



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

February 9, 2017

A. **ROLL CALL**

President Woo called the meeting order at 9:02 a.m. Director Hecathorn conducted the roll call. Directors Hecathorn, Latt, and Woo were present. Director Rupp arrived for the afternoon portion of the meeting. General Manager Paul Helliker, Superintendent Dale Davidsen, Business Manager John Friedenbach and Board Secretary Sherrie Sobol were also present. Pat Kaspari and John Winzler of GHD were present for a portion of the meeting. Ms. Diffen and Grant were present for a portion of the meeting to discuss their food boat proposal.

B. **FLAG SALUTE**

President Woo led the flag salute.

C. **ACCEPT AGENDA**

Mr. Helliker suggested postponing discussion of New Business Item 6 until just before the CIP discussion. The Board concurred. On motion by Director Hecathorn, seconded by Director Latt, the Board voted 3-0 to accept the agenda as amended.

D. **MINUTES**

Director Latt requested the January 12 minutes under Timber Harvest in the Operations section be clarified to show the Board action was for approval of dead, dying and diseased trees in the buffer strip. Mr. Helliker also noted a typo that needed correction. On motion by Director Hecathorn, seconded by Director Latt, the Board voted 3-0 to approve the Minutes of the January 12, 2017 Regular Meeting as amended and the January 26, 2017 Special Meeting.

E. **PUBLIC COMMENT**

No public comment was received.

F. **CONSENT AGENDA**

On motion by Director Latt, seconded by Director Hecathorn, the Board voted 3-0 to approve the Consent Agenda.

G. **CORRESPONDENCE**

Circular Letter from CalPers re: Discount Rate Change

Mr. Friedenbach shared that CalPers lowered their long-term rate of return from 7.5 to 7.0 percent over the next three years. This means an increase in both the normal costs and accrued liabilities and will result in higher required employer contributions. Mr. Helliker stated given the increased costs and unfunded liability costs, many agencies are applying funds to pay off the unfunded liability at 7% as opposed to keeping the funds in savings at 1%. Mr. Helliker suggested the Board may want to consider this option going forward. President Woo requested the item be brought back for discussion at another meeting.

H. **CONTINUING BUSINESS**

Water Conservation Regulations

Mr. Helliker stated the District and multiple other water agencies throughout the State have recommended the State Water Board the emergency water conservation regulations expire. The average precipitation in California is at 150% and all but one reservoir is near flood control level. Despite this information, the State Water Board voted to continue the drought emergency conservation regulations. Additionally, they are recommending that three of the four current methods to measure conservation be eliminated, leaving only one option. This is the least used



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

February 9, 2017

option by agencies and is the most labor and cost intensive.

Water Resource Planning

In regards to local sales, Mr. Helliker shared that the Humboldt Bay Harbor Commission approved the negotiation of an exclusive right for an agreement with Inyo Networks Inc. for a non-exclusive use of the ocean outfall pipe to land fiber optic communication cables. If the agreement goes through, they will need lots of water for cooling purposes.

There is not much to report on transport or instream flow. No significant activity has transpired in the past month. He noted there is a possibility of compensation for changing flows in the fall via grant funding. Director Latt inquired if the cost of studies required and the grant proposal would be worth the potential compensation. President Woo requested staff outline the steps and possible costs for a grant proposal for instream flow.

New Board Member recruitment

The District received three applications for the Division 5 Board vacancy. The Board agreed to schedule interviews for all three applicants as they were all qualified. The candidates will be interviewed at a Special Meeting on February 10th.

Capital Improvement Plan

At the January meeting, staff presented the project spreadsheet for the Capital Improvement Plan (CIP) 2017 update. The spreadsheets covered the fiscal years 16/17 to 25/26 time frame and the 26/27 to 35/36 time frame. The Board requested it be reviewed in more detail at the February meeting. The Board and staff reviewed the project worksheets for the next five-year window. Staff noted the Bartle Wells is still working on the financial section. The good news however, is that financing will not be needed for the next five years. The Board authorized ordering of the pump 1-1 to be paid for in the next fiscal year and installed in September or October of 2017. The Board acknowledged the immense amount of work that went into producing the CIP.

I. NEW BUSINESS

District Safety Program

Mr. Helliker provided an overview of the District's Safety Program. Achieving employee and public safety is a top priority for the District. The District provides personal protective equipment required to help ensure employee safety and is supportive of training to enhance this. As part of the District's Safety Program, a safety recognition program is in place. Eligible full time employees with at least six months of service, receive \$200. Of those eligible, one name is randomly drawn as the grand prize winner of \$500. This year's winner is Steve Marshall. Mr. Marshall accepted the award presented by President Woo and thanked the Board for supporting a great safety program. Mr. Davidsen stated Mr. Marshall has been with the District almost 27 years, is instrumental in the operations of the District and is doing a great job. He is proud to have a good safety culture and see Mr. Marshall win. The Board congratulated Mr. Marshall.

Discuss and possibly approve GM contract

President Woo summarized the terms of the GM contract, including the salary of \$125,000 per year, the termination clause, and benefits. On motion by Director Latt, seconded by Director Hecathorn, the Board voted 3-0 to approve the contract for the new General Manager.

Sick leave credited toward retirement



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

February 9, 2017

Mr. Davidsen provided a recap of his memo. Current policy states that an employee can convert some of their accrued sick time to PERS service credit if they have been with the District a minimum of ten years. He was approached by an employee who will be ten months shy of this requirement when he retires. The employee stated he is aware of the policy and inquired if it was possible to get any of his sick leave converted to PERS credit. Mr. Davidsen proposed the Board make an exception to the policy for this employee given his dedication and willingness to come in any time. He shared specific examples of this and requested the Board consider a one-time exception to the current policy and allow the employee to use a prorated portion of his sick leave toward PERS service credit even though the employee will be 10 months shy of the ten-year requirement. The Board discussed the request in depth. Director Latt stated he supports the request with the understanding that this is a one-time exception and is not setting any precedence. President Woo agreed and noted this does not set precedence and is not a change in policy. On motion by Director Latt, seconded by Director Hecathorn, the Board voted 3-0 to approve a one-time exception to the policy.

Private Memorial at Park 4

Mr. Friedenbach discussed the request for a memorial sign at Park 4. Caleb Gribi, a representative of Par Infinity, Inc. requested permission to install a permanent fixture, approximately 2' x 3.5' mounted on 4x4 posts naming a Humboldt Veterans Memorial Trail in memory of Wayne Moulton. The Board reviewed the information provided and discussed options. They inquired about the impact a sign would have on maintenance of the park. Mr. Davidsen stated staff will not maintain or be responsible for the sign. Mr. Friedenbach stated if the Board decides to approve the sign, staff recommends an amendment to the agreement with Par Infinity, Inc. with the condition that all costs, liabilities, maintenance etc. associated with the sign be the responsibility of Par Infinity. Director Rupp stated that Par Infinity has operated very responsibly since signing an agreement in 2004 and has been responsive to District concerns. The amendment should include that they maintain the sign in good condition. Director Latt stated he did not see any issues and noted they stated this would be the first and last memorial sign at the park. He agreed with Director Rupp's request that Par Infinity maintain visual upkeep of the sign. The Board requested staff to bring back an amendment to the agreement with Par Infinity, Inc. for possible approval next month.

Food Service Patio Boat at Ruth Lake

Mr. Helliker stated the District received a request from Rebecca Diffin and Angela Grant for permission to operate a food service boat at Ruth Lake. This is the first request of this nature and the District does not have a policy addressing the issue. Staff looked at current tangential policies and also 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 supervisory ranger at Lake Sonoma expressed interest in the idea, however the Shasta-Trinity Division of the US Forest Service was adamant that they do not allow any food sources on the lakes in National Recreation Areas. Mr. Friedenbach stated the General Manager of Ruth Lake CSD also expressed concerns regarding congestion and trash impacts on the lake. Based on the information received, staff recommends not approving the request for the service boat.

The Board had several questions including the size of the boat, restrooms, trash, equipment used and how it is secured and how graywater would be disposed. Ms. Diffin and Grant answered some of the questions and Board discussed the benefits and potential problems. Director Hecathorn stated the concerns of the Ruth Lake CSD General Manager needs to be considered and President Woo noted the primary purpose of the lake is water supply, not recreation. Both were inclined to vote no. Mr.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

February 9, 2017

Helliker suggested the decision be delayed until a CEQA checklist can be done by GHD and additional information provided. The Board concurred and requested Ms. Diffin and Grant provide further details such as size of the boat and the layout as well and have GHD provide CEQA checklist. The item will be further discussed and decision made at the March meeting.

HBMWD Procedures

At the January meeting, the Board discussed and defined levels of procurement authority pertaining to purchases, contracts and change orders. Job descriptions were also discussed and changes agreed to. Mr. Helliker is recommending other procedural changes to be considered to allow the Board to focus on policy deliberations and clearly delegate administrative processes to staff with Board oversight. He recommended the Board no longer approve plans and specs. Given that the Board approves a project during the development phase, and again when the contract is awarded, review of the plans and specs does not seem necessary. He also recommended the Board no longer approve Progress Payments since they have already approved the contract. This can be appropriately handled by the District engineer and financial staff. Director Rupp inquired if these practices are in a handbook or are they past practice. Mr. Friedenbach replied they are past practice. The Board concurred they no longer needed to approve plans and specs or progress payments.

Mr. Helliker also recommended the Directors not sign checks or review bills. Director Rupp stated some Directors might like to see the checks. It provides a better idea of what is going on with the District. Director Hecathorn agreed. Director Rupp suggested staff check with the auditors to determine if check signing was part of the internal control process.

Resolution 2017-5 Concurring in Nomination of Kathleen Tieg to ACWA/JPIA Executive Committee

Mr. Helliker stated he knows and has worked with Ms. Tieg at ACWA. Ms. Tieg is a good person and he recommended approval of the resolution. The Board voted 3-0 by roll call vote to approve Resolution 2017-5 Concurring in Nomination of Kathleen Tieg to ACWA/JPIA Executive Committee.

J. REPORTS (from Staff)

Engineering (11:00 a.m.)

Ranney Collector 1 Lateral Replacement Project (partially funded by Prop 84 NCIRWMP grant) Mr. Kaspari stated the third lateral on Collector 1A is finished and crews were able to project it out 145 feet. Work has started on the fourth lateral which is out about 110 feet so far, with a goal of 135 feet to get to the contract agreement amount. Staff requested the lateral go out 150 feet if possible. This will cost \$1,300 per additional linear foot for a total cost of \$19,500 if the lateral can be extended.

Mr. Kaspari received Change Order 9 and Progress Payment 7 from Layne Christensen Company. Change Order 9 in the amount of \$14,000 is for the cost of a digger head and a 10- foot blank section of pipe. He added that Layne is slightly behind schedule and hopefully will be done by the March meeting. Mr. Kaspari recommended approval of Change Order 9. On motion by Director Hecathorn, seconded by Director Latt, the Board voted 3-0 to approve Change Order 9.

Progress Payment 7 is for \$397,850 less retainage of \$19,892.50 for a payment of \$377,957.50. Mr. Kaspari recommended approval of Progress Payment 7. On motion by Director Hecathorn, seconded by Director Latt, the Board voted 3-0 to approve Progress Payment 7.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

February 9, 2017

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

Mr. Kaspari stated there is still no news. He expects a response soon since the thirty- day response period for the State Historic Preservation Office is up. Construction will likely begin next year.

1MG Reservoir Roof Replacement & Painting

Mr. Kaspari reported that four bids were received for the 1 MG Reservoir Roof Replacement and Painting project. He shared the bid results and stated the low bidder is Paso Robles Tank at \$460,837.50. They are responsive and responsible. He recommended the Board award the contract to Paso Robles Tank. On motion by Director Hecathorn, seconded by Director Latt, the Board voted 3-0 to award the contract to Paso Robles Tank.

12kV and Surge Tower HMG/PDM

Mr. Kaspari stated that FEMA called regarding the 12kV project. They currently do not have anyone under contract to do a NEPA review and inquired if the District could do it. Staff responded it would take a couple of months to do this. FEMA staff then replied they would have someone under contract in a few months so they will just do it.

Mr. Friedenbach discussed the Surge Tower project. Since the project is federally funded, the District must go out for bid on engineering services. Staff sent out letters requesting interested firms submit Statement of Qualifications (SOQ's). Three responses were received. The firms interested Green Road Consulting, GHD and Oscar Larson and Associates. A review panel consisting of three staff and two outside agency reps will review the SOQ's using a ranking system. Once the team selects an engineer, the next step is to negotiate a price.

Miscellaneous Property Developments, Arcata

Mr. Kaspari stated he received a call from a realtor requesting information on where our pipeline/easements are on the old Simpson property in the Arcata Bottoms. He shared a map of the property he sent showing the where our pipelines are. Mr. Friedenbach discussed and shared the letter sent to property owners where District has an easement on their property. The letters were sent as a proactive measure to make owners aware of the easement prior to them investing time and money into a project. The District received five responses from the 182 letters sent out. One of the callers planned to develop their property and appreciated the letter reminding them of the easement.

Financial

Mr. Friedenbach provided the January Financial Report. Director Hecathorn reviewed the bills and stated all was in order. On motion by Director Hecathorn, seconded by Director Latt, the Board voted 3-0 to approve the January financial statement & vendor detail report in the amount of \$335,852.60.

Mr. Friedenbach also shared that seven applications have been received for the Business Manager position. Four of the applicants are out of the county. The job opening closes on Friday, February 10th.

Operations

Mr. Davidsen provided the January Operational Report. Ruth Headquarters received 26.19 inches of rain in January and we are already approaching that number in February. The winter storm has



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 828 7th Street, Eureka



Minutes for Meeting of Board of Directors

February 9, 2017

caused a number of operational challenges. He shared photos of rain damage at Ruth Headquarters, including a washed-out culvert and broken water lines. There is a surface slide on the west side and below the dam that was stopped by the K-rail. The K-rail prevented boulders and a large tree from coming through. Mr. Friedenbach noted the slide is on US Forest Service land and perhaps they will help with any cleanup or repair costs. Trimark Associates installed and tested the new CAISO approved meter at Ruth Hydro and all went well. The SB 198 Safety Committee met and selected new members for the calendar year. Safety meeting topics for January included WIIPP, AQMD Permit Requirements, Dam Safety Plan and General Emergency Response. Mr. Davidsen discussed enhancement options for the security system at the TRF and shared his preferred plan. The Board concurred with Mr. Davidsen’s suggestions for enhanced security at the TRF.

Mr. Davidsen discussed equipment to be declared surplus. The items include a 2006 Ford F-150 regular cab 4x4, 1970 8” Barnes Pump, Western Mule folding bumper crane and old chlorine spare parts. These items are obsolete to the District or are no longer needed. On motion by Director Hecathorn, seconded by Director Latt, the Board voted 4-0 to declare the items as surplus.

K. DIRECTOR REPORTS & DISCUSSION

1. ACWA – JPIA

Director Rupp attended a property program committee meeting and an executive committee meeting. JPIA Property insurance will no longer cover airplanes however, remote controlled planes will be covered. There is expanded property coverage for wells, covering areas up 1000ft outside of the wells. The good news is that costs will not be increasing this year. Director Rupp thanked the Directors for endorsing Kathleen Tiegs for the ACWA/JPIA Executive Committee.

2. ACWA

No report.

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

RCEA

President Woo stated the CCE is moving forward. RCEA has received some good applications for their HR position. Also, she is the new president for RCEA and they are meeting at a new location- the HBMWD Board room.

RREDC

Director Rupp stated there are several new faces on the RREDC Board. The guest speaker discussed the state of cannabis in Humboldt County.

ADJOURNMENT

The meeting adjourned at 4:09 pm.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer