



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 7th Street, Eureka



Minutes for Meeting of Board of Directors

December 14, 2017

A. ROLL CALL

President Woo called the meeting to order at 9:01 am. Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Latt, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, and Board Secretary Sherrie Sobol were present. Pat Kaspari and John Winzler of GHD were present for a portion of the meeting.

B. FLAG SALUTE

President Woo led the flag salute.

C. ACCEPT AGENDA

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

D. MINUTES

Ms. Sobol stated there was an error in the minutes on Section D, Page 7, 2018 Membership Dues. The correct amount for the dues is \$14,030 and has been corrected. On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 5-0 to approve the Minutes of November 9, 2017 as amended.

E. PUBLIC COMMENT

There was no public comment.

F. CONSENT AGENDA

Director Rupp requested Item 1 be pulled. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted to approve the Consent Agenda, less Item 1.

Dunes Climate Ready Grant Ninth Quarterly Update

Director Rupp stated it doesn't sound like the study is going well and he has concerns regarding the District's assistance with funding. He noted the District provided some funding for the project to help our infrastructure. Director Fuller stated it's her understanding that this is an experiment to see if native plants can help stabilize the dunes. Director Hecathorn stated the project was presented to the Board as a dune stabilization project and protecting our pipeline. Mr. Friedenbach added the District was asked to provide financial support and the Board agreed to \$2000/year for five years. This year is the third year of contributions. The direct benefit to the District is scientific data gathered from transects across the District pipeline. The data will likely confirm that dune movement does not affect our pipeline. Mr. Friedenbach agreed the experimental planting does not appear to be working and stressed that the District's interest is in the pipeline transects and our pipeline. Director Rupp stated he now feels comfortable that the District's contribution is wisely spent. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to approve Consent Item 1.

G. CORRESPONDENCE

Email from Dan Edrich re: Dune System 540 Rule

Mr. Friedenbach stated Mr. Edrich requested the information be shared with the Board. The item is informational only and not on the agenda for action. Mr. Davidsen stated the District covers the pipeline every eight to ten years and this has been a consistent pattern resulting from weather.



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H. CONTINUING BUSINESS

Water Resource Planning

Mr. Friedenbach stated there is not much to report. He shared an email received expressing interest in barging water and noted that no further communication was received. He also shared the business cards of two people he contacted at the ACWA Conference regarding our available water. Director Rupp stated it is in our best interest to continue to make contacts. Director Latt concurred and added it's important to let people know our door is open.

Director Woo updated the Board on the status of the instream flow grant with the Wildlife Conservation Board. The awardees will be announced in March 2018.

Aquatic Invasive Species

Mr. Friedenbach shared the article "Governors push federal fight against invasive mussels". The Western Governors' Association is trying to get Federal funding to assist with the fight against Quagga. The District implemented an Aquatic Invasive Species Prevention Plan in 2009 and updated it in 2013 at its own expense to protect Ruth Lake. Director Rupp requested an update on Quagga grants. Mr. Friedenbach stated the District applied for three grants, two were approved and we are waiting to hear back on the third, most recent one. The first grant covered the costs of inspection stickers, bands, key cards, gate arms and two new computers dedicated to the inspection process. The second grant was for \$63,500 and not only covered the above items, but will also be used to convert the Old Ruth launch site to a public access site to help alleviate congestion at the Marina. As a result of General Manager changes (3) at Ruth Lake CSD in 2017, the project was delayed. It has now gone out for bid and construction should begin in early Spring 2018. Mr. Friedenbach added that during his recent conversation with the Ruth Lake CSD manager, he requested "space" on the annual leaseholder letter that RLCSD sends out to address the lease lot improvement process and timber removal process. RLCSD was receptive to this.

Cannabis Grows

Mr. Friedenbach stated he included the article "California's State Water Board recently passed new policies that will regulate water impacts from marijuana growing operations" for informational purposes. Director Latt stated he spoke with Fish and Game regarding law enforcement on the Mad River. They informed him that the Mad River is not one of the heavily impacted rivers, such as the Eel or Mattole.

Employee Handbook revised

Mr. Friedenbach stated both JPIA and legal counsel have now reviewed the handbook. He discussed their suggested changes and requested input from the Board. The Board provided input and concurred with the most of the changes. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the Employee Handbook as amended to become effective January 1, 2018.

US Forest Service Fire Suppression Water MOU

The US Forest Service requested and withdrew water from Ruth Lake this past fire season for fire suppression purposes. The Board had requested staff draft a Memorandum of Understanding (MOU) for this activity at Ruth Lake with the US Forest Service. Mr. Friedenbach shared the draft MOU prepared by legal counsel with the Board for possible approval. He noted that he is waiting to hear from the US Forest Service as to who the appropriate staff is to review and accept the MOU. Director Latt stated he carefully reviewed the MOU and is satisfied with it. Director Hecathorn inquired about



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Quagga inspections on the aircraft. Ms. Harris stated the US Forest Service has a very strict policy on Quagga decontamination in place to protect their equipment and highlighted some of the processes. On motion by Director Latt, seconded by Director Rupp, the Board voted 5-0 to approve the MOU.

I. NEW BUSINESS

1. Dam Owners Academy

Mr. Friedenbach stated staff participated in the Association of State Dam Safety Officials pilot webinar of the ASDSO Dam Owner Academy webinar series. The webinar introduced the Dam Owner Emergency Intervention Toolbox that was developed in 2016. Feedback from staff was that it was a good webinar and there is value in the toolbox.

2. Water related legislation

Earlier this year, SB 623 (Water Tax) and AB 1668 and SB606, companion Water Management Planning bills were introduced. The District sent letters opposing these bills. ACWA, a large majority of urban water suppliers, local governments and business groups voiced their opposition was well. These bills failed to pass in the Legislature this year and became two-year bills to be resolved in the 2018 legislative session. Staff recommends the Board authorize the General Manager to issue appropriate correspondence as needed opposing SB 623, AB 1668 and SB 606 and supporting AB 968 and AB 1654 during the 2018 legislative session. On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 5-0 to approve the correspondence as needed.

3. CSDA Certifications

Mr. Friedenbach discussed the CSDA Special District Leadership Foundation Programs. He provided background on the four programs offered and stated he is looking into the Special District Administrator Certification for himself. Director Rupp inquired how much time away from work would be required and what is unique about this training compared to the JPIA training. He added he believes this would benefit the District but would still like to know. Director Latt concurred. Mr. Friedenbach stated the JPIA training was leadership skills and the CSDA training is Effective Public Administrator training. As to the amount of time away from work, he could not say for sure, but noted it would not interfere with District responsibilities. The Board requested the certifications be brought back for approval at another Board meeting.

4. Trinity County Community Alert System CodeRED

The Board previously inquired about the emergency alert system for Trinity County. Trinity County has a community warning system called CodeRED. This is a reverse 911 system. Mr. Friedenbach stated management staff has this app on their phones and he will share the information with Ruth Lake CSD if they are not already aware of it.

5. May and August 2018 Board meeting

Mr. Friedenbach requested the Board consider rescheduling the May and August 2018 Board meetings. The May meeting currently falls during the week of the ACWA Conference. The August meeting occurs when he will be installed as Lt. Governor of the Kiwanis California-Nevada-Hawaii District. The Board agreed to move the May meeting to the 15th and the August meeting to the 16th.



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J. **REPORTS (from Staff)**

1. **Engineering**

1 MG Reservoir Roof Replacement/Painting

Mr. Kaspari stated the project is physically complete. Change orders 4 and 5 were the last change orders processed under the contract. He discussed draft change orders 6 and 7. Change order 6 is an addition to the contract of \$20,663.40. This is a result of the paint being thicker than anticipated, resulting in extra time and money to complete the sandblasting. Change Order 7 is for liquidated damages of \$19,000 resulting in a decrease of the contract. The contractor has requested and staff concurs, that we not process change orders 6 and 7 and proceed with filing a notice of completion. Director Latt stated this saves the District money. Director Rupp inquired if the contractor performed the job well. Mr. Kaspari stated they did a good job onsite. He was pleased with the quality of work and would use them again with a new project manager. Mr. Friedenbach agreed the project manager was ineffective. The Board concurred with staff recommendation to not process change orders 6 and 7.

Mad River Cross Sections

Mr. Kaspari discussed the results of the annual Mad River cross sections. He noted that the weir upstream of Pump Station 6 is failing and the channel is deepening. Mr. Halligan of Stillwater Sciences believes we can keep the channel on the south with regular, permitted dredging and it should not be an issue. If it does become an issue however, it will be cumbersome and expensive to the replace the weir. Mr. Friedenbach stated constructing a berm as needed will assist the weir. President Woo stated it is in the District's Habitat Conservation Plan to do this.

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

Mr. Kaspari stated he has not heard back regarding the request for grant extension. He is not too concerned at this point and anticipates going out to bid in February. FEMA representatives were scheduled to see the project site but cancelled their visit. FEMA staff is very busy with the wildfires going on.

Surge Tower Replacement and 12kV Replacement

There are no updates on these projects. FEMA representatives were scheduled to visit these sites as well, but as noted, cancelled their trip.

Kieselhorst Easement Agreement

Mr. Friedenbach stated the District received a request for development on our easement from Nick and Chris Kieselhorst. They have been in discussions the past few months. The Kieselhorst's have stated they are agreeable with keeping the District's floating easement over their parcel as their proposed plan allows for access to our pipelines. Staff is in agreement with this and recommends approval of an Easement Addendum Agreement to be signed by the General Manager. Director Latt inquired if legal counsel has reviewed the agreement. Mr. Friedenbach stated legal counsel drafted the agreement including the exhibits. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the Easement Addendum Agreement and authorized the General Manager to sign it on behalf of the District.



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2. Financial

Financial Report

Director Rupp stated he discussed with Ms. Harris the fact that the percentage of budget in the Salary & Employee Benefit Expenditures report is very confusing. Ms. Harris concurred the report is confusing however, it is a limitation of the current software. She explained what the numbers are actually showing and why. Director Latt stated he appreciates Director Rupp's diligence. Ms. Harris provided the rest of the financial report. The vendor bills amount to \$333,522.59. Ms. Harris noted that of that amount, just over \$103,000 is grant funded. Director Hecathorn reviewed the bills. She noticed the fees for permits and dredging at Ruth and stated all looked good. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the November 2017 financial statement and vendor detail report in the amount of \$333,522.59.

Software upgrade: Utility Billing and Finance

Ms. Harris provided background on the current utility billing and finance software. The two programs do not interface and no longer satisfy the needs for the District. She shared some of the current challenges staff is dealing with. Staff has been researching various utility billing and finance software that can meet the needs of the District. She provided a comparison of the three products researched, not only for functionality but costs and maintenance as well. She also shared the programs our Municipal Customers are using and their feedback on them. She stated staff is on board and supportive of a new system. After careful consideration, staff recommends upgrading the utility billing and financial software programs with the Casselle Software product suite during the current fiscal year with the initial funding from the General Reserves and replenishing the Reserve during the FY 18/19 budget unless it can be funded through the year end Project Budget re-allocation process. She detailed why Casselle is the best option for the District, including the security measures and ability to limit access. Director Latt acknowledged the thoroughness of the presentation and stated Ms. Harris did a good job summarizing the details. It is time to upgrade and move forward. Director Rupp agreed and stated the report was well laid out. He added that taking money out of the reserves now and replenishing them makes sense. He inquired if the Board will be seeing a contract for the Casselle software. Ms. Harris stated yes, once the contract is received it will be brought to the Board. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to upgrade the utility billing and finance software with Casselle.

3. Operations

Mr. Davidsen provided the November Operational Report. He stated he checked with the weather service and not much rain is forecasted for December and January so he scaled back the hydro-production. This should maintain the lake level. Safety Meeting training included Fall Prevention/Ladder Safety, Cable Car Safety and Trenching & Excavation Safety, Spill Prevention, SDS/Right to Know and Sexual Harassment Prevention Training. Staff also attended additional training, including SCADA training, Silica Exposure training and a Workers Compensation training by JPIA. Mr. Davidsen and his supervisors interviewed seven candidates for the Maintenance Mechanic position and selected Russell Roberts who will start in December. Telestar conducted the annual chlorine system maintenance. Staff conducted the annual R.W. Matthews Dam EAP drill as required by FERC and it was a good exercise. He and Ms. Ryan also went to Ruth for a Trinity County DTSC inspection at Headquarters and the Hydro Plant. He stated the regulator they met with was good and they have a few items to work on.



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K. MANAGEMENT

1. California Special District Association (CSDA)- Certificate for Liability Coverage

Mr. Friedenbach requested authorization to sign the CSDA Certificate of Liability Coverage for the participation by employees and members of the Board of Directors in the meetings and activities conducted by the Humboldt Area Chapter of the CSDA. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to authorize the General Manager to sign the Certificate for Liability Coverage for the CSDA Humboldt Area Chapter.

Mr. Friedenbach reported out on the elected officers for the local chapter. Director Rupp requested minutes from the local chapter meetings be included in the Board Packet.

2. General Manager report out on ACWA/JPIA Conference and Training

Mr. Friedenbach reported out on his attendance at the ACWA/JPIA Conference. He shared the educational sessions he attended and provided a brief summary of them.

3. Other

Mr. Friedenbach was asked to provide a presentation to the Mad River Rotary which he did. The presentation was on Capital Improvement Projects: Past, Present and Future and was well received.

April 15-21, 2018 is Water Week and Mr. Friedenbach shared some ideas, including hosting an open house.

The Board previously requested the District's Mission Statement be displayed in the Board Room. Mr. Friedenbach shared a mock up and stated the font would be larger in the final product. Director Latt stated the font selected was difficult to read and Director Fuller requested a more modern look overall. Mr. Friedenbach will bring back another version.

L. DIRECTOR REPORTS & DISCUSSION

1. ACWA – JPIA

a) President's Special Recognition Awards

Each year at the Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property or Workers' Compensation Programs. These members receive the President's Special Recognition Awards. The District received the award for its Liability and Property Program.

b) Report out on meetings

Director Rupp reported out on his attendance at the Finance Committee Meeting and the Executive Committee Meeting. Topics discussed included captive insurance companies. Currently the JPIA's rate of return is 1.9%. If they go with a captive insurance company in Utah, the rate is about 5% at the same low risk. This means insurance can be purchased for less money, approximately \$1 million less. Since this topic was just introduced it will be several months before moving forward with this. The California State Association of Counties has already switched.



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2. ACWA

Report out on ACWA/JPIA Conference and Training

President Woo and Director Rupp reported out on their attendance. President Woo attended sessions on the water fix, social media, low income water rates and Beyond the Brink. Director Rupp also attended several sessions, including the Keynote Speaker, Jim Thebaut. Other sessions included the Headwaters Forest, Grant Davis/DWR (formerly of Sonoma County Water Agency) on his first 100 days on the job, safeguarding ratepayer funds, One Toke Over the Line-a discussion on cannabis in the workplace.

4. Organizations on which HBMWD Serves: RCEA, RREDC

President Woo reported out on RCEA. Biomass is still a big topic and staff was directed to find a way to make biomass pencil out. She stated there are nine board members on RCEA. In regards to the CCA, the voting is proportional. This means the County has more voting power. She noted that she is not on the committee and has no voting power.

Director Latt reported out on RREDC. Sean McLaughlin of Access Humboldt and Connie Stewart of California Center for Rural Policy were the guest speakers. They also received an update on the Digital 299 Broadband Project. The State informed the Digital 299 Project they are not eligible for bonds.

ADJOURNMENT

The meeting adjourned at 3:20 p.m.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer

