



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

November 12, 2015

A. **ROLL CALL**

President Hecathorn called the meeting to order at 9:00 a.m. Director Rupp conducted the roll call. Directors Hecathorn, Laird, Rupp, Sopoci-Belknap and Woo were present. General Manager Paul Helliker, Superintendent Dale Davidsen and Board Secretary Sherrie Sobol were present. Business Manager John Friedenbach, John Winzler and Pat Kaspari of GHD were present for a portion of the meeting.

B. **FLAG SALUTE**

Director Hecathorn led the flag salute.

C. **ACCEPT AGENDA**

Mr. Helliker proposed pulling the Retail Rate adjustment from the agenda. He stated the proposed scenarios need additional analysis and it would be best to discuss it next month. On motion by Director Laird, seconded by Director Woo, the Board voted 5-0 to accept the agenda as modified.

D. **MINUTES**

On motion by Director Rupp, seconded by Director Sopoci-Belknap, the Board voted 4-0 to approve the minutes of September 29 Special Meeting. Director Laird abstained since he was not at the meeting.

Ms. Sobol requested a clarifying addition to the Minutes of the October 8 meeting. On motion by Director Rupp, seconded by Director Laird, the Board voted 5-0 to approve the minutes of the October 8 regular meeting as modified.

E. **PUBLIC COMMENT**

No public comment was received.

F. **CONSENT AGENDA**

Director Rupp requested Item 3 be pulled. Director Woo requested Item 6 be pulled. On motion by Director Laird, seconded by Director Woo, the Board voted 5-0 to approve the Consent Item less Items 3 and 6.

3. **Letter from USGS re: flow monitoring data**

Director Rupp inquired if the District will respond to the USGS request for flow records. Mr. Friedenbach replied yes, this is an annual request the District responds to each year.

6. **Newspaper articles of local/water interest (given the large number, organized by topic)**

Director Woo discussed the article regarding Dan Ehresman's resignation. She referenced the comment section and stated some were a poor use of social media.

On motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 to approve Consent Items 3 and 6.



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G. **CORRESPONDENCE**

Letter to CalOES re: grant closeout for Techite project and CalOES response

Mr. Friedenbach discussed the letters related to the closeout of the Techite Project. The District received and deposited the final check last week for the grant closeout in the amount of \$279,518. The District also received notification that CalOES determined an audit was not warranted at this time.

H. **REPORTS (from Staff)**

1. **Financial**

CalOES Designation of Applicant's Agent

As reported last month, the State authorized disaster assistance funding for local governments including cities and special districts impacted by the summer wildfires. The Ruth Lake area was impacted by wildfires and the District applied to CalOES for grant funding to assist with protective measures to divert potential mud/silt flows that could impact water quality. Mr. Friedenbach reported the District received notification the application was approved. The grant will pay 75% of costs for a net benefit to the District of \$14,942.

CalOES requires a current CalEMA form 130. This is a resolution that is valid for three years. The District's recent Form 130 expired in March 2015. A current one must be on file in order to receive grant funding. Staff recommends approval of Resolution 2015-10 Designation of Applicant's Agent Resolution for Non-State Agencies (CalEMA Form 130). On motion by Director Laird, seconded by Director Rupp, the Board voted 5-0 by roll call vote to adopt Resolution 2015-10.

Director Rupp inquired if the approximate \$5,000 the District has to pay was budgeted. Mr. Friedenbach stated yes, it was taken into consideration and is covered by the maintenance budget. Mr. Davidsen added the goal is to begin work on the project the first week of December before the heavy rains arrive.

Proposition 50 Intertie Project Grant Closeout

Mr. Friedenbach stated the District received the Notice of Construction Completion for the Prop 50 Intertie project. The District also received the final grant closeout retention payment of \$135,523.26. The funds are no longer required to be listed as restricted funds on the District statement of fund balances since the project is completed. He explained the accounting adjustments that reflect the presentation on the Funds Balance report. The Board thanked him for the explanation of changes.

Financial Report

Director Rupp provided the October financial report. He also reviewed the bills and stated there were no concerns. He shared that Mr. Friedenbach questioned an 84 cent discrepancy on one of the bills. Director Rupp stated he is impressed by the attention to detail staff shows. On motion by Director Rupp, seconded by Director Sopoci-Belknap,



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the Board voted 5-0 to approve the October 2015 financial statement & vendor detail report in the amount of \$291,466.43.

Interest Apportionment Rate Report

Mr. Friedenbach shared the quarterly letter from the Treasurer for the April –June 2015 period. An annualized interest rate of .79% was earned in comparison to LAIF at .27%.

I. CONTINUING BUSINESS

Retail rate adjustment

This item was pulled from the agenda and there was no discussion.

Ruth Lake Fire Impacts update

Mr. Friedenbach attended a US Forest Service meeting regarding the local summer fires. The meeting provided information on the BAER (Burned Area Emergency Response) Assessment. In regards to re-vegetation, the Forest Service does not apply grass seed to burned areas. It will be approximately two years before tree re-vegetation occurs. The Forest Service will be re-grading roads and the District requested a burnt area near a slide be re-graded for slope stability. The District has not received a response yet, but staff will be meeting with them in a few weeks.

Mr. Helliker thanked Mr. Friedenbach for attending the meeting. Mr. Helliker was not able to attend since he was meeting with an Oregon State University research team at Ruth Lake. The research team is studying the effects of runoff into reservoirs from fires and chose Ruth Lake reservoir to study. They will also be conducting a bathymetry study. Bathymetry is the study of lake or ocean floors. It is similar to the underwater equivalent of topography.

Cannabis impacts on Mad River

Mr. Helliker stated he is part of the ACWA Headwaters work group. The group will be looking at cannabis production impacts on headwaters. The District may be able to benefit from ACWA's work.

In regards to the County's efforts, they are working on updating their cannabis ordinance. The current issue is in regards what space requirements trigger a conditional use permit (CUP). The County is proposing a 2000 sf space, as opposed to 10,000 sf that will require a CUP. The Board discussed the pros and cons of this, as well as CUP versus Administrative Permit. Director Rupp inquired if there are any reasons the Board should take a position on this, given that the District's interest is in the Mad River. Mr. Helliker suggested the Board convey that they want an effective program that is helpful in ensuring environmental conditions are met. Director Rupp and the Board concurred and requested Mr. Helliker send a letter stating this to both Humboldt and Trinity County.

Mr. Helliker stated Mr. Feral is still interested in holding a workshop in Trinity County to promote good agricultural practices. Ruth Lake CSD has offered a location for the meeting. Mr. Feral informed him that he is not looking for a lot of funding but if the District could help financially, it would be beneficial. President Hecathorn inquired if Mr.



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Feral mentioned a specific amount. Mr. Helliker replied no, however, he did ask Mr. Feral to let us know the budget for the workshop.

Water Resource Planning

Local Sales

Mr. Helliker stated there is nothing new to report in regards to local sales. He does keep in touch with Mr. Crider of the Harbor District and will share if he hears of potential new businesses.

Transport

The Transport Committee met with the Bay Area Water Agency Coalition (BAWAC) on October 12th to discuss the District's available water supply. The Committee received a polite reception but there was not much interest in the water supply. Director Rupp shared the big issue for the BAWAC agencies is not lack of water but decreased revenue. They have been conserving and have more water than they thought. Director Rupp stated perhaps it is time to broaden the area the District is marketing the water too. The District has looked at marine transport and a Northern California pipeline. He believes it is time to meet as a Board, discuss the broader initiative and bring the stakeholders in. Director Sopoci-Belknap added she is not opposed to broadening the options given that there is no market currently. Director Laird added the District should have a drought management policy that maintains water delivery to the Municipal Customers versus supplying water for export. Mr. Helliker stated this can be added in the updated Urban Water Management Plan that is due next year.

Mr. Helliker stated he met with representatives from Via Marine. Via Marine is a French company interested in building a pipeline along the coast to transport water from the Columbia River to the Bay Area and Southern California. Mr. Helliker shared the District's Term Sheet and Pipeline Reconnaissance Study with the representatives.

J. **NEW BUSINESS**

Replacement of resigning Board member

Director Sopoci-Belknap announced she will be moving out of the area in March 2016 due to work reasons. As a result, March will be her last meeting. Director Laird stated he will remain on the Board through November 2016 since it would be difficult having two Board vacancies. After a brief discussion, the Board agreed they would like to appoint someone at the March 2016 meeting so the new member can start in April 2016.

K. **REPORTS (from Staff)**

1. **Engineering**

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

Mr. Kaspari stated the geotechnical work started and they placed four borings in the area. The plan was to bore 60 feet but they hit bedrock on all borings at 20-30 feet. This is good for the over the river option in that the foundation is solid bedrock. He is waiting on cost estimates to come back for the two options- over or under the river,



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but it is likely the over the river option will be more cost effective.

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

Mr. Kaspari shared that an addendum was sent out extending the bid date to November 20th. He is hoping the bids come in close to the estimate.

Ranney Collector 3 Capstone report

Mr. Kaspari stated the Collector 3 Capstone report is completed. It will be a valuable resource down the road. They took lessons learned from the project and applied them to Collector 1/1A. A copy of the Capstone report is available in the District library.

Other Items

Last month there was a brief discussion regarding the 1MG reservoir. Mr. Kaspari stated costs for painting it came in at \$250,000 and \$500,000 to paint and replace the roof. He will provide a memo next month with details.

2. Operations

Mr. Davidsen provided the October Operational Report. He shared that although he met with two contractors at Ruth regarding the bunkhouse, no bids were received. He is following up with them and a few other contractors that have since expressed interest. Mr. Scott Wood of JPIA, went to Ruth, Essex and the TRF for annual inspections. There were just a few minor suggestions to take care of. Mr. Wood also conducted the Defensive Driver class that all available District employees attended. A few employees attended SCADA training in Fairfield and the quarterly SB 198 safety meeting was held. Staff interviewed five candidates for the O&M Tech position and they all interviewed well. The new hire will start December 14th.

3. Management

Report on CSDA conference

Ms. Sobol reported out on her attendance at the Board Secretary Conference. She stated she learned a lot at the sessions she attended and enjoyed the time to network and hear what other Districts are doing. She appreciates the opportunity to continue her education for the benefit of the District.

Streamline Demo

Mr. Helliker reported he and staff participated in demo of the website. The site is scheduled to "go live" in January.

Christmas Party

Mr. Helliker shared that the Christmas Lunch will be on December 11 at 1 pm and he hoped all the Directors would be able to attend. Public funds are not used for this event.



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L. DIRECTOR REPORTS & DISCUSSION

1. General

Director Laird reported that McKinleyville CSD asked him to provide a presentation on sea level rise, which he did. At the meeting, staff acknowledged Mr. Orsini's 25 years of service.

2. ACWA – JPIA

Director Rupp reported the Executive Committee met and will recommend a new logo to the Board.

3. ACWA

Mr. Helliker shared the candidate letter from Kathleen Tieg for ACWA President. Director Rupp stated she is very sharp and knowledgeable and would be a good ACWA president.

The District received the annual dues notice from ACWA. President Hecathorn noted the dues continue to increase. Mr. Helliker concurred but noted that ACWA does a very good job representing us. Director Rupp agreed that ACWA is very effective.

Director Woo stated she is no longer able to attend the Fall ACWA Conference.

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

Director Woo attended the RCEA meeting. They continued discussion regarding Community Choice Aggregation and also conducted the Executive Director's performance evaluation.

Director Rupp attended the RREDC meeting. They discussed transient occupancy tax collections for vacation rentals and had a presentation from the Humboldt-Del Norte Film Commissioner. Last year, the state provided tax incentives to promote filming in the State. This was good news as the local economy benefitted from filming in the area.

Director Rupp also attended a LAFCo meeting. At the September 16 meeting, the Commission disapproved a proposed annexation of 2212 Jacoby Creek Road to the City of Arcata. The Commission is then required to adopt a resolution making determinations for disapproving the proposal. The Commission adopted the resolution at the October meeting.

Director Rupp attended the Eureka Redevelopment Oversight Committee meeting. Since the District is the largest Special District in terms of taxes, the District has a representative on the Board, Director Rupp. The Committee is overseeing the dissolution of the Redevelopment Agency. The Committee has a role in assuring that the existing debt service and other obligations of the former Redevelopment Agency are properly paid from an Enforceable Obligation Payment Schedule, and that the former Redevelopment Agency's properties and other assets are disposed of in an appropriate manner. Director Rupp shared the process and noted the completion deadline is December 31, 2015. He



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added that this has resulted in some property taxes being redirected back to the District which benefits the ratepayers.

M. **CLOSED SESSION**


The Board went into closed session at 1:20 pm to review the performance of the General Manager, pursuant to Section 54957 of the Brown Act.

The Board returned to open session at 2:12 pm. There is no reportable action.

ADJOURNMENT

The meeting adjourned at 2:13 pm.

Attest:


Barbara Hecathorn, President


J. Bruce Rupp, Secretary/Treasurer