



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



Minutes for Meeting of Board of Directors

September 8, 2016, 9:00

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A. **ROLL CALL**

Director Rupp conducted the roll call. Directors Laird, Latt, Rupp and Woo were present. Director Hecathorn was absent. Vice President Laird chaired the meeting. General Manager Paul Helliker, Superintendent Dale Davidsen, Business Manager John Friedenbach and Board Secretary Sherrie Sobol were present. John Winzler and Pat Kaspari of GHD were present for a portion of the meeting.

B. **FLAG SALUTE**

Director Laird led the flag salute.

C. **ACCEPT AGENDA**

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

D. **MINUTES**

Director Woo requested a clarification in the minutes of August 11 in the Water Resource Planning instream flow section. On motion by Director Rupp, seconded by Director Woo, the Board voted 4-0 to approve the minutes of August 8, 2016 Special Meeting and the August 11, 2016 Regular Meeting as amended.

E. **PUBLIC COMMENT**

No public comment was received.

F. **CONSENT AGENDA**

Director Rupp pulled the article on the Dunes Climate Ready Grant Update. He stated he read the article and inquired if the grant was successful so far as it was difficult to tell from the newsletter. Mr. Helliker stated as it relates to the District's concerns, our infrastructure, it is. Director Laird elaborated and stated the project is to determine how climate change will impact the coastal dunes and test the adaptation with various vegetation. It is an ongoing five-year study. The District is participating so they will study the cross sections of the dunes where we have our infrastructure that has been exposed in the past.

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

G. **CORRESPONDENCE**

1. **Letter from District supporting AB 2243 (Wood) Medical Cannabis: Taxation**

Mr. Helliker stated he would discuss the letter in more detail during the cannabis discussion in Continuing Business.

2. **Letter from District to FEMA re: Surge Tower**

Mr. Friedenbach shared the letter to CalOES responding to questions they had regarding the surge tower. One of the items they are requesting is a soil survey since they have concerns regarding possible lead in the soil. This additional item will increase costs by about \$175,000. He did note that the District was able to provide a revised cost estimate to include additional costs for requested items.

3. **Letter from District to Samoa Peninsula Fire District re: Hydrant Maintenance**

Mr. Friedenbach explained that the JPIA will be conducting a survey regarding the status of hydrants. In their notice, they highly encouraged us to review hydrant inspection and maintenance agreements. The District has an "Agreement Regarding Responsibilities for Public Fire Protection System in Fairhaven and Southern Part of Samoa Peninsula" dated December



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2014. The agreement is in effect until December 31, 2024, unless otherwise extended. The agreement clearly states the Samoa Peninsula Fire District is responsible for required maintenance and testing of all Water District fire hydrants and any fire suppression facilities related to the hydrants within the jurisdiction of the Fire District. The District sent the Samoa Peninsula Fire District a letter noting this and requested documentation of hydrant maintenance during the past twelve months. Mr. Friedenbach noted a similar letter is being sent to the Fieldbrook Volunteer Fire Department.

4. Letter from FERC re: 2016 Dam Safety Inspection Follow Up

Mr. Helliker discussed the letter from FERC regarding the Dam Safety inspection earlier this year. The inspector, Mr. Lee was recently assigned by FERC to our project and inspected the R.W. Matthews for the first time. The post inspection letter states there were “no dam safety concerns” and “there were no follow-up action items arising from the inspection.” Mr. Helliker commended Mr. Davidsen and his staff on a job well done.

**H. CONTINUING BUSINESS**

1. Water Conservation Regulations

Mr. Helliker discussed three topics under water conservation: the stress test results, implementation of Executive Order B-37-16, and legislation regarding excessive water use. The State Water Resources Control Board (SWRCB) modified their emergency conservation regulations to require agencies to either continue the mandated reductions imposed on them in 2015 or perform a “stress test” to determine if their water supplies would not meet demand level, assuming three additional years of precipitation and runoff similar to 2013-2015, and demand levels that would be an average of 2013 and 2014. Mr. Helliker shared the results of the stress tests and noted the majority of agencies showed they had enough water to meet demand in the third year of a hypothetical drought. For the District, our conservation level is - 139%. This means the District has 139% more water than we need. He noted that no north coast water agency faces any shortage of water supply.

Governor Brown issued Executive Order B-37-16 on May 9, 2016. This order directed the SWRCB to revise their regulations effective through January 2017 to recognize differing water conditions across the state and prepare a proposal for further regulation after January that would mandate urban potable water use reductions if another dry year occurs. They are holding a series of public meetings through December to receive input. Mr. Helliker attended the first meeting on August 15 and shared the agenda. The order also directed the SWRCB and DWR to develop a proposal to improve Water Shortage Contingency Plans and Urban Water Management Plans (UWMP), including analyzing five dry years instead of three as currently required. It also directed that common, statewide standards for contingency plans be proposed. A public meeting was held on this as well and Mr. Helliker shared the agenda for the meeting. He stated the SWRCB and DWR also stated their desire to be able to impose statewide mandatory reductions in case of an emergency. These approaches were widely criticized by water agencies. The water agencies also insisted that any state role should be limited to reviewing plans to ensure they are complete and effective. Mr. Helliker noted the District has a robust water shortage contingency plan. He is putting together a proposal for discussion next week with the SWRCB and DWR.



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In response to reports of excessive water use by individual homeowners in various areas during the drought the past few years, the Governor signed SB 814. The bill requires water agencies to have an Ordinance and implement fines for excessive water users. Mr. Helliker noted this will not likely be needed in our area.

2. Water Resource Planning

Local Sales

Mr. Helliker stated staff and GHD had additional conversations with the grant management team in Sacramento. The team had not yet read the latest update to the proposal, but were not optimistic that our grant proposal would rate highly on their criteria. They did inform the District that a loan would be feasible if we wished to consider it. Mr. Helliker stated a meeting is scheduled next week with our partners in the grant proposal and the option will be discussed. Mr. Helliker also stated he has reached out to the general manager of the Westhaven CSD several times and has not received a response.

Transport

Mr. Helliker shared that Terry Spragg is working with the Santa Clara Valley Water District (SCVWD) to do a delivery demonstration of water from Humboldt County to the Bay Area. The SCVWD is responding to a concept proposed by Mr. Spragg, and requested any information we have on costs associated with marine transport. SCVWD is pursuing a recycled water program, which would include transmission pipelines for raw water originating near the Bay, which could potentially be the location to which water could be transported from Humboldt County. The Board had a lengthy discussion and reiterated that if they transport water, it will be to a public agency, not an individual. Mr. Helliker reconfirmed it is the SCVWD asking the question, not an individual.

Mr. Helliker stated the Advisory Committee is scheduled to meet later this month and they are currently down two members, one from the economic development area and one from labor. Mr. Rob Holmlund, the Community Development Director for the City of Eureka is very interested. John Frahm of the Labor Council expressed interest in having a representative on the AC and said he would present a name after their board meeting this month. On motion by Director Rupp, seconded by Director Woo, the Board voted 3-0 (Director Laird abstained) to approve Mr. Holmlund as the new economic development AC member and approve the Labor Council's representative of their choice.

3. Cannabis activities

Mr. Helliker provided an update on legislative, regulatory and District actions related to cannabis. The District provided a letter of support for Assemblymember Wood's bill AB 2243, the Medical Cannabis Tax Law, however, the bill did not pass this year. The bill would have established taxes on plants and flowers to be used to fund environmental cleanup and regulatory enforcement. Proposition 64, the "Adult Use of Marijuana Act of 2016" is on the ballot this November. This initiative would establish a complete regulatory scheme for the production and distribution of marijuana and associated products, including taxes to fund the



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program. The tax would be an excise tax, set at 15% of retail sales.

Mr. Helliker was notified by the North Coast Regional Water Board that they will be issuing enforcement letters to property owners who have not enrolled in their waste discharge requirements program. Part of the effort will also include verification of water rights and inspection of the water collection and use activities at the site. The board will be targeting the Mad River watershed and expect to issue over two hundred enforcement letters within the next couple of months.

Mr. Helliker and Director Woo attended an informational meeting sponsored by SWRCB on Cannabis Cultivation and Water Rights held locally in Eureka. The SWRCB is encouraging growers to take water in the winter months when rivers are not fully appropriated.

Last month, the Board discussed a landowner illegally drawing water from Ruth Lake. Staff was directed to send a legal notice requesting the landowner stop the illegal withdrawals. Mr. Helliker shared the letter drafted by the District's legal counsel. The letter was sent via certified mail and posted on the landowner's gate as well. Mr. Helliker and Mr. Davidsen discussed additional access points where illegal water withdrawals have been known to occur. The plan is to prohibit access to the locations by placing large boulders there.

4. District Mission Statement and Goals

Last month the Board updated the Mission Statement and discussed District goals. Mr. Helliker provided a sample format for goals, strategies and objectives. The Board concurred on the format. Director Rupp suggested that when the goals, strategies and objectives are finalized, they could be used for District performance metrics to see how we are doing on achieving goals. Director Laird suggested posting the information on the District website so the public can see the District's progress. Mr. Helliker stated he will continue to refine the goals, strategies and objectives and bring them back for review.

5. Dental and Vision Coverage for Board members

Mr. Friedenbach provided a quick recap of the participation requirements and provided an overview of plan summaries for the dental and vision plans currently offered by the District. He shared what the Municipal Customers are doing regarding dental and vision coverage for their board or council members. If the Board approves the insurance coverage, it will become effective December 1 as there is a 60-day notice requirement. Director Rupp stated the cost to cover the Directors represents 2/10 of one percent of the personnel budget. On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 to approve dental and vision coverage for the Directors.

6. Ordinance 16 and Contract Changes

Mr. Helliker provided an update on the potential modifications to Ordinance 16 and contract changes. Staff is preparing draft language to address three areas: 1) renewal/revision to the contract term to establish a new 20- year term, 2) an updated peak rate allocation to address Manila CSD's situation given the loss of the Sierra Pacific mill, and 3) revision to the limitation on capital expenditures to include a reference to a five-year cycle for update and discussion of the District's CIP. He and Mr. Friedenbach also met with Ms. Rische to discuss issues to address. She suggested the District ensure the ordinance and contracts allow for easy addition of a new municipal customer and any new industrial customer including allocation costs. Mr. Helliker



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stated this will all be discussed at the Muni Meeting later this month. He also offered to speak to any of the councils or boards regarding any changes.

I. **NEW BUSINESS**

1. **Ruth Lake Lease Lot 26B**

The District received a request from the owners of Ruth Lake Lease Lot 26B for approval for the installation of a twelve foot by thirty-five foot metal carport over their existing trailer. The elevation of the lease lot is 2,665.5 feet. The District's set back policy states that no structure shall be placed at an elevation less than 2,675, without approval from both District Boards. The Board had a lengthy discussion on the matter. Director Laird stated the set back policy is in place for a reason and did not feel compelled to make an exception. Director Rupp asked Mr. Davidsen for his thoughts on the request since the set back policy is in place to ensure that in a flood event the risk is minimized to the greatest extent possible of blocking the spillway by floating debris causing an overtopping of the dam. Mr. Davidsen replied that if the structure was secured with concrete footings and cable, he did not see an issue. On motion by Director Rupp, seconded by Director Woo, the Board voted 3-1 to approve the request on the condition that the structure is anchored down with concrete footings and includes cross bracing (cabling) to prevent it from floating or collapse if a high water event were to occur. Director Woo requested that staff convey to the Ruth Lake CSD Board that this was not a decision made lightly and involved thoughtful discussion.

2. **Closed Session**

Due to time constraints, closed session did not occur and will be placed on the October agenda.

J. **REPORTS (from Staff)**

1. **Engineering**

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

Mr. Kaspari reported the first lateral is going in. The contractor did hit some barriers that caused deflection of the new lateral but they have a new tool that will hopefully break up any rocks in the way. They hope to have the screens and second lateral going in next week.

Change Order #4 is to install an alternative port assembly. It makes sense to do it now since they are already coring and installing ports for two laterals. Mr. Kaspari stated this would increase the budget by \$8,000 to the new amount of \$1,912,809. He recommended approval of the change order. On motion by Director Woo, seconded by Director Rupp, the Board voted 4-0 to approve Change Order #4.

Pay request #2 was received and Mr. Kaspari stated he reviewed it and recommends approval. On motion by Director Rupp, seconded by Director Woo, the Board voted 4-0 to approve Pay Request #2 for \$326,728.10 less retainage of \$16,336.41 for \$310,391.70.

Mr. Kaspari discussed the option of the contractor extending the laterals. He stated if the contractor can get additional footage in the laterals it would be beneficial. The additional costs would be approximately \$65,000 but the main factor is time. Work in the river must be completed by October 15<sup>th</sup>. Mr. Helliker stated the advantage to doing it now, time permitted, is that the equipment is already there. Mr. Friedenbach noted the costs would exceed the budget, however, the DFWP reserves could be used. The Board discussed the option and concurred to try and get additional footage if Mr. Kaspari feels this would be the most effective option.



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- b) Blue Lake-FG CSD Water Line Replacement over Mad River (funded by Prop 84 NCIRWMP grant and FEMA Hazard Mitigation Grant)  
Mr. Kaspari shared that the Cultural Resource Officer looked at some additional areas (due to horizontal drilling) and the report should be back soon. County and DWR staff will be coming out to look at Prop 84 projects. For the District, this includes the Blue Lake Water Line Replacement and the Collector 1 project.
- c) Mad River Cross Sections  
Mr. Kaspari stated this is an annual survey and discussed the eight sections. He stated in general, there are no major changes to the cross sections that are of major concern.
- d) Essex Control Facilities Plan  
Mr. Kaspari shared the cover page, table of contents and the conclusions and recommendation of the report. The report looked at expansion of the Essex Control Building, SCADA upgrades, 12-kV Switchgear upgrades and relocation and an EOC center at the TRF. The SCADA is in the process of being upgraded. He recommended expansion of the Essex Control Center and adding the EOC to the Capital Improvement Plan and pursuing grants for the projects.

2. Financial

- a) Financial Report  
Director Rupp provided the August 2016 financial report. He also stated that President Hecathorn reviewed the bills. On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 to approve the August financial report and vendor detail report in the amount of \$181,192.63.
- b) Surplus Equipment  
Mr. Friedenbach stated the District has equipment that is no longer needed. Staff proposes the following items be declared surplus: (2) Office PC's, (1) Yellow chemical storage cabinet – 36" w x 18" D x 72" T, (1) Centrifuge, 24" diameter x 16" Deep, (1) Batch tank, 19" diameter x 36" Tall, (1) Mixing tank, 24" diameter x 28" Tall, (1) Partition, 65" H x 60" W, (1) Corner desk, 30" H x 78" W x 24" D, and (4) Smith Blair repair couplers – formerly for Techite pipe repairs.

On motion by Director Rupp, seconded by Director Woo, the Board voted 4-0 to declare the listed items as surplus.

3. Operations

Mr. Davidsen provided the September Operational Report. Interviews for the new Maintenance Worker position were conducted August 9<sup>th</sup> and the new employee started on September 1. Staff attended training on Sampling and Revised Total Coliform Rule in Crescent City. Mr. Davidsen met with Mr. Newell at Ruth regarding dead, dying and diseased trees. He will get in touch with a forester regarding harvesting of the trees. They also looked at sites where water theft is occurring. Mr. Scott Wood from JPIA conducted his annual inspection of Essex. There were no issues brought up.

K. DIRECTOR REPORTS & DISCUSSION

1. General

Letter from Elections office re: Certificates in lieu of election

Per a letter from the Humboldt County Elections Office, Directors Hecathorn, Latt and Woo did



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not have any challengers so there will be no election and their terms are extended until 2020.

2. ACWA – JPIA

Director Rupp attended the Liability Program Committee meeting. He shared that there will be no increase in the liability insurance rate on October 1<sup>st</sup>. The next meeting is on October 31<sup>st</sup>.

3. ACWA

Mr. Helliker shared the August ACWA Update on Priority Issues.

He reported that on September 24<sup>th</sup> the Region 1 Board will decide on 2 new Board members. He is one of the nominees.

Director Rupp stated he has a Finance Committee conference call in a few minutes. The topic of discussion will be dues. District dues have increased by over \$1,000 in the past three years. Even with the increase, he believes the money is well spent given all the services provided by ACWA. He then excused himself from the meeting to participate in the call.

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

Director Woo reported out on RCEA. She stated RCEA continues to be very busy, especially with the CCA, however, Board attendance is not consistent.

Mr. Helliker attended the RREDC meeting and shared that Angie Lottes, a biomass program coordinator was the guest speaker. He stated that Humboldt County is fortunate to have biomass plants that have weathered the industry changes.

ADJOURNMENT

The meeting adjourned at 2:23 p.m.

Attest:

Barbara Hecathorn, President

J. Bruce Rupp, Secretary/Treasurer

