



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



Minutes for Meeting of Board of Directors

November 16, 2016

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A. **ROLL CALL**

President Hecathorn called the meeting to order at 9:00 am. Director Rupp conducted the roll call. Directors Laird, Latt, Rupp and Woo were present. General Manager Paul Helliker, Superintendent Dale Davidsen, Business Manager John Friedenbach and acting Board Secretary Dee Dee Simpson-Glenn were present. John Winzler and Nathan Stevens of GHD were present for a portion of the meeting. David Aladjem, participated in a portion of the meeting via phone.

B. **FLAG SALUTE**

President Hecathorn led the flag salute.

C. **ACCEPT AGENDA**

On a motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 to accept the agenda.

D. **MINUTES**

Director Laird requested the word “again” be removed from a sentence in the Correspondence section. Director Woo requested wording be changed in the Advisory Committee Meeting section of the Minutes of October 13, 2016 Regular Meeting. On a motion by Director Laird, seconded by Director Woo, the Board voted 5-0 to approve the minutes as amended.

E. **PUBLIC COMMENT**

Dave Feral of Mad River Alliance announced the kickoff of 2017 Humboldt Steelhead Days. It will run from January through March 2017. The Board thanked him and asked that he please remind them again. Mr. Feral also announced that January 21, 2017 they will be holding an Expo in the Park. Director Woo plans on attending and Mr. Helliker will staff a table at the event.

F. **CONSENT AGENDA**

On a motion by Director Woo, seconded by Director Latt, the Board voted 5-0 to accept the Consent Agenda.

G. **CORRESPONDENCE**

Ruth Lake CSD dock compliance

Mr. Helliker reported that the inspection of the Ruth Lake Leaseholder docks was complete and all were in good shape and ready for winter.

Letter from Division of Drinking Water re: inspection

Mr. Helliker reported the Water Resources Control Board came out to do their annual inspection and the District came through with flying colors – all was good. They did the Fieldbrook Glendale CSD inspection as well and the results were good for them also.

H. **CONTINUING BUSINESS**

Water Conservation Regulations

Mr. Helliker attended the State Water Board meeting on November 1<sup>st</sup>. He reported that they were more measured in their discussion about the conservation program as conservation levels did continue and were actually higher in September than they were in August. Regarding the Executive Order Implementation, the Water Board and DWR are working on a draft report that should go to the Governor in January. The report will cover the Water Shortage Contingency Plan, the Water Use Efficiency Requirements and Leak Reduction. They still continue to press forward that agencies do a survey of all their properties. It is a very data and time intensive effort.



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Water Resource Planning

Local Sales

Mr. Helliker reported he spoke with Dan Berman from the City of Trinidad regarding the next steps on pursuing a grant for further analysis on the feasibility of a pipeline to supply water to them. The Trinidad City Council will be meeting later this month or next month to discuss being the grant recipient. Mr. Helliker will work with Mr. Berman on the staff report.

Transport

The Transport committee met on November 4, 2016. They had a good discussion regarding some options that are coming up. A draft letter was prepared for Governor Brown to explain what we are doing in regards to transport and to make sure he and his staff are familiar with this – it will likely be referred to the Department of Water Resources and the Resources Agency. Director Laird questioned the wording in the third paragraph where it referred to the primary alternatives. The letter will be edited per the discussion to add the word “some” to include all three uses.

Mr. Helliker reported that he and Director Rupp will be attending the ACWA Fall Conference and plan to have discussions with some of the larger users on the State and Federal projects to determine if there is any interest in purchasing our water.

Instream Flow

David Aladjem, Water Rights Attorney, participated in the meeting via phone. Director Laird questioned Mr. Aladjem regarding the fully appropriated status of the Mad River. He is concerned there may be other water consumers in the watershed that could be looking to obtain their own water rights. If an outside party challenged that fully appropriated status because we are no longer using our full water rights for delivery to the pulp mills, can that status be reopened and challenged by a third party? Mr. Aladjem responded the simple answer is yes. The best way to protect it is to make sure your name is on the water, even if it is the water that is already in the stream. Legally it is a very different thing to have water that is in the stream that is under an instream appropriative rights transfer versus water that is simply flowing down the river without having a name on it. If we were going to do a transfer of the water, we don't need instream flow dedicated for a period of years, as there is no unappropriated water. This is true even given how the stream is operating, from which there would be no change. Director Laird commented that our pursuit of the 1707 dedication has always been our backstop and if we can't sell the water that we would commit that water to instream flows so that it has our name on it. Mr. Aladjem confirmed that Director Laird was correct. Director Rupp asked what the scientific community or regulatory community would support of the instream flow regimen that would be beneficial to the fishery? He expressed concern that if we do instream flow dedication now, either below the diversion point or above it, that at a later date when the District wants to talk about transfer, it will not be seen as a package deal. He asked Mr. Aladjem to comment on this. Mr. Aladjem responded that he felt Director Rupp's concern was well placed. From a water rights perspective the law is fairly clear and felt that if we were to file the 1707 instream flow dedication petition, it would be made very clear that the baseline against which progress is to be measured is what is happening right now. When we dedicate water over and above current flows, there could be a benefit to the environment. It is a legitimate business risk that we have to weigh and he highlighted some key conversations that need to be held with various resource agencies. Mr. Aladjem noted that the advantage of a 1707 process is that we then have State Water Resources Control Board making determinations using its authority about what is in the public interest. Director Rupp asked if it would strengthen our



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position at a later date if we base our dedication on a scientific basis and look at what is beneficial to the reach of the river and maintains the beneficial environment for the 75 miles from dam to diversion point. Mr. Aladjem responded that you will not get scientific consensus, however a judge will look for a good scientific basis and how the adverse effects can be minimized. The Board thanked Mr. Aladjem for his time and knowledge. The Board continued the discussion at length regarding how to define the area of dedication. Mr. Helliker stated he will do an analysis on what is required to go through this process and try and pin down the costs of what analysis we will need to do and have a further discussion about it.

The Board briefly discussed the letter from Humboldt Community Services District (HCSD) regarding their concerns on instream flow. HCSD acknowledged that Mr. Helliker attended their meeting and answered questions however, still had some questions. The Board requested Mr. Helliker prepare a response and bring it back to the next meeting for approval.

Cannabis activities

Mr. Helliker reported that as previously discussed the Regional Water Board has proposed an update to the aerial survey which they would like to have done sooner rather than later. They asked the District to help fund an aerial survey of 69 sites in the Mad River watershed. This survey will give the Regional Water Board site specific information they will need to be able to take enforcement action on these sites if necessary. Director Rupp asked if there were a provision that when the Regional Water Board gets their funding, they would reimburse the District the funding provided. Mr. Helliker will ask the Water Board this question. He noted that CDFW conducted and paid for the first aerial survey.

Regarding the pump that had been left in the lake, Mr. Helliker reported that the lake level was too high to safely remove the pump and the pump is stuck in the mud. Director Hecathorn asked what the pumping capacity was on this pump. Mr. Davidsen responded it was capable of doing hundreds of gallons per minute. Concern was expressed on whether there was oil that could leak out and get into the lake. Director Latt suggested that if the pump has lubricating oil in it and if the oil escaped into Ruth Lake, that information should be passed on to Environmental Health. He noted this is actionable and the pump owner may be held accountable for any negligence if that were the results.

Ordinance 16 and Contract Changes

Mr. Helliker met with several of the municipal customers and is scheduled to meet with the rest of them for outreach and discussion regarding Ordinance 16 contract changes. The discussions have gone well so far. Director Rupp feels it would be good to provide the Municipal customers a briefing on the history of the Water District. Director Latt concurred and added discussion should be tailored to why changes are necessary and give them the information to support an affirmative finding by them. Director Rupp suggested getting the Water Task Force together to give them a chance to go over it. This will create an advocate that will go back to the council at the elected level.

I. NEW BUSINESS

Replacement of resigning Board member

Director Laird announced he will be resigning from the Board after the January 2017 meeting. The Board discussed options and agreed to appoint a new Director. On a motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 to appoint a new Director and approve the schedule proposed by staff.



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J. REPORTS (from Staff)

1. Engineering

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

Mr. Nathan Stevens provided an update on the project. The Collector 1 portion of the project is completed. It was difficult getting the pumps set and getting off the river bar by October 15<sup>th</sup> and before the river came up. Mr. Stevens complimented Mr. Davidsen and his staff on consistently going above and beyond. The crew worked some late days but were able to get two pumps reset and running. The construction crew has now moved over to the Collector 1A project.

Mr. Stevens recommended approval of Change Orders #5 in the amount of \$3,330, Change Order #6 in the amount of \$22,100, Change Order #7 in the amount of \$8,000 and Pay Request #4 to Layne Christensen in the amount of \$186,520, less retainage of \$9,326 for a payment of \$177,194. On motion by Director Laird, seconded by Director Rupp, the Board voted 5-0 to approve Change Order numbers 5, 6 and 7 and Pay Request number 4.

BlueLake-FGCSD Water Line Replacement over Mad River (funded by Prop 84 NCIRWMP grant and FEMA Hazard Mitigation Grant)

Mr. Stevens reported that they continue to go back and forth with FEMA on the NEPA document. Following a conference call with them, they indicated they wanted concise language in the Biological Report regarding what Federally Listed Species could potentially be on site, and what mitigation measures would be incorporated to prevent impacts to them. There were some inconsistencies in the Cultural Resource survey, regarding acreage, etc. and FEMA has asked Jamie Roscoe to correct the report. They also expressed concern regarding whether or not the existing pipe on the train trestle was going to be removed when the project is completed. The existing report will be updated to resolve the inconsistencies, however there are no plans to remove the existing pipe on the trestle. A lengthy discussion amongst the Board followed regarding the pros and cons of removing the pipe.

1MG Reservoir Roof Replacement & Painting

The design, plans, and specifications of the roof replacement and painting of the interior and exterior of the 1MG Domestic Reservoir have been completed. The engineering cost estimate for this project was \$500,000. Mr. Stevens stated the project will likely go out to bid this month if the Board approves it. The work will start in Spring 2017. On a motion by Director Rupp, seconded by Director Laird, the Board voted 5-0 to approve going out to bid on the 1MG Reservoir Roof Replacement and Painting Project.

12kV and Surge Tower HMG/PDM

Mr. Stevens gave a status report on the 12kV and Surge Tower HMG/PDM grant. The Essex 12kV Main electrical switchgear replacement and Surge Tower demolition and replacement under the Hazard Mitigation Grant Programs were submitted. The HMG program recently came back with several questions about the 12kV switchgear and the Surge Tower. Staff answered the questions, and FEMA staff replied that they would be awarding the Surge Tower Phase 1 grant shortly. FEMA/CalOES has not responded on whether or not they are going to award the grant for the 12kV Switchgear.



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Trolley Car Inspection Report

Mr. Stevens reported out on the Trolley Car Inspection Report which was included in the board packet. Following an inspection done by the structural engineer, they were unable to fit the trolley car into an existing category and therefore could not find a “standard” related to projected lifespan of this cable. Further examination of the cable indicated there was no sign of stretching or fraying and the conclusion was that it was in fine shape and there was no need to replace it. It was recommended that the wheels be replaced as they are showing signs of wear.

Ancient Tech Development, Arcata

Mr. Stevens reported on the status of the proposed development in the City of Arcata, along West End Road by Ancient Tech Development. Per the architect’s drawing, it shows the District’s 30 foot easement incorrectly. The City of Arcata was notified that the District easement as shown was not the correct location of our easement. Mr. Davidsen stated that we will do location testing to determine exactly where our pipeline runs in relation to the proposed building site. He also reported that he and Mr. Helliker met with the property owner. Based on the proposed location of the project, there does not appear to be a conflict with the District’s pipeline.

2. Financial

Financial Report

Director Rupp provided the October Financial Report. Director Latt reviewed the bills and stated all is good. He did have a question regarding the bill paid to cruise timber. Mr. Davidsen explained the process and time it took to cruise and mark hazardous dead, dying and diseased trees. Director Latt was satisfied with this.

On a motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to approve the October 2016 financial statement and vendor detail report in the amount of \$523,736.83.

A discussion followed regarding the merits of removing the dead, dying and diseased trees versus leaving them.

Internal Control Questionnaire

Mr. Friedenbach discussed the fraud risk questionnaire he completed that was provided by the auditor. Director Rupp stated he was very pleased to see this as this had not been provided by previous auditors.

Letter from County Treasurer

Mr. Friedenbach gave a brief report on the letter from the County of Humboldt Treasurer-Tax Collector regarding Interest Apportionment Rate and Other Considerations. We are getting 1.2% and holding for April through June.

3. Operations

Mr. Davidsen provided the October Operational Report. With the rain in October, the reservoir would have spilled had we not been running two generators. On October 12<sup>th</sup> through 15<sup>th</sup> the Maintenance Crew installed pumps 1-3 and 1-2 back onto Collector 1. As the first large storm of the season was predicted, the crew worked long hours and were successful in getting the pumps installed before winter.

Mr. Davidsen reported that he sent two employees for Chlorine training put on by the Humboldt Bay Fire, HazMat Team. The TRF was put online for the season. On the weekend of October 22<sup>nd</sup> and 23<sup>rd</sup> someone cut a hole in the TRF fence, broke out the window of the boom truck and stole a flashlight and some small tools. It was reported to the Sheriff’s Department and the truck and





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fence have since been repaired. Director Laird expressed concern regarding the security system. Mr. Davidsen stated they will beef up the security system.

Mr. Davidsen reported on his attendance at the Fall AWWA conference. He thanked the Board for the opportunity to attend these conferences.

The SCADA system has gone out to bid with bidding closing November 30<sup>th</sup> at 3:00 pm. The bid results will be brought to the December Board meeting.

**4. Management**

ACWA/JPIA Leadership Training

Mr. Friedenbach reported out on his ACWA/JPIA Leadership training. He successfully completed the course and shared his certificate of completion. He thanked the Board for supporting his continued education and shared highlights from the leadership program.

**K. DIRECTOR REPORTS & DISCUSSION**

**1. ACWA – JPIA**

Director Rupp reported that he and Mr. Helliker will be attending the ACWA/JPIA meetings at the ACWA Conference.

**2. ACWA**

Outreach Alert

Mr. Helliker discussed the latest communication from ACWA “Outreach Needed on Shift to Ongoing Efficiency”.

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

RCEA

Director Woo reported that work keeps going on at a furious pace on a number of fronts. She is on a sub-committee with Ryan Sundberg to look at HR and staffing as well as other policies. It is likely they will be voting to hire an HR manager next Monday.

RREDC

Director Rupp reported they had a planning session and basically prioritized initiatives that they wanted to undertake. He reported that the highest vote went to housing. It was very cooperative and constructive and a good thing to do.

North Coast Resource Partnership (NCRP)

Mr. Helliker reported there will be a round of funding for disadvantaged community outreach and the NCRP will apply for the funding and will be going out for a sub-contract with potentially different contractors throughout the whole region.

**ADJOURNMENT**

The meeting adjourned at 12:28 p.m.

Attest:

Barbara Hecathorn, President

J. Bruce Rupp, Secretary/Treasurer