



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

September 10, 2015

A. **ROLL CALL**

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

B. **FLAG SALUTE**

Director Hecathorn led the flag salute.

C. **ACCEPT AGENDA**

On motion by Director Sopoci-Belknap, seconded by Director Laird, the Board voted 4-0 to accept the agenda.

D. **MINUTES**

Director Sopoci-Belknap and Woo requested correction of some misspelled names. On motion by Director Laird, seconded by Director Woo, the Board voted 4-0 to approve the minutes of the August 13 meeting as amended.

E. **PUBLIC COMMENT**

There was no public comment.

F. **CONSENT AGENDA**

Director Laird requested Item 2 be pulled. On motion by Director Sopoci-Belknap, seconded by Director Woo, the Board voted 4-0 to approve the Consent Agenda less Item 2.

2. **Samoa Peninsula Fire District – CEQA Notice of Intent for Samoa CSD**

Director Laird stated the project description is not well written. It states "...for the purpose of encompassing the entire Samoa Peninsula, from the Town of Samoa south...". He inquired if this actually included the Town of Samoa. Mr. Helliker stated it does include the Town of Samoa.

On motion by Director Laird, seconded by Director Sopoci-Belknap, the Board voted 4-0 approve Consent Item 2.

G. **CONTINUING BUSINESS**

1. **SCADA Agreement with City of Blue Lake**

Mr. Helliker provided a brief background and summary of the Operational Monitoring Service Agreement for the City of Blue Lake's Water System. He noted the District has a similar agreement with Fieldbrook CSD. Director Woo inquired if this additional work might over-extend staff. Mr. Davidsen responded no. He stated he has been involved the agreement process from the beginning and this is for monitoring service of SCADA. If an issue occurs, the operator on duty will notify Blue Lake who will be responsible for remedying the situation. He also noted that there is a Mutual Aid and Assistance Agreement in the event that assistance is needed.



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On motion by Director Laird, seconded by Director Sopoci-Belknap, the Board voted 4-0 to approve the Operational Monitoring Service Agreement for the City of Blue Lake's Water System.

2. Website and Social Media Ad Hoc Committee

Mr. Helliker shared the proposed Purpose Statement for the ad-hoc committee. The ad-hoc committee will be comprised of two Board members, the General Manager and the Business Manager. Directors Sopoci-Belknap and Woo stated they were still very interested in serving on the committee. On motion by Director Laird, seconded by Director Woo, the Board voted 4-0 to approve Directors Sopoci-Belknap and Woo to the ad-hoc committee and approve the Purpose Statement.

3. Conservation regulations

The State listed the District as one of the top violators of the State mandated conversation requirements. Mr. Helliker contacted the State Water Resources Control Board (SWRCB) to explain that 91% of the retail customers have met or exceeded the water conservation target. DG Fairhaven, a biomass renewable energy facility, accounts for 70% of the water use in the retail sector. Water use at the plant is variable depending upon it operations. For these reasons, the District submitted to the SWRCB information requested for an alternative compliance strategy.

Mr. Helliker is also working with ACWA and the SWRCB to develop regulations that address unique situations like the Districts. It is clear that the one size fits not all regulations are working in all situations.

4. Water Resource Planning

Instream Flow

Mr. Helliker stated staff is working on a grant proposal with support from HT Harvey. The grant is approximately \$500,000 in planning funds to evaluate the benefits of enhanced streamflow for various species in the Mad River. President Hecathorn inquired about the costs to apply. Mr. Helliker stated HT Harvey costs are roughly \$6,600.

Local Sales

As previously discussed, staff met with representatives from City of Trinidad, Trinidad Rancheria, and Rio Dell. They expressed interest in expanding the delivery of water supplies from the Mad River to their jurisdictions. The District recently learned about the possibility of forgivable loans or grants from the drinking water State Revolving Fund, particularly for disadvantaged communities. This grant would allow further evaluations of the pipeline options. The District will work with Rio Dell and Trinidad partners if requested, to develop a project proposal to fund the next level of planning for the transmission system northwards and southwards. Director Laird suggested contacting the City of Fortuna as well. Mr. Helliker stated he already spoke with Fortuna. He will mention the grant but noted the District is not the entity applying for the grant but has offered help.

Transport

Mr. Helliker stated there is nothing new to report. The transport committee will be



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meeting with the Bay Area Water Agency Coalition on October 12th to discuss how the District's water supply might meet their needs.

H. NEW BUSINESS

1. Urban Water Management Plan (UWMP)

Mr. Friedenbach shared that the UWMP reporting rules have changed. The District's UWMP will now have a wholesale and a *retail* component. The new guidelines will be released later this month. It is important that the UWMP be approved on the first submittal since receipt of grants is contingent upon having an approved UWMP. He recommended the District hire a consultant to review the document to ensure approval on the first submission. The recommended consultant is Mary Lou Cotton of Kennedy Jenks Consulting. He stated there are other consultants available, however the District has used Ms. Cotton and KJC in the past. Ms. Cotton is familiar with the District's previous Plan, served on the Statewide UWMP Guidance Board and is very familiar with the new requirements. Based on Ms. Cotton's unique experience and qualifications, staff recommends Ms. Cotton. The Board concurred with the recommended consultant.

2. Legislative platforms

Mr. Helliker stated now is the time of year when organizations prepare for the upcoming legislative session in Sacramento. Humboldt County asked the District to provide input on their legislative platform. He collaborated with Mr. Hull of Humboldt Community Services District on initial topics for consideration. They shared the topics with the Municipal Customers for their review and input. He reviewed the proposed actions (support or oppose) for several issues. Staff is requesting input and direction from the Board so that as requests for letters of support come in, staff can be prepared to act expeditiously. A few changes were suggested and Mr. Helliker requested any additional changes be sent to him prior to September 18th.

3. Ruth Lake boat access leasehold

Mr. Helliker shared that Ruth Lake CSD (RLCSD) contacted the District regarding a leaseholder on the boat lease side of the lake who is requesting approval of a congregate residence. CalFire originally denied the permit because they would not be able to reach the structure with a fire engine due to no road access to the site. The leaseholder is now requesting approval to build two tent decks at a maximum size of 120 square feet each. The site already contains two buildings and the RLCSD policy for boat access sites limits the number of buildings to a maximum of three. The leaseholder is requesting an exception to the policy. Both RLCSD and HBMWD must approve any building on a site as well as any exceptions to RLCSD policies. Staff does not recommend any exceptions and is seeking Board direction. The Board concurred no exception should be granted. On motion by Director Sopoci-Belknap, seconded by Director Laird, the Board voted 4-0 to deny the request for exception.

4. Retail water rates

Mr. Friedenbach stated the District traditionally conducts retail rate studies every 5-6



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years. The District completed its last retail rate study and update in 2009. Prior to that, Rebecca Crow of GHD did the study for the District in 2002. Given her experience and the possible formation of a Samoa CSD, the District enlisted the help of Ms. Crow to assist with this year's rate study and rate update. Mr. Friedenbach stated it is important the District communicate and coordinate rates with the potential CSD as they may be a new municipal customer.

Ms. Crow reported out on the status of the study and provided a timeline for the process. She reviewed the charts and tables showing revenues and expenses. She noted the District has a unique retail customer base with one customer, using 67% of the total usage. Retail revenues must cover the actual cost of providing water service for the retail water system. Increases are needed when the system revenue requirement is greater than the current revenues. Staff will review the cost of service and develop rate design options to cover the cost of service. Once the options are defined, they will be presented to the Board for consideration and approval of a proposed rate adjustment. Once the rates are approved, per Proposition 218, the Board is required to hold a Public Hearing regarding the proposed rate increases. The Board can adopt a resolution to implement the new rates if the number of written protests received is less than the majority of the customer meters. The Directors thanked Ms. Crow for her work so far.

I. **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 they are still trying to get geotechnical work started on the project. He spoke with a FEMA representative who stated a finding of no significant impact was sent to the State Historic Preservation Office (SHPO). FEMA has not heard back from SHPO, however the report states that if SHPO does not respond with comments in thirty days, it will be considered as no opposition. Mr. Kaspari will follow up with FEMA. He would like to start geotech work before the rainy season begins.

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

Mr. Kaspari stated he is finalizing plans and bid documents and they will be available at the November meeting. This is a categorical exemption project and he would like to go out for bid as soon as the Board approves the plans and bid documents.

Essex/TRF Facilities Plan

The original plans called for expansion of facilities at the Essex site. One of the questions posed was if the dam breaks, shouldn't most of the equipment be at the TRF on higher ground and if so, is there room for expansion at the TRF. Mr. Kaspari stated there is not much room for expansion at the TRF; however, he will present alternatives at the next meeting.

Status report re: other engineering work in progress



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Mr. Kaspari reported out on other projects. Two projects, the Techite and the Regional Interconnect Project are in the grant closeout phase. He shared that Mr. Friedenbach inquired if there were any additional grant funds available and learned there was. He is working on getting extra money for the projects.

GHD conducted an inspection of the 1 MG Reservoir and it needs some work on the roof support. A formal detailed report should be available next month.

Mr. Kaspari submitted a new design to the County for the septic system as Essex. The County responded they would like additional wet weather monitoring. This will require additional work.

2. Financial

Financial Report

Director Sopoci-Belknap provided the August 2015 financial statement and vendor detail. President Hecathorn reviewed the bills and they were all good. On motion by Director Sopoci-Belknap, seconded by Director Laird, the Board voted 4-0 to approve the August 2015 financial statement and vendor detail report in the amount of \$136,788.88.

Cal-Card credit card program

Mr. Friedenbach stated the general manager transition precipitated a review of the District's credit cards. Currently, the District authorizes two US Bank credit cards, one for the General Manager and one for the Superintendent. The cards are commercial business credit cards and have different limits and business profiles.

The State of California has a government card program administered through US Bank. This program contains added features (such as rebates) and security designed to protect state and local agencies. Mr. Friedenbach spoke with representatives from Humboldt Community Services District and the County who are using the Cal-Card. They are pleased with the card features and services. Mr. Friedenbach recommends approval of an application to the Cal-Card system, authorization of the credit cards under the program for the General Manager, Superintendent, and Business Manager with the respective increased credit limits of \$50,000, \$50,000 and \$10,000. Director Sopoci-Belknap suggested notifying the auditors of the new cards.

On motion by Director Laird, seconded by Director Woo, the Board voted 4-0 to approve application of the three cards to Cal-Card.

3. Operations

Mr. Davidsen provided the August Operational Report. He stated Ruth Hydro production was shut down for a few days as the result of a fire evacuation notice. There was no fire damage to the District facilities. Safety training for August included Machine and tool safety, sight and sound safety and chlorine safety. GHD inspected the DW reservoir and support and found some areas of concern. This will need to be in next year's budget.

4. Management



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Mr. Helliker stated the Board previously approved two new staff positions, an Assistant Maintenance Supervisor and a Customer Service and Accounting Assistant position. The job descriptions and pay scale are available for the Boards review and possible approval.

Mr. Friedenbach stated at the strategic planning meeting, it was determined the two new positions were needed to address chronic workload issues, succession planning and overall work efficiency. During the process of creating the new position descriptions, a review of other position descriptions took place that resulted in revisions to better align them with current job duties. Staff recommends approval of the two new position descriptions, six revised position descriptions and the pay scale. On motion by Director Laird, seconded by Director Sopoci-Belknap, the Board voted 4-0 to approve the position descriptions and pay scale.

Mr. Helliker stated he would like to discuss processes at a future meeting. What type of things would the Board like to be involved in approving versus those that the General Manager can approve? The Board concurred this would be good to discuss.

J. **DIRECTOR REPORTS & DISCUSSION**

1. **General**

Director Laird shared he attended a Climate Change conference and there were great presentations on atmospheric rivers as well as one by the US Geological Survey. Consensus is that El Niño will not have a big impact on Northern California however, it will affect Southern California.

President Hecathorn watched a show on Humboldt Access regarding marijuana growers in the Sprowl Creek area. She noted it was quite contentious.

2. **ACWA – JPIA**

No report

3. **ACWA**

No report

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

Director Hecathorn stated she was not able to attend the RCEA meeting.

ADJOURNMENT

The meeting adjourned at 11:20 a.m.

Attest:

Barbara Hecathorn, President

J. Bruce Rupp, Secretary/Treasurer