



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

February 11, 2016

A. **ROLL CALL**

Director Sopoci-Belknap conducted the roll call. Directors Hecathorn, Sopoci-Belknap and Woo were present. Directors Laird and Rupp were absent. General Manager Paul Helliker, Superintendent Dale Davidsen, Business Manager John Friedenbach, Board Secretary Sherrie Sobol and Operations and Maintenance Technician Jasson Klingonsmsith were also present. John Winzler and Pat Kaspari of GHD were present for a portion of the meeting.

B. **FLAG SALUTE**

President Hecathorn led the flag salute.

C. **ACCEPT AGENDA**

Mr. Helliker stated the Safety Item time set for 9:15 am needs to be moved to 9:30 am due to scheduling conflicts. On motion by Director Sopoci-Belknap, seconded by Director Woo, the Board voted 3-0 to accept the agenda with the amended time set item.

D. **MINUTES**

On motion by Director Woo, seconded by Director Sopoci-Belknap, the Board voted 3-0 to approve the minutes of the January 14th meeting.

E. **PUBLIC COMMENT**

Mr. Neal Latt introduced himself and stated he applied for the Division 1 vacancy.

A member of the public stated he would like to request more time before for the Board decides on the proposed retail rates. He requested the Board not make a decision today. Director Sopoci-Belknap stated the public rate hearing is scheduled for next month on March 9. Since it is not on the agenda, they cannot discuss it. Mr. Friedenbach added the District held an informational meeting on February 9 and will hold another one in Samoa Fire Hall on February 17 from 4-7 pm.

F. **CONSENT AGENDA**

On motion by Director Woo, seconded by Director Sopoci-Belknap, the Board voted 3-0 to accept the Consent Agenda.

G. **CORRESPONDENCE**

1. **Letter to municipal customers re: domestic water use**

Mr. Helliker shared the annual letter to the Municipal Customers. The letter transmits information about domestic water use per the requirements of the Ordinance 16 contracts. Included with the letter were three reports: the Domestic Water Use, Moving Five-Year Average Water Use and the Peak Rate Allocation (PRA) by Municipality for calendar year 2015. Mr. Helliker noted the Peak Rate Allocation for each municipality occurs every five years. The last review was in 2014 so the next review would be in 2019.

The City of Blue Lake and Manila CSD both have larger industrial customers that use a higher percentage of water. The contracts for these two Municipal Customers state that in the event they experience a reduction of 25% or more of their current Average Daily Water Use caused by reducing water to, or loss of these customers, the Moving Five Year



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Average and the PRA will be adjusted in the fiscal year following the reduction. Mr. Helliker stated he spoke with the General Manager of Manila CSD since they will lose a larger retail customer next month when Sierra Pacific closes. Sierra Pacific uses approximately 15% of overall water provided by Manila CSD so this clause would not apply for Manila CSD.

2. Letter to Felicia Marcus re: Proposed Drought Emergency Conservation Regulations
Mr. Helliker discussed the letter he and the Municipal Customers sent to the State Water Resources Control Board (SWRCB) regarding the proposed extension of emergency conservation regulations. The letter noted the lack of drought conditions on the Mad River and that conservation regulations do not make sense for the District and its Municipal Customers given that Ruth Lake is full and has ample water supply for a few years. The SWRCB went ahead and extended the regulations.

H. CONTINUING BUSINESS

1. Appointing New Director
Mr. Helliker stated the District received three applications for the Division 1 Director position. They are all strong candidates and he recommended conducting interviews with all three. The Board concurred and will conduct interviews at a Special Meeting on February 29th.
2. Update on Cannabis activities
Senator McGuire introduced SB 987, the Marijuana Value Tax Act, to the legislature. This bill would place a 15% sales tax on medical marijuana with an estimated tax revenue of \$100 million annually. The bill proposes that 30% of the revenue be distributed in grants to city and county agencies overseeing the cultivation, processing, manufacturing and sale of medical marijuana and 30% would go to the state's general fund. The California Department of Parks and Recreation would receive 20% with 10% going to the California Natural Resource Agency for restoration and remediation of private lands and watersheds damaged by cultivation and 10% to counties for drug and alcohol treatment programs. Mr. Helliker inquired if the Board was interested in supporting the bill. They requested he bring back an analysis of the bill to the March meeting.

Last month Mr. Helliker stated the Mad River Alliance with the help of other agencies, organized five compliance workshops "Grow Green Grow Legal". A sixth workshop was added and it is expected the workshops will be well attended. The workshop at the Ruth Lake Community Center is scheduled for April 24th.

3. Water Resource Planning (WRP)

Local Sales

Mr. Helliker stated a meeting will take place on March 23 with our partners between Rio Dell and Trinidad to organize a project for the State Revolving Loan Funds to conduct the next level of planning and design for the expansion of the transmission system north and south.



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Transport

Mr. Helliker stated he received an unsolicited call from Jason Heywood regarding bulk water transport to China via tankers. He informed Mr. Heywood the option would be discussed with the Board. The Board concurred that the policy is to transport to another Municipality, preferably local.

Instream Flow

Mr. Helliker stated the Wildlife Conservation Board informed the District that its grant proposal was not selected. He will try to get more information as to why and report back at the next meeting. Director Woo suggested applying for grant with the Coastal Conservancy.

Advisory Committee (AC)

The WRP AC met on February 3rd. Director Sopoci-Belknap stated it was a good meeting. In regards to transport, they understand the District has looked at numerous options on the North Coast with no takers. The AC agreed that transport to the North Coast would be best, however, should let all municipalities in California know that we have water available to transport. They also agreed not to spend a lot of funding on this. The AC is supportive of pursuing the Instream Flow option and keep moving it forward. She noted that it was not known at that time that we did not get the grant.

Director Sopoci-Belknap stated the members are still very engaged and are appreciative of the updates. The AC suggested filling “vacancies” since two people on the committee were not in attendance at the last few meetings. They stated they would like to meet at least twice a year, perhaps in the spring and fall. Mr. Helliker stated he would send the AC the monthly WRP Board Reports to help keep them apprised.

The Board thanked Director Sopoci-Belknap for the report. Director Woo summarized it sounds like the AC is supportive of the overall policy and would like the District to the stay the course. Ms. Lincoln, a reporter in attendance at the Board meeting, suggested the Humboldt County Board of Supervisors also receive updates on the WRP process on semi-regular basis given her recent conversations with a Supervisor. The Board briefly discussed options going forward.

Mr. Helliker discussed documentation of the WRP process. He stated he provided the AC questionnaires to get their perspective and help document the process. He will meet with Access Humboldt to discuss other options to document the WRP process.

I. NEW BUSINESS

1. District Safety Program

Mr. Helliker provided an overview of the District’s Safety Program. Achieving employee and public safety is a top priority for the District. The District provides personal protective equipment required to help ensure employee safety and is supportive of training to enhance this. The District and employees commitment to safety is evidenced by the low



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workers comp ratio and the awards from JPIA. As part of the District's Safety Program, a safety recognition program is in place. Eligible full time employees with at least six months of service, receive \$200. Of those eligible, one name is randomly drawn as the grand prize winner of \$500. This year's winner is Jasson Klingonsmith. Mr. Klingonsmith accepted the award presented by President Hecathorn. He thanked the Board for supporting a great safety program. Mr. Davidsen stated Mr. Klingonsmith is doing a great job. He has taken the lead on several larger construction projects and has been safe and successful. The Board congratulated Mr. Klingonsmith. President Hecathorn added that she read the minutes from the Safety Committee Meeting and was impressed with how safety conscious the staff really is. The employees are very proactive when it comes to safety.

Mr. Helliker concurred and stated the District also participates in the ACWA Commitment to Excellence Program. Part of the program includes implementation of best practices to reduce the potential and frequency of ergonomic (musculoskeletal) and fall injuries.

2. North Coast Resources Partnership (NCRP)

Mr. Helliker reported out on his attendance at the NCRP meeting. They received a presentation on the Proposition 1 IRWM Program Guidelines. Funds should be available in 2017. The next quarterly meeting will be on April 21st and will also be a 10 year celebration of the NCRP.

J. REPORTS (from Staff)

1. Engineering

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

Mr. Kaspari stated the Notice of Award was issued and the Notice to Proceed along with Change Order 1 (as approved last month) will be sent very soon. The contractor stated there will be a delay in the start date and will likely begin in July.

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

Mr. Kaspari received the Trenchless Feasibility Report from Bennett Trenchless Engineers. The costs came in a bit lower than expected, however, does not include connection to the District pipeline. GHD will incorporate the report into their final feasibility analysis for the two options. This final analysis should be ready by the April meeting.

c) Matthews Dam Survey Results

The District established on-going monitoring of three general areas of the Matthews Dam. The areas are: 1) a Settlement Survey that has been conducted since 1962 and measures the amount of settlement of 17 points located along the crest of the dam; 2) a West Abutment Landslide Survey begun in 1998 that measures the change in horizontal and vertical positions of eight points along the toe of the superficial landslide upslope of the west abutment of the dam; and 3)



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the Spillway Wingwall Survey begun in 2010 that measures the change in horizontal position of fourteen points located along the top of the spillway walls and fourteen other points along the spillway floor. Mr. Kaspari stated these surveys are done every other year around the same time to monitor stability of the dam. The most recent survey was done in September 2015. The full report provides detailed information. The surveys show there are no noticeable changes in any of these points that are of concern.

d) Essex Septic System Design

Mr. Kaspari stated he received a permit for the project. Mr. Davidsen noted that in regards to budget, this project may carry over into the next year.

e) 1 MG Reservoir

Mr. Kaspari stated the inspection of the reservoir is completed. Painting and welding is an option that will extend the life of the tank about 10 years. Painting and replacing the roof is the second option. With this option, the paint should last 20 years and the roof 50 years. Option two is preferred but will cost about \$500,000 which is \$250,000 more than Option 1. Mr. Davidsen will prepare a memo for the meeting next month to assist the Board in their decision as to which option.

f) FEMA Hazard Mitigation Grant Notice of Intent (NOI) submittals

Mr. Friedenbach stated the District is always looking at opportunities to fund projects via grants. The District submitted an NOI for the Surge Tower, 12 kv Relocation, and Spillway Wall reinforcement project. The NOI for the Surge Tower was deemed eligible and the next step is to apply for a grant for the Surge Tower.

g) FERC Part 12

Mr. Friedenbach stated the FERC Part 12 report is required every five years and is in process. The FERC approved consultant, Charles Ahlgren, will be here in May for a site inspection of the dam and has already started working on the report.

2. Financial

a) Financial Report

Director Sopoci-Belknap provided the January 2016 financial statement & vendor detail report. Director Woo reviewed the bills and stated all was good. On motion by Director Sopoci-Belknap, seconded by Director Woo, the Board voted 3-0 to approve the January 2016 financial statement and the vendor detail report in the amount of \$105,520.02.

b) US Bank line of credit for emergencies

Mr. Friedenbach reported that Ms. Marquez of US Bank previously informed the Board of three options available if the District needed to seek emergency funding: 1) Line of Credit 2) Traditional Loan and 3) Guidance Line. The Guidance Line appeared to be best option and the Board requested more information about it. The District received a letter from Mr. Kidd of US Bank providing the additional



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information. New regulations require the guidance line be collateralized and the transaction needs to be documented through Bond Counsel. Additionally, US Bank would need to charge an unused fee for the line. Mr. Kidd stated that since the District is a long-time customer, he believes the bank could move quickly on analysis of a credit transaction should the need arise.

c) FEMA Audit of Techite Pipeline HMGP grant

Mr. Friedenbach stated the District received a draft of an audit compliance report from CalOES on the engineering contract with GHD for the Techite project. The report is based on the review period of June 1-September 30, 2012. The report contains two findings. The contract with GHD did not contain 13 sections required by federal procurement regulations, such as the 1965 equal employment opportunity executive order, the Copeland Anti-kickback Act and the Davis –Bacon Act, etc. The second finding is the contract file did not include a history of the procurement with GHD, including demonstration that qualifications were adequate and that reasonable prices were paid. Prior to completing the report, Cal OES is giving the District an opportunity to supply the missing documentation on the procurement process. The District is proposing remedies for both findings and will work with CalOES on the documentation.

3. Operations

Mr. Davidsen provided the January operational report. He and his supervisors have spent a lot of time this past month developing and prioritizing budget items for the FY16/17 budget process. They also conducted interviews for the Assistant Maintenance Supervisor position. Several staff attended training on Drinking Water Sampling: A Comprehensive Approach. The training was in Crescent City so they did not have to travel too far. Some clean up and repairs were required after a storm in mid-January downed a tree, which in turn crushed a fence. Topics at the January Safety Meeting included the Workplace Illness and Injury Prevention Plan, EAP Dam Safety, responsibilities regarding the AQMD generator permits.

Mr. Davidsen recommended several items be declared surplus. These items have been replaced or are no longer needed. The items are Unit 9, 1990 Ford F-350 with utility bed and lumber rack; Unit 13, 1999 Ford F-150 short bed with lumber rack and aluminum cross bed box; two metal desks with 5 drawers and 1file drawer; wooden drafting table with 2 drawers; card file style filing cabinet; fire proof locking file cabinet (needs the combination reset since the combination is unknown); and a laminated wood computer station with pull out keyboard tray.

On motion by Director Sopoci-Belknap, seconded by Director Woo, the Board voted 3-0 to declare the items surplus.

K. DIRECTOR REPORTS & DISCUSSION

1. ACWA

Director Woo reported out on the Region 1 Board meeting. She participated via phone



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and was voted the alternate Vice-Chair and selected to serve on the Aquatic Resources Committee. She stated she expressed some concern about travelling to out of area meetings. Dennis Mayo of McKinleyville CSD is the Vice Chair and assured her he would be attending most if not all the meetings and the Aquatic Resources Committee only meets during the ACWA conferences. She shared that Director Rupp was selected to report out on the Finance Committee at the ACWA conference.

Director Woo stated she plans on attended the upcoming conference if approved to do so. On motion by Director Sopoci-Belknap, seconded by Director Woo, the Board voted 3-0 to approve attendance for Board members/staff that want to attend the ACWA 2016 Spring Conference and Training.

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

Director Woo reported out on the RCEA meeting. The highlight of the meeting was Community Choice Aggregation (CCA) topic. The RCEA Board passed a resolution Authorizing the Implementation of a Community Choice Aggregation Program by RCEA as the Community Choice Aggregator. Mr. Helliker shared that he has been part of a panel interviewing various companies wanting to be the energy provider for RCEA as the Community Choice Aggregator. They will report out at the next RCEA meeting. He noted they will recommend not rushing into a decision and allowing time to do proper reference checks. This will likely result in a CCA going into effect in early 2017.

ADJOURNMENT

The meeting adjourned at 11:30 a.m.

Attest:

Barbara Hecathorn, President

J. Bruce Rupp, Secretary/Treasurer