall not be considered as proof of employee support for any employee organization. The only authorization which shall be considered as proof of employee support hereunder shall be the authorization last signed by an employee. The words "recently signed" shall mean within ninety (90) days prior to the filing of such proof of support.

RECOGNIZED EMPLOYEE ORGANIZATION - An employee organization, which has been formally recognized by the District as the employee organization that represents employees in an appropriate representation unit pursuant to Article III hereof.

REPRESENTATION UNIT - District employees in regular positions in a designated group of classifications and positions constituted for the purpose of representation in employee relations matters.

SCOPE OF REPRESENTATION - All matters relating to employment conditions and employer-employee relations, including, but not limited to, wages, hours and other terms and conditions of employment, except, however, that the scope of representation shall not include consideration of the merits, necessity, or organization of any service or activity provided by law or executive order.

SUPERVISORY EMPLOYEE - Any employee who, in the course of this or her duties, may hire, transfer, suspend, promote, discharge, assign, direct or discipline other employees or who may effectively recommend such actions, if, in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

Representation Proceedings

Filing of Recognition Petition by Employee Organization

An employee organization that seeks to be formally acknowledged as the Recognized Employee Organization representing the employees in an appropriate unit shall file a petition with the Employee Relations Officer containing the following information and documentation:

a. Name and address of the employee organization.
b. Name and titles of its officers.
c. Names of employee organization representatives who are authorized to speak on behalf of the organization.
d. A statement that the employee organization has, as one of its primary purposes, representing employees in their employment relations with the District.
e. A statement whether the employee organization is a chapter of, or affiliated directly or indirectly in any manner, with a local, regional, state, national or international organization, and, if so, the name and address of each such other organization.
f. Certified copies of the employee organization's constitution and by-laws.
g. A designation of those persons, not exceeding two in number, and their addresses, to whom notice sent by regular United States mail will be deemed sufficient notice on the employee organization for any purpose.
h. A statement that the employee organization has no restriction on membership based on race, color, religion, creed, sex, national origin, age, sexual orientation, gender identity, mental or physical disability or medical condition.
i. The job classifications or titles of employees in the unit claimed to be appropriate and the approximate number of member employees therein.
j. A statement that the employee organization has in its possession proof of employee support as herein defined to establish that a majority of the employees in the unit claimed to be appropriate and have designated the employee organization to represent them in their employment relations with the District. Such written proof shall be submitted for confirmation to the Employee Relations Officer or to a mutually agreed upon disinterested third party.
k. A request that the Employee Relations Officer formally acknowledge the petitioner as the Recognized Employee Organization representing the employees in the unit claimed to be appropriate for the purpose of meeting and conferring in good faith.

The Petition, including all accompanying documents, shall be declared to be true and correct based upon the best information and belief of the duly authorized officer of the employee organization executing it, under penalty of perjury.

District Response to Recognition Petition

Upon receipt of the petition, the Employee Relations Officer shall determine whether:

a. There has been compliance with the requirements of the Recognition Petition, and
b. The proposed representation unit is an appropriate unit in accordance with *the Policy and Standards for Determination of Appropriate Units* found within this policy.

If an affirmative determination is made by the Employee Relations Officer on the foregoing two matters, he shall so inform the petitioning employee organization, shall give written notice of such request for recognition to the employees in the unit and shall take no action on said request for thirty (30) days thereafter. If either of the foregoing matters are not affirmatively determined, the Employee Relations Officer shall offer to consult thereon with such petitioning employee organization, and, if such determination thereafter remains unchanged, shall inform that organization of the reasons therefore in writing.

Open Period for Filing Challenging Petition

Within 30 days of the date written notice was given to affected employees that a valid recognition petition for an appropriate unit has been filed, any other employee organization may file a competing request to be formally acknowledged as the recognized employee organization of the employees in the same or in an overlapping unit (one which corresponds with respect to some but not all the classifications or positions set forth in the recognition petition being challenged), by filing a petition evidencing proof of employee support in the unit claimed to be appropriate of at least thirty (30%) percent and otherwise in the same form and manner as set forth within *Filing of Recognition Petition by Employee Organization* found within this policy. If such challenging petition seeks establishment of an overlapping unit, the Employee Relations Officer shall call for a hearing on such overlapping petitions for the purpose of ascertaining the more appropriate unit, at which time the petitioning employee organizations shall be heard. Thereafter, the Employee Relations Officer shall determine the appropriate unit or units in accordance with the standards of this policy. The petitioning employee organizations shall have fifteen (15) days from the date notice of such unit determination is communicated to them by the Employee Relations Officer to amend their petitions to conform to such determination or to appeal such determination set forth within the *Appeals* portion of this policy

If a different employee organization is formally acknowledged as the Exclusively Recognized Employee Organization, such organization shall be bound by all the terms and conditions of any Memorandum of Understanding in effect for its remaining term.

Policy and Standards for Determination of Appropriate Units

The basic policy objectives in determining the appropriateness of units shall be the effect of a proposed unit on (1) the efficient operations of the District and its compatibility with the primary responsibility of the District and its employees to effectively and economically serve the public, and (2) providing employees with effective representation based on recognized community of interest considerations. These policy objectives require that the appropriate unit shall be the broadest feasible grouping of positions that share an identifiable community of interest. Factors to be considered shall be:

a. Similarity of the general kinds of work performed, types of qualifications required, and the general working conditions.
b. History of representation in the District and similar employment, except however, that no unit shall be deemed to be an appropriate unit solely on the basis of the extent to which employees in the proposed unit have organized.
c. Number of employees and classifications, and the effect on the administration of employer-employee relations created by the fragmentation of classifications and proliferation of units.
d. Effect on the classification structure and impact on the stability of the employer-employee relationship of dividing a single or related classification among two or more units.
e. Similarity of the general kinds of work performed, types of qualifications required, supervision received, and the general working conditions.

Notwithstanding the foregoing provisions of this section, management and confidential employees may only be included in a unit consisting solely of managerial or confidential employees, respectively. Managerial and confidential employees may not represent any employee organization which represents other employees. Under the Meyers-Milias-Brown Act, professional employees also have the right to be represented separately from non-professional employees. Supervisory employees may be required to be included in a unit consisting solely of supervisory employees.

The Employee Relations Officer shall, after notice to and consultation with affected employee organizations, allocate new classifications or positions from units in accordance with the provisions of this section.

Granting Recognition Without an Election

If the Petition is in order, and the proof of support shows that a majority of the employees in the appropriate unit have designated the petitioning employee organization to represent them, and if no other employee organization filed a challenging petition, the petitioning employee organization and the Employee Relations Officer shall request the California State Mediation and Conciliation Service, or another agreed-upon neutral third party, to review the count, form, accuracy, and propriety of the proof of support. If the neutral third party makes an affirmative determination, the Employee Relations Officer shall formally acknowledge the petitioning employee organization as the Exclusive Recognized Employee Organization for the designated unit.

Election Procedure

The Employee Relations Officer shall arrange for a secret ballot election to be conducted by a party agreed to by the Employee Relations Officer and the concerned employee organization(s) in accordance with such party's rules and procedures, subject to the provisions of this Policy. All employee organizations that have duly submitted petitions which have been determined to be in conformance with the *Policy and Standards for Determination of Appropriate Units* section of this policy shall be included on the ballot. The choice of "no organization" shall also be included on the ballot. Employees entitled to vote in such election shall be those persons employed in regular positions within the designated appropriate unit who were employed during the pay period immediately prior to the date which ended at least fifteen (15) days before the date the election commences, including those who did not work during such period because of illness, vacation or other authorized leaves of absence, and who are employed by the District in the same unit on the date of the election. An employee organization shall be formally acknowledged as the Recognized Employee Organization for the designated appropriate unit following an election if it received a numerical majority of the valid votes cast. If no employee organization receives a majority of the valid votes cast in the initial election, a run-off election shall be conducted between the two choices receiving the largest number of valid votes cast. The rules governing an initial election shall be applicable to the run-off election.

There shall be no more than one valid election under this Policy pursuant to any petition in a 12-month period affecting the same unit.

In the event that the parties are unable to agree on a third party to conduct an election, the election shall be conducted by the California State Mediation and Conciliation Service.

Costs of conducting elections shall be borne in equal shares by the District and by each employee organization appearing on the ballot.

Procedure for Decertification of Exclusively Recognized Employee Organization

A Decertification Petition alleging that the incumbent Recognized Employee Organization no longer represents a majority of the employees in an established appropriate unit may be filed with the Employee Relations Officer only during the month of January of any year following the first full year of recognition or during the thirty (30) day period commencing one hundred eighty (180) days prior to the termination date of a Memorandum of Understanding then having been in effect less than three (3) years, whichever occurs later. A Decertification Petition may be filed by two or more

employees or their representative, or an employee organization, and shall contain the following information and documentation declared by the duly authorized signatory under penalty of perjury to be true, correct and complete:

a. The name, address, and telephone number of the petitioner and a designated representative authorized to receive notices or requests for further information.
b. The name of the established appropriate unit and of the incumbent Recognized Employee Organization sought to be decertified as the representative of that unit.
c. An allegation that the incumbent Recognized Employee Organization no longer represents a majority of the employees in the appropriate unit, and any other relevant and material facts relating thereto.
d. Proof of employee support that at least thirty (30) percent of the employees in the established appropriate unit no longer desire to be represented by the incumbent Recognized Employee Organization. Such proof shall be submitted for confirmation to the Employee Relations Officer or to a mutually agreed upon disinterested third party.

An employee organization may, in satisfaction of the Decertification Petition requirements hereunder, file a Petition under this section in the form of a Recognition Petition evidencing proof of thirty (30) percent employee support, that conforms to the requirements of section 6003 in satisfaction of the Decertification Petition requirements hereunder.

The Employee Relations Officer shall initially determine whether the Decertification Petition or Recognition Petition has been filed in compliance with the applicable provisions of this policy. If the determination is in the negative, the Employee Relations Officer shall offer to consult therein with the representative(s) of such petitioning employees or employee organization, and, if such determination thereafter remains unchanged, shall return such Petition to the employees or employee organization with a statement of the reasons therefore in writing.

The Employee Relations Officer shall thereupon arrange for a secret ballot election to be held on or about fifteen (15) days after such notice to determine the wishes of unit employees as to the question of decertification, and, if an accompanying Recognition Petition was duly filed, and, in the event decertification of the incumbent Recognized Employee Organization is voted, the question on representation. Such election shall be conducted in conformance with this policy's election procedures.

Appeals

An employee organization aggrieved by an appropriate unit determination of the Employee Relations Officer; or an employee organization aggrieved by a determination of the Employee Relations Officer on a petition, or employees aggrieved by a determination of the Employee Relations Officer that a Decertification Petition has not been filed in compliance with the applicable provisions of this Policy, may, within ten(10) days of notice of the Employee Relations Officer's final decision, request to submit the matter to mediation by the State Mediation and Conciliation Service, or may, in lieu thereof or thereafter, appeal such determination to the District Board of Directors for final decision within fifteen (15) days of notice of the Employee Relations Officer's determination or the termination of mediation proceedings, whichever is later.

Appeals to the District Board of Directors shall be filed in writing with the Board Secretary, and a copy thereof served on the Employee Relations Officer. The Board of Directors shall commence to consider the matter within thirty (30) days of the filing of the appeal. The Board of Directors may, in its discretion, refer the dispute to a non-binding third-party hearing process. Any decision of the Board of Directors on the use of such a procedure, and/or any decision of the Board of Directors determining the substance of the dispute, shall be final and binding.

Administration

Submission of Current Information by Recognized Employee Organizations

All changes in the information filed with the District by a Recognized Employee Organization under items (a.) through (h.) of its Recognition Petition identified in the Filing of Recognition Petition by Employee Organization section of this policy shall be submitted in writing to the General Manager within fourteen (14) days of such change.

Administrative Rules and Procedures

The General Manager is hereby authorized to establish such rules and procedures as appropriate to implement and administer the provisions of this Policy after consultation with affected employee organizations.

Meetings of Recognized Employee Organization

The District will provide two hours per fiscal year for the recognized employee organization to meet during the District's business hours. The association must notify management at least seven days prior to the meeting. The recognized employee organization may use District facilities for meetings.

Impasse Procedures

Initiation of Impasse Procedures

If the meet and confer process has reached impasse as defined in this Policy, either party may initiate the impasse procedures by filing with the other party a written request for an impasse meeting, together with a statement of its position on all disputed issues. An impasse meeting shall then be scheduled promptly by the Employee Relations Officer. The purpose of such impasse meeting shall be:

a. To identify and specify in writing the issue or issues that remain in dispute.
b. To review the position of the parties in a final effort to resolve such disputed issue or issues; and
c. If the dispute is not resolved, to discuss arrangements for the utilization of the impasse procedures provided herein.

Impasse Procedures

Impasse procedures are as follows:

a. If the parties agree to submit the dispute to mediation, and agree on the selection of a mediator, the dispute shall be submitted to mediation. All mediation proceedings shall be private. The mediator shall make no public recommendations, nor take any public position at any time concerning the issues.
b. If the parties agree to, and do participate in mediation, and if the mediator is unable to effect settlement of the dispute, the employee organization may present a request to the District and the Public Employment Relations Board (PERB) to submit the impasse to factfinding. The employee organization must submit this request to submit the impasse to

fact-finding no sooner than thirty (30) days, but no later than forty-five (45) days, after the parties select a mediator.

c. If the parties do not agree to participate in mediation, the employee organization may present a request to the District and PERB to submit the impasse to fact-finding no later than thirty (30) days following the date that either party has provided the other a written notice of declaration of impasse.

d. Within five (5) working days after PERB's determination that the request for factfinding is sufficient, a factfinding panel of three (3) shall be appointed in the following manner: One member of the panel shall be appointed by the Employee Relations Officer, and one member shall be appointed by the Recognized Employee Organization. PERB shall, within (5) working days after making its determination that the request for factfinding is sufficient, submit the names of seven persons, drawn from the list of neutral factfinders established pursuant to Government Code Section 3541.3(d). PERB shall thereafter designate one of the seven persons to serve as the chairperson unless notified by the parties within five(5) working days that they have mutually agreed upon a person to chair the panel in lieu of a chairperson selected by PERB

e. The following constitute the jurisdictional and procedural requirements for fact-finding:

1. The panel shall, within ten (10) days after its appointment, meet with the parties or their representatives, either jointly or separately, and may make inquiries and investigations, hold hearings, and take any other steps it deems appropriate. The panel shall have subpoena power with regard to hearings, investigations, and inquiries.
2. Subject to the stipulations of the parties, the factfinders shall consider, weigh, and be guided by the following measures and criteria in arriving at their findings and recommendations:
    i. State and federal laws that are applicable to the employer.
    ii. Local rules, regulations, or ordinances.
    iii. Stipulations of the parties.
    iv. The interests and welfare of the public, and the financial ability of the public agency.
    v. Comparison of the wages, hours, and conditions of employment of employees performing similar services in comparable public agencies.
    vi. The consumer price index for goods and services, commonly known as the cost of living.
    vii. The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
    viii. Any other facts not confined to those specified in paragraphs (i)-(vii) inclusive, which are normally or traditionally taken into consideration in making the findings and recommendations.
3. Within thirty (30) days after the appointment of the fact-finding panel, or, upon agreement by both parties within a longer period, the panel shall make written findings of fact and advisory recommendations for the resolution of the issues in dispute, which shall be presented in terms of the criteria and limitations specified above. Any member of a factfinding panel shall be accorded the right to file dissenting written findings of fact and recommendations. The factfinder or chairperson of the factfinding panel shall serve such findings and recommendations on the Employee Relations Officer and the designated representative of the Exclusively Recognized Employee Organization before they are made available to the public.
4. If these parties have not resolved the impasse within ten (10) days after service of the findings and recommendations upon them, the District shall make them public by

submitting them to the Board Secretary for consideration by the Board of Directors in connection with the Board's legislative consideration of the impasse.

5. After any applicable mediation and factfinding procedures have been exhausted, but no earlier than ten (10) days after the factfinders' written findings of fact and recommended terms of settlement have been submitted to the parties, the Board of Directors may hold a public hearing regarding the impasse, and take such action regarding the impasse as in its discretion deems appropriate in the public interest, including implementation of the District's last, best and final offer. Any legislative action by the Board of Directors on the impasse shall be final and binding.
6. The costs for the services of the panel chairperson agreed upon by the parties shall be equally divided between the parties, and shall include per diem fees, if any, and actual and necessary travel and subsistence expenses. The per diem fees shall not exceed the per diem fees stated on the chairperson's resume on file with PERB. The chairperson's bill showing the amount payable by the parties shall accompany their final report to the parties and PERB. The parties shall make payment directly to the chairperson.
7. Any other mutually incurred costs shall be borne equally by the parties. Any separately incurred costs for the panel member selected by each party shall be borne by that party.

Cost of Impasse Procedures

The cost for the services of a mediator and a chairperson of a factfinding panel utilized by the parties, and other mutually incurred costs of mediation and factfinding shall be borne equally by the District and the Recognized Employee Organization. The cost for a factfinding panel member selected by each party, and other separately incurred costs, shall be borne by such party.

Miscellaneous Provisions

Rights of Employees

Employees of this District shall have the right to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters within the scope of representation. Employees of the District also shall have the right to refuse to join or participate in the activities of employee organizations. Neither the District nor any employee organization shall interfere with, intimidate, restrain, coerce, or discriminate against employees because of the exercise of their rights under this section.

Rights and Responsibilities of the District

The rights of the District derive from the Constitution of the State of California and applicable State Codes. All rights not specifically addressed in this policy or expressly waived in a Memorandum of Understanding are reserved to the District. The express and implied powers, rights, duties, and responsibilities of the District, such as the adoption of policies, rules, regulations, and practices, and the use of judgment and discretion in connection therewith shall be limited only by the specific and express terms of this policy.

The District has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer and manage its services and the workforce performing these services. The exclusive rights of the District shall include, but not be limited to, the right to determine the organization of District Government and the mission of its constituent agencies; to determine the nature, quantity and quality of services to be offered to the public and to determine the means of

operations, the materials and the personnel to be used; to introduce new or improved methods or facilities and to change or alter personnel, level of work force, methods, means, materials and facilities; to exercise control and discretion over its organization and operation through its managerial employees; to establish and effect rules and regulations consistent with applicable law; to establish and implement standards of selecting District personnel and standards for continuing employment with the District; to direct the work force by determining the work to be performed, the personnel who shall perform the work, assigning overtime and scheduling the work; to take disciplinary action; determine the content of job classifications; to relieve its employees because of lack of work, funds or for other reasons; to determine whether materials or services shall be made, purchased on contracted for; and to otherwise act in the best interest of efficient service.

The District retains its rights to take whatever actions it deems appropriate during an emergency. The determination of whether an emergency exists is solely within the discretion of the District, and such determination is expressly excluded from the District grievance procedure.

Severability

If any section or provision of this policy or any addendum or amendment thereto should be held to be invalid by operation of law or by a tribunal of competent jurisdiction, or if compliance or enforcement of any section or provision should be restrained by such tribunal or the enactment of superseding law, rule or regulation by any governmental authority other than the District, such article or provision shall be immediately suspended and be of no force and effect. Such invalidation of a part or portion of this policy shall not invalidate any remaining portions, and those remaining portions shall remain in full force and effect unless those remaining portions were contingent upon the operation of the invalidated section. In the event that a part or portion of this policy is suspended pursuant to the above, the District or any recognized employee organization that is subject to the provisions of this policy has the right to initiate meet and confer on the effect of such suspension.

Humboldt Community Services District

Dedicated to providing high quality, cost effective water and sewer service for our customers

AGENDA REPORT

For HCSD Board of Directors Regular Meeting of: September 22, 2026

AGENDA ITEM: **F.4**

TITLE: Consideration and Discussion of Director Roles and Responsibilities Regarding Staff Direction Directing Staff

PRESENTED BY: Terrence Williams, General Manager

Recommendation
Staff recommend the Board discuss this item and provide direction on next steps, including whether to direct staff to develop a draft policy addressing Board member communication with and direction of staff for consideration at a future meeting.

Background
A Board member requested that an agendized discussion occur regarding the appropriate boundaries of individual Board members directing District staff outside of meetings, and what limitations should govern the practice.

Under the District's governance structure, the Board of Directors acts collectively as the District's policy-making body. The General Manager, appointed by and accountable to the Board as a whole, is responsible for the day-to-day administration of District operations and the direction of staff in carrying out Board-adopted policy. This division of authority reflects a common governance principle applied broadly among California special districts: individual Board members, acting outside of a duly noticed Board meeting, do not possess independent authority to direct staff, assign work, or otherwise intervene in operational matters absent explicit Board authorization or a Board-adopted policy conferring that authority.

The rationale for this structure is threefold:

1. **Accountability.** The General Manager is directly accountable to the full Board for staff performance and the execution of Board direction. When an individual Board member directs staff , it can blur lines of accountability and place staff in a position of serving competing or ambiguous chains of command.
2. **Efficiency and Consistency.** Staff resources and priorities are established through the budget process and Board-approved work plans. Ad hoc direction from individual Board members, however well intentioned, can divert staff time from Board-approved priorities and create inconsistent or conflicting instructions.

3. **Legal and Procedural Integrity.** The Brown Act limits the ability of individual Board members to conduct District business outside of a public meeting. While informal requests for information generally fall outside this restriction, direction

> that effectively sets policy or operational priority outside the public meeting process raises both legal and good governance concerns.

Many special districts formalize these principle through an adopted Board Governance Policy or Board-General Manager Relations Policy, often incorporating a "single point of contact" provision. Such a policy typically permits individual Board members to request routine information directly from staff, while reserving the direction of staff work, assignment of tasks, and changes in operational priority to the Board acting as a whole, communicated to staff through the General Manager.

The District does not have an adopted policy addressing this subject. Staff is bringing this item forward at the Board's request to solicit discussion and direction on whether the Board wishes to formalize expectations in this area, and if so, whether to direct staff to prepare a draft policy for the Board's consideration at a future meeting.

Fiscal Impact:
There is no cost associated with discussing this item

AGENDA REPORT

For HCSD Board of Directors Regular Meeting of: September 22, 2026

AGENDA ITEM: **F.5**

TITLE: Consideration and Discussion on the Potential Impact of Data Centers on HCSD

PRESENTED BY: Terrence Williams, General Manager

Recommendation:
Receive the report and discuss potential water-supply, infrastructure, and operational considerations associated with serving data centers.

Summary:
Rapid expansion of data centers in California has prompted local governments in Humboldt County to consider the potential effects of data center development on the community.

Data centers are physical locations that provide the infrastructure for cloud computing, telecommunications, artificial intelligence, financial services, and government operations. More activities increasingly rely on processing and storing digital information. Small data centers can range from 5,000-20,000 square feet, typically serve single companies or local businesses, and maintain between 500-2,000 servers[1]. More recently, communities nationwide have been planning and developing data centers averaging 100,000 square feet. For perspective, the largest single-story building in the District, the Safeway building, is 49,145 square feet.

Recently, the following local jurisdictions, with land use planning authority, have taken action on Data Centers:

City of Eureka: The City of Eureka approved an emergency ordinance placing a moratorium on Data Centers for 45 days beginning September 1, 2026. The ordinance found that a temporary moratorium was necessary while staff and the Planning Commission study data centers and develop appropriate zoning and regulatory controls. At the September 15, 2026 meeting, the City Council directed City Staff to develop regulations allowing data centers under 20,000 square feet to be built in industrial areas of the city with a conditional use permit.

City of Arcata: The City of Arcata has one 10,000-square-foot data center within its jurisdiction that serves as a waypoint for two undersea fiber-optic cables originating in Singapore and entering Humboldt Bay via the former pulp mill on the Samoa Peninsula. The established data center does not use water for industrial purposes and has a peak

[1] Solar Tech. "How Much Electricity Does a Data Center Use? Complete 2025 Analysis," *IAEA MAGAINZE,* January 1, 2026 https://iaeimagazine.org/electrical-fundamentals/how-much-electricity-does-a-data-center-use-complete-2025-analysis/

energy consumption of approximately 0.5 megawatts. Arcata allows data centers to be constructed in the industrial general area after being granted a conditional use permit

On September 16, 2026, the Arcata City Council adopted a 45-day moratorium on data centers, and city staff will provide an update before the moratorium ends. The City is currently analyzing its land use code, and the City's contracted consultant will provide consideration of data centers in its analysis.

County of Humboldt: On July 14, 2026, the Humboldt County Board of Supervisors held a broader discussion on zoning that included data centers. At the meeting, the Board requested that staff develop a temporary moratorium on data centers for one year for the Board's consideration at a future meeting.

Currently, Oppidian Connect, a data center company, has expressed interest in constructing a data center in Humboldt County with a footprint of 30,000-50,000 square feet that, at peak power usage, would draw between 4-8 megawatts of electricity[2] The data center would serve a yet-to-be-built undersea cable landing station.

HCSD: Humboldt Community Services District's enabling act, the Community Services District Law found in California Government Code §61000, does not provide the District with land use planning authority. The District also has limited control over its jurisdictional boundaries, which the Humboldt Local Agency Formation Commission (LAFCo) regulates.

The County of Humboldt is responsible for land use planning and permitting for projects that are in the District's boundaries and sphere of influence. If a Data Center were to be permitted, consideration and conditions of approval may include a water supply analysis to ensure that, prior to building, appropriate infrastructure and supply of water would be available to support the project. Although each data center project is unique, a 100,000-square-foot data center uses an average of 300,000 to 500,000 gallons of water per day.

The District currently has no industrial users of water. The District Sewer Code provides oversight of industrial wastewater and allows the General Manager to permit wastewater discharge with condition requirements established by the District. Industrial users are required to provide necessary wastewater pretreatment as outlined in the Sewer Code. Pretreatment of wastewater from an industrial site is operated and maintained at the industrial user's expense. A data center may be designated as an industrial user if they discharge pollutants into the District's wastewater system. Pollutants are regulated under Section 307 (b), (c), or (d) of the Federal Clean Water Act.

Fiscal Impact:
No Fiscal Impact.

[2] Dezmond Remington. "A Data Center Company is interested in Someday Building a 30,000+ Square Foot Center in Humboldt County," *Lost Coast Outpost,* September 15, 2026, https://lostcoastoutpost.com/2026/sep/15/data-center-company-interested-someday-building-30