



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

March 9, 2017

A. OATH OF OFFICE

President Woo called the meeting to order at 9:00 a.m. She conducted the swearing in of Director Michelle Fuller who was appointed on February 10, 2017 to fill the Division 5 vacancy. The Board welcomed Director Fuller.

B. ROLL CALL

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

C. FLAG SALUTE

President Woo led the flag salute.

D. ACCEPT AGENDA

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

E. MINUTES

On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve the minutes of the February 9, 2017 Regular Meeting and the February 10, 2017 Special Meeting.

F. PUBLIC COMMENT

No public comment was received.

G. CONSENT AGENDA

Director Rupp requested Item 2-Climate Ready Grant Update be pulled. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve the Consent Agenda less Item 2.

Climate Ready Grant Update

Director Rupp noted it seems as if damage has been done to the replanting and it's not been very successful. He added that the District is involved and interested due to our pipeline there. Mr. Friedenbach concurred the District benefits from the research in that the study area transects cross our pipeline. He attended the update meeting and shared that the planting has not been as successful as hoped in large part due to the storms. Director Hecathorn inquired if the District's pipeline was impacted. Mr. Friedenbach stated no, it has not been impacted. Mr. Davidsen stated he went to the site and walked along the pipeline route. He did not see any areas of concern at that time. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve Consent Item 2.

H. CORRESPONDENCE

Letter from State Water Board re: Requirements for lead sampling at K-12 Schools

Last month, Mr. Helliker shared that the State Water Board was going to require water districts to pay for lead sampling in schools if a school requests it. Mr. Friedenbach shared the letter notifying water agencies of this and he noted that the requirement for lead sampling at K-12 schools is actually an amendment to the water permit.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
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Minutes for Meeting of Board of Directors

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I. CONTINUING BUSINESS

Water Conservation Regulations

Mr. Friedenbach shared the snow and precipitation summaries for California that clearly show both are well above average. As previously reported, last month the State Water Board extended the conservation regulations and will not revisit it until May. The District's conservation requirement is zero since we were able to show we have a three-year supply during drought conditions.

Water Resource Planning

Local Sales

Mr. Friedenbach spoke with Jack Crider of the Harbor District. Mr. Crider stated discussions are moving forward with the data center at the former pulp mill site. The data center could require a significant amount of water for cooling purposes however, discussions have not reached that level of detail. Mr. Crider did mention another potential new business looking into the area. They would use about three million gallons of water per year. Director Rupp reiterated that if any money is needed to improve the industrial system, it will not be subsidized by the Municipal Customers. Staff concurred.

Transport

There has been no additional activity.

Instream Flow

Mr. Friedenbach and Mr. Helliker met with Dennis Halligan of Stillwater Sciences and Sharon Kramer of H.T. Harvey & Associates regarding an application for an instream flow grant. A project description was developed for the dedication analysis for the one element that might garner some grant funding.

Private Memorial at Park 4/Contract amendment with Par Infinity

Last month, the Board discussed the request from Caleb Gribi of Par Infinity to install a memorial sign at Park 4. They requested staff bring back an amendment to the license agreement with Par Infinity allowing them to erect the sign with conditions pursuant the agreement. Mr. Friedenbach shared the amendment drafted by legal counsel. On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 4-0 to approve the first amendment to the Par Infinity License Agreement.

Food Service Patio Boat at Ruth Lake

Last month the Board discussed a request for a food service patio boat on Ruth Lake. Ruth Lake CSD expressed concerns regarding possible trash generated by this type of business and congestion it may cause with boating traffic on the lake. The District does not have a policy for this type of activity. Staff did some research and contacted agencies that govern lakes in the Northern California area, including Lake Shasta, Lake Sonoma, Trinity Lake and Whiskeytown Lake regarding their policies. None of agencies contacted have food service boats. The Board requested Ms. Diffin and Grant (food service boat operators) provide further details such as size of the boat and the layout, equipment used, etc. and requested GHD provide CEQA checklist.

Mr. Friedenbach stated Ms. Diffin and Grant provided the information requested and are present at the meeting. Mr. Kaspari stated he completed the CEQA checklist per the Board's request. He stated the CEQA checklist is not really geared towards this type of project. There is no impact except for one item which is listed as less than significant impact. This item is in the Land Use and Planning



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

March 9, 2017

section and asks if the project would “Conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the project...”. Mr. Kaspari stated this was marked since Ruth Lake CSD does have a policy (7120) stating commercial use is prohibited. He noted the policy also states exceptions will be considered to accommodate special circumstances on a case-by-case basis. He has concerns since there is a policy against commercial use and additional trash could be an issue if debris gets in the turbines or is washed into the Mad River. For these reasons, he would recommend not approving the request. Mr. Friedenbach shared the letter from Ruth Lake CSD expressing their concerns. He noted the sewage issue mentioned in the Ruth Lake CSD letter is no longer a concern since the boat will not have toilet facilities, however, they still have other concerns. Director Hecathorn stated the primary purpose of Ruth Lake is water supply and recreation is secondary. She appreciates Ms. Diffin and Grant’s efforts to start a business, however, she feels that if their request is approved other commercial businesses may want to be on Ruth Lake as well. Director Rupp agreed and reiterated the District has an obligation to protect the high-quality water. President Woo inquired if Ms. Diffin and Grant would like to comment or address any of the concerns. They responded that they understand the concerns and the decision is up to the Board. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to deny the request for the food service patio boat.

Surge Tower

Mr. Friedenbach stated that per the District’s procurement policy, the District issued a Request for Qualifications (RFQ) for engineering, design, environmental, permitting, construction management and grant administration services for the Surge Tower project funded by FEMA Hazard Mitigation grant. The RFQ was sent to sixteen engineering and planning firms and was advertised in two local papers as well. The District received three Statement of Qualifications (SOQ). A four-member review team conducted independent evaluations of the three firms based on qualification criteria. All team members independently and unanimously concluded GHD was the best choice and recommended engaging the services of GHD. Mr. Friedenbach shared some of the concerns the review team had regarding the two firms not selected.

Once it was clear that GHD was the preferred firm, Mr. Friedenbach negotiated the agreement terms and GHD provided a revised scope and budget to reflect the decreased costs. Staff recommends approval to enter into an agreement with GHD for environmental, design plans and specifications, permitting, surveying, and construction management services for the Surge Tower Project at an estimated cost of \$304,000. The agreement will only authorize the work under Phase One of the grant in the amount of \$114,000. The remaining services in the amount of \$190,000 will be authorized once the full grant is approved by FEMA. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve entering into agreement with GHD for the Surge Tower Project.

HBMWD Procedures

Last month, the Board requested the check signing and bill review process be brought back to the Board after a discussion with the legal counsel and the auditor. Legal counsel expressed no concerns with Directors signing the checks. He indicated he sees no problems, only benefits with the procedure. The auditor believed bill review by the Directors is a beneficial, internal control process. Director Rupp stated he likes the idea of Board members signing checks. Mr. Friedenbach recommended continuing the process of signing checks and bill review. He did note that bill review can be a burden on some Directors and suggested he and the Board Policy Committee work together and bring back any changes to the Board.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

March 9, 2017

PG&E ReMat

Mr. Friedenbach stated he included the Project Details Form to show how detailed the process is. The District has completed four of the five remaining categories. The contract should be complete soon and he anticipates we will be operating under the new contract in April. He added that our consultants, JTN Energy, have done a very efficient job in moving the contract along.

J. NEW BUSINESS

Joint Board Meeting with Ruth Lake CSD

Each year the District Board meets with the Ruth Lake CSD Board to discuss issues of mutual interest to both Districts. The Directors discussed proposed meeting dates and consensus was to meet on June 23, 2017.

CSDA Membership

The Board discussed possible membership with the California Special District Association. The annual fee would \$6,485. The District is currently a member of the Association of California Water Agencies (ACWA), which is more specific to our District. Both ACWA and the CSDA offer many professional development opportunities via webinar, the classroom or at conferences. Based on courses the Board and staff have taken previously, had the District been a member of CSDA, there would have been a savings of \$640. Staff recommends signing up for the 90-day trial membership with CSDA but not continuing the membership as the cost savings in the professional training do not justify the annual membership fees. Additionally, ACWA is specifically for water agencies and continues to provide excellent member benefits. The Board concurred.

Resolution 2017-4 Concurring in Nomination of Melody Henriques- McDonald to ACWA/JPIA Executive Committee and Resolution 2017-6 Concurring in Nomination of David Drake to ACWA/JPIA Executive Committee

Director Rupp stated the two people being considered for nomination are current members of the Executive Committee. They are doing a good job and he recommends endorsing their candidacy. Director Hecathorn concurred. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 by roll call vote to concur in the nomination of Melody Henriques-McDonald and David Drake to the ACWA JPIA Executive Committee.

May Meetings

Mr. Friedenbach stated that the ACWA Conference is the same week as the May Board meeting. Staff suggests scheduling the regular May meeting on the 4th and the Special Project Meeting at Essex on the 24th. The Board concurred with the May meeting dates of the 4th and 24th.

K. REPORTS (from Staff)

1. Engineering

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

Mr. Kaspari stated all four of the laterals are in on Collector 1A and Collector 1 has two laterals for a total of 770 feet. The contract was for 750 feet of laterals. Change Order 9 was issued to cover a 10-foot blank in lateral four. Change Order 10 is to cover the additional 10 linear feet



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

March 9, 2017

installed at \$1,300 per lineal foot for a total of \$13,000. Mr. Kaspari stated that 10 feet less of drawn down on Collector 1A will be a very good thing. He stated that incredibly clean water is coming from the laterals and lots of it from 1A. He is very happy with the results. The perc pond still needs to be removed but dry weather is needed to remove it and the ground is currently saturated from the weather. Once the perc pond is removed, a notice of completion will be filed.

Mr. Friedenbach added that as part of the grant funding agreement, a press release is required. Prop 84 staff will be present for the press release and he will notify the Board in advance of the scheduled press release.

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

Mr. Kaspari shared some good news on the project, the State Historic Preservation Office approved the project going forward. FEMA will send the project on to CalOES for approval of Phase 2 (permitting and design) so hopefully the District will go out for construction bids on the project this fall.

1MG Reservoir Roof Replacement & Painting

Mr. Kaspari stated the contract was awarded to the low bidder, Paso Robles Tank. The contract paperwork is in process.

12kV HMG/PDM

There is nothing to report, the District is still hoping to receive grant funding for this project.

Ruth Slide

Mr. Kaspari stated he and Mr. Davidsen planned to go see the slide but were unable to access it due to snow. The slide is on the left abutment and k-rails are installed to keep debris out. Geologists agree that it is a shallow seeded slide and not a threat to the backside of the dam. Director Rupp asked for confirmation that survey monuments are in the area to determine movements. Mr. Kaspari confirmed there are survey monuments in the area and that no movements of concern have been detected.

2. Financial

Financial Report

Director Rupp provided the February report. Director Latt reviewed the bills. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve the February financial statement and vendor detail report in the amount of \$540,453.86.

FY 2017/18 Budget Calendar

Mr. Friedenbach reviewed the proposed budget calendar and inquired if the Board had questions or concerns. The Board concurred with the calendar.

Unum Insurance

Three years ago the District switched insurance companies for LTD, Life and AD&D. At that time, the rates with the new carrier, Unum, were locked in for two years. The District saved \$13,000 annually and doubled the coverage. Mr. Friedenbach stated he expected the rates to increase this year, however, was pleased to report the current rates will remain in effect for one more year with no increase.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

March 9, 2017

3. Operations

Mr. Davidsen provided the February Operational Report. Collector 1 is out of service due to the lateral replacement project and with the intense storms, turbidity was higher than normal requiring the TRF to run all month. He stated the crew worked extremely hard under challenging conditions to continue to provide high quality water. A maintenance crew went to Ruth to clean up from the storms. They removed a lot of debris from the slide that was encroaching on the road, cleaned culverts and drainages. Essex personnel completed the annual Hearing and Respiratory exams. These exams are required for employees required to use respirators and SCBA's. Also, the District hired a new electrician who started on March 6.

L. DIRECTOR REPORTS & DISCUSSION

1. General

Director Rupp stated he receives a stipend for his duties as Board Secretary/Treasurer. Given potential changes, he would like to discuss this further and requested staff have the topic on the agenda for the next Board meeting. Staff stated it will be on the agenda for the next meeting.

President Woo stated the Water Resource Planning Instream Flow ad-hoc Committee has opening and inquired if Director Fuller would like to participate. Director Fuller stated she would be happy to serve on the committee.

2. ACWA – JPIA

Director Rupp stated as a member of the Executive Committee, he will be presenting a check to Humboldt Community Services District. The check is a refund given their low loss ratio. He will be presenting a check to an agency in Redding as well. Director Rupp also shared that he is now the chair of the Employee Benefits Committee.

3. ACWA

Director Rupp stated he attended the Finance Committee meeting and that ACWA dues will be increasing by three percent, per the budget. Director Rupp also shared that he and Mr. Friedenbach will be attending the ACWA Conference in May.

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

RCEA

President Woo reported out on the RCEA meeting. She stated RCEA is on schedule for the launch of the Community Choice Energy program. They have procured energy sources that include wind, solar and biomass.

RREDC

Director Rupp reported out on the RREDC meeting. They received a presentation regarding physician recruitment by Dr. David O'Brien of St. Joseph Hospital. Dr. O'Brien shared that they were able to recruit nineteen physicians last year, however, they are having a difficult time recruiting family practice physicians. St. Joseph Hospital will be partnering with Open Door Clinic to start a residency program and expect to graduate six residents per year. The hope is that some of them will stay in the area.

Director Rupp stated he has served on the RREDC Board for a number of years and is reconsidering his role on the Board. He feels it would be good to have another member of our



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

March 9, 2017

Board serve on RREDC and requested this be on the agenda for next month's Board meeting. He noted that RREDC meets once a month and they are evening meetings.

NCRP

Mr. Friedenbach stated the two previous General Managers have served on the committee and it is an appointed position. He shared that he expressed interest and is willing to serve if appointed. He hopes to hear back soon regarding appointment to the committee.

ADJOURNMENT

The meeting adjourned at 11:59 p.m.

Attest:

Handwritten signature of Sheri Woo in blue ink.

Sheri Woo, President

Handwritten signature of J. Bruce Rupp in blue ink.

J. Bruce Rupp, Secretary/Treasurer

