



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

April 12, 2016

A. **OATH OF OFFICE**

President Hecathorn conducted the swearing in of Director Neal Latt who was appointed on March 10th to fill the Division 1 vacancy. The Board welcomed Director Latt.

B. **ROLL CALL**

President Hecathorn called the meeting to order at 9:03 am. Director Rupp conducted the roll call. Directors Hecathorn, Laird, Latt, Rupp and Woo were present. General Manager Paul Helliker, Business Manager John Friedenbach and Board Secretary Sherrie Sobol were also present. Susan O’Gorman of GHD was present for a portion of the meeting.

C. **FLAG SALUTE**

President Hecathorn led the flag salute.

D. **ACCEPT AGENDA**

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

E. **MINUTES**

On motion by Director Woo, seconded by Director Rupp, the Board voted 5-0 to approve the Minutes of February 29 and March 9 Special Meetings. Directors Woo and Laird requested changes to clarify the minutes of the March 10 Regular Meeting. On motion by Director Rupp, seconded by Director Laird, the Board voted 5-0 to approve the amended minutes for the March 10 meeting.

F. **PUBLIC COMMENT**

Mr. Dave Feral congratulated Director Latt on his appointment.

G. **CONSENT AGENDA**

On motion by Director Woo, seconded by Director Rupp, the Board voted 5-0 to approve the Consent Agenda.

H. **CORRESPONDENCE**

There was no correspondence to discuss.

I. **CONTINUING BUSINESS**

1. **PG&E power sales contracts**

As reported last month, JTN successfully negotiated a Small Generator Interconnection Agreement (SGIA). The Board authorized approval of the SGIA agreement. The next item to discuss is the ReMAT contract. Mr. Helliker discussed the few parameters that can be negotiated in the ReMAT contract (contract capacity - kW, contract amount – kWh per year and guaranteed energy production - % of contract amount.) He stated he initially planned to recommend the Board proceed with the ReMAT contract with the contract parameters recommended in the staff report and secure current pricing. However, based on HBMWD and GHD staff review of potential capital investments at the hydro plant, Mr. Helliker stated that the District had secured the services of a consultant with expertise in the operations of hydro plants, Mark Trawick of RTA Construction, to assess the quality and status of the hydro plant facilities. In his initial conversation with Dale Davidsen, Mr. Trawick indicated there might be potential to increase



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production by 20% with installation of new generators and turbine runners. Mr. Helliker stated that if production can be increased at a low investment, the District should reconsider the numbers used for the ReMAT contract. Given this new information, Mr. Helliker recommended no decisions be made regarding ReMAT until the Facility Analysis for Operational Life Expectancy and Current Mechanical Condition Opinion is received. The Directors asked several questions about the ReMAT contract and the CCA. Director Rupp confirmed that the Board would need to approve the ReMAT contract with PG&E before Mr. Helliker signed it. Mr. Helliker concurred and stated the contract would likely be ready for approval at the July meeting. He added that if the timing did not work with the regular meeting, he would convene a Special Board Meeting, to review and approve the contract.

2. Water Conservation Regulations

On April 20, the State Water Resources Control Board (SWRCB) will hold a workshop on potential changes to the emergency drought conservation regulations. Mr. Helliker stated the District would prepare a joint letter with our Municipal Customer to reiterate the fact that in Humboldt County, we are not experiencing drought conditions and so emergency conservation regulations are not necessary. Del Norte, Marin and Sonoma agencies will also join us in advocating for rescission of the drought emergency conservation regulations since their reservoirs are either full or are higher than average. During a conference call with the SWRCB in March, their staff discussed some potential long-term programs/authorities they would like to create. The state would like all agencies to implement the Statewide Emergency Drought Regulations regardless of local conditions and mandate the retrofit of landscapes to meet the latest standards that apply to new landscapes. ACWA does not agree with this approach and is asking member agencies to adopt a resolution stating this. In order to be prepared to respond to any proposed legislation, staff recommends the Board approve Resolution 2016-3 Potential Legislation Concerning Water Conservation Regulatory Programs. The Board discussed the resolution and suggested a few changes. On motion by Director Laird, seconded by Director Woo, the Board voted 5-0 by roll call vote to adopt Resolution 2016-03 Potential Legislation Concerning Water Conservation Regulatory Programs.

3. Update on Cannabis activities

Mr. Feral provided an update on the cannabis compliance workshops organized by Mad River Alliance and its partners. The workshops include presentations from the Regional Water Quality Control Board, California Department of Fish and Wildlife, CalFire, and other industry specialists that provide information on regulatory requirements, compliance mechanisms and best management practices. The first meeting was in Blue Lake. They anticipated around twenty-five attendees and over 75 attendees showed up! The workshop at the Mateel Community Center drew in over 150 attendees. A total of six workshops are scheduled and the feedback from the first few workshops has been very positive. Mr. Feral anticipates about 300 attendees at the Eureka workshop. Attendees receive a Compliance Workbook which he shared with the Board. He thanked the Board for their financial assistance in producing the workbook and supporting efforts to bring growers into compliance, thus protecting the watershed and environment. Mr. Feral stated that County Board of Supervisors Fennell, Sundberg, and Bohn were also present at the workshops in their respective Districts and discussed the Humboldt County Ordinance on cannabis.



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4. Mad River Cleanup

Mr. Feral provided information on the upcoming Mad River Clean Up day on April 23. The Mad River Alliance is again sponsoring the event and this year they are teaming up with New Directions. They also received funding from the Blue Lake Rancheria. He encouraged the Board to share the information and attend the event. The Board thanked Mr. Feral for all his work with the Mad River.

5. Urban Water Management Plan

Mr. Friedenbach shared information on the Urban Water Management Plan (UWMP). The District is currently updating its plan. The purpose of the plan is to support long-term resource planning and ensure adequate water supply availability to meet existing and future water demands. State law requires the submittal of an updated plan to the Department of Water Resources (DWR) every five years and they review them to ensure it meets the requirements identified in the UWMP Act. In order to be eligible for a state water loan or grant, water agencies are required to have a UWMP that is deemed "complete" by the DWR. Without a "complete" UWMP, the District would not be eligible for Prop. 84 grants or other state funding. In 2010, the District had Kennedy Jenks Consultants (KJC) provide a review of the UWMP prior to submittal to the DWR. The review helped ensure the 2010 UWMP was approved by DWR without additional modification. The District will again use the services of KJC for review. Staff will submit the final draft of the UWMP to the Board for review prior to conducting the Public Hearing and adoption of the plan. The Public Hearing is scheduled for the June 2016 meeting and the Board will consider adoption of the plan after the Hearing.

6. Water Resource Planning

Local

Mr. Helliker stated he met with staff from Rio Dell, MCSD, HCSD, Trinidad and Trinidad Rancheria to organize a project proposal for the State Revolving Loan funds to conduct the next level of planning and design for expansion of the transmission system north and south to their areas. The Trinidad Rancheria and the City of Rio Dell agreed to be funding applicants, given their status as economically disadvantaged communities. The District will explore the option of serving as grant administrator. GHD volunteered to put together a proposal free of charge. The Board acknowledged the generosity of GHD.

Transport

Mr. Helliker reported Bob Simpson met with him regarding a project idea involving water sales. There is nothing concrete yet and Mr. Simpson is in the inquiry phase. Director Rupp stated the Board needs to select a new Transport Committee member next month. He suggested President Hecathorn consider being on the committee. Staff stated the item will be on the May agenda.

Instream Flow

Mr. Helliker shared the feedback received from the Wildlife Conservation Board grant manager as to why our grant application was denied. The proposal was rated highly on most aspects but comments from CDFW regional staff caused it to be rated too low to fund. Assertions by CDFW staff were that we don't need an estuary study since there is a lot of information upstream that can be extrapolated to the estuary and we don't need to do anything other than mimic "natural" flows.



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Mr. Helliker shared with the grant manager the results of a feasibility study we did in collaboration with CDFW and other resource agencies. The result of the study was the recommendation that, because the estuary has been studied so little, we focus our work on analyzing flows and habitat there to determine the benefits of streamflow enhancement. The grant manager suggested the District resubmit the grant application and include the feasibility study we did.

The Instream Flow committee met to discuss the status of work in this area. They recommended staff review the process for streamflow dedication in Section 1707 of the Water Code and inform the Board on how the District could proceed directly to do such a dedication.

J. **NEW BUSINESS**

CLOSED SESSION- this will be the last item on the agenda

Closed session began at 2:20 pm. The Board returned to open session at 3:12 pm. President Hecathorn requested Mr. Helliker to prepare an amendment to Section 4 of his contract and bring it back next month for review.

K. **REPORTS (from Staff)**

1. **Engineering**

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

Ms. O’Gorman stated the contractor submitted the work schedule for the project. The new project completion date is December 14, 2016. She stated staff will bring back a no cost change order to reflect the date change.

Blue Lake-FG CSD Water Line Replacement over Mad River (funded by Prop 84

The District requested GHD assess two alternatives for the existing crossing to supply domestic water across the Mad River to the communities of Fieldbrook, Glendale and Blue Lake. The alternatives are Horizontal Directional Drilling under the river or a Suspended Waterline over the river. GHD recommends the Horizontal Directional Drilling (HDD) option. This is based on several key factors, including several environmental investigations and geotechnical investigations. Ms. O’Gorman stated this option is less expensive, results in less environmental impact, will not affect the archeological cultural site, and would require reduced maintenance costs. If the Board concurs with the recommendation, the next step is to complete the NEPA process, then proceed with the design phase. Director Laird was concerned that choosing an option today would preclude a pedestrian crossing without the proponents of the Annie and Mary Trail being aware of a decision. The Board agreed to postpone their decision on whether to proceed with an underwater tunnel river crossing versus a bridge until the May meeting, so stakeholders interested in establishing the “Annie and Mary” trail could be notified of the Board’s intent to make a decision regarding the type of river crossing it would pursue.

FEMA Hazard Mitigation Grant (HMG) and Pre-Disaster Mitigation Grant (PDMG) Submittals

Mr. Friedenbach stated the HMG is for California projects only and this funding cycle has more grant funding available than previous years. The PDMG is open to projects nationwide. The District is applying for HMG funding for the Surge Tower and 12Kv Switchgear projects. Funding for the 12Kv Switchgear is also being pursued under the PDMG.



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Potential Exposure of Pipeline on New Navy Base Road

Ms. O’Gorman stated additional erosion is going on and causing exposure of the District pipeline on New Navy Base Road. Pat Kaspari and District staff met with the County, Coast Guard and PG&E to discuss this as it affects their infrastructure as well. The Coastal Commission must approve any work prior to commencing repairs. Staff is coordinating a meeting with above mentioned agencies and the Coastal Commission to discuss options. Director Laird recommended the District pursue a Prop 1 grant to create a “living shoreline” as a form of protection for our waterline in lieu of hardening the shoreline.

Coonrod/Hog Island Oyster/Wayne Bare developments

Mr. Friedenbach reported that he and Mr. Davidsen met with Mr. Coonrod and the City of Arcata to discuss his plans. Mr. Coonrod was amenable to changing his lot design so as not to encroach on the District pipeline. The District agreed to change its floating easement to a fixed easement. Mr. Friedenbach will share Mr. Coonrod’s new design with the Board once it is available.

2. Financial

Financial Report

Director Rupp provided the March financial report. President Hecathorn reviewed the bills and stated everything was okay. Director Latt noted that year to date maintenance costs appeared to be low. Mr. Davidsen replied that several expensive projects are coming up and the budgeted money will be spent. Director Rupp added that this is a typical budget scenario. Much of the work is done in-house and May and June are very busy project months.

On motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 to approve the March 2016 financial statement & vendor detail report in the amount of \$203,269.04.

CalOES Compliance Review Report re: Techite

Mr. Friedenbach shared that last month, as part of the audit statement, the auditors highlighted a footnote in their statement regarding the Techite Project. \$378,000 was potentially at risk of not being funded, based on a compliance field review in 2012. The District responded to the field review with a corrective action plan. The letter received from CalOES acknowledges receipt of the plan and they have accepted it with no further action required. This is good news and repayment of funds is not required.

Surplus Equipment

Mr. Friedenbach stated the District is requesting approval to surplus a GIS computer and 2 monitors at the Eureka office. On motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 surplus the items.

3. Operations

Mr. Davidsen provided the April Operational Report. He noted three employees took their Distribution Certification exams and all felt they were successful. He noted that the District has been working on getting a Treatment Certification (T-3) for one of the employees and there are



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now changes in the process which takes a person much longer to achieve certification. He shared the information since this will affect staffing and may result in more overtime hours for staff. Additionally, one of the Maintenance Mechanics announced his retirement on April 1st, with April 15th being his last day. Mr. Davidsen noted he has already started the process to fill the position.

There is new transformer on Collector 2 and Mr. Davidsen recommends the Board consider declaring the old transformer surplus. On motion by Director Laird, seconded by Director Woo, the Board voted 5-0 to declare the old transformer surplus.

L. DIRECTOR REPORTS & DISCUSSION

1. General

Director Rupp inquired if Mr. Helliker had seen information on the California Water Summit that takes place June 1-3. Mr. Helliker stated he had not but would look into it.

President Hecathorn reported she attended the North Coast ASCE Report Card announcement regarding the Drinking Water Infrastructure. The event took place at the District's Essex Facility. A grade of B was received which was good. She noted that several agencies were in attendance however, there was not much press to cover the event.

Mr. Friedenbach stated that last year, the Board authorized a new position for the Eureka Office, a Customer Service and Accounting Assistant. Corey Borghino was hired to fill this position and is doing a good job. Ms. Borghino will eventually be able to back up Becky in Accounting and Human Resources. He added that it will take some time to transfer Becky's extensive knowledge.

2. ACWA – JPIA

Director Rupp attended a JPIA meeting. The Liability Committee met and had good news-claims were going down. The Worker's Comp Committee met and it looks like rates will be dropping approximately 10 percent. Director Rupp shared that as part of the JPIA Commitment to Excellence program, staff will come to your agency and do a "friendly audit" to help ensure best practices. He also noted that JPIA sent a survey out and would like feedback. Mr. Friedenbach stated District staff received and responded to the survey.

3. ACWA

Mr. Helliker discussed the April ACWA Update on Priority Issues and provided updates on several of them.

Director Woo stated as a new member to the Region 1 Board she is still on a learning curve. She shared her notes from the meeting and noted the next meeting will be ACWA Conference.

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



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Director Woo attended the RCEA meeting. She stated there were numerous members of the public in attendance to hear about the CCA. Many were concerned about the portfolio mix, however, that was not up for discussion at that point. The purpose of the meeting was to accept a proposal for CCA Development and Operational Services. She acknowledged that Mr. Helliker was on the committee reviewing the request for proposals and was a great asset given his knowledge and prior experience with Marin CCA. The RCEA Board concurred with the committee recommendation and selected The Energy Authority (TEA). She noted that TEA stood out above the others with a proven success record over several years. She added that one of the companies only had one-year experience and another had mere months.

RREDC

Director Rupp attended the RREDC meeting. He shared that Rob Holmlund, Director of Development Services provided a City of Eureka Economic Development Update, the Top 50 Projects. The presentation was very good and there is a lot going on. RREDC is in the process of entering into an agreement with EDA to receive another \$1 million in Revolving Loan Funds. Director Rupp noted this reflects very well on RREDC.


LAFCo

Director Rupp stated he served the last two years on LAFCo and would like to continue for the next four-year term and would appreciate the District's vote. On motion by Director Woo, seconded by Director Laird, the Board voted 5-0 to approve the vote for Director Rupp as the Special District member on LAFCo.

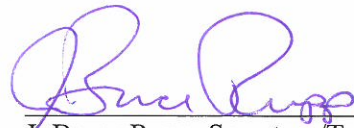
ADJOURNMENT

The meeting adjourned at 3:14 pm.

Attest:



 Barbara Hecathorn, President



 J. Bruce Rupp, Secretary/Treasurer