



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

January 12, 2017

A. ROLL CALL

President Hecathorn called the meeting to order at 9:01 am. Director Rupp conducted the roll call. Directors Hecathorn, Laird, Latt, Rupp and Woo were present. General Manager Paul Helliker, Superintendent Dale Davidsen, Business Manager John Friedenbach 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 Hecathorn led the flag salute.

C. ACCEPT AGENDA

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

D. MINUTES

Directors Laird and Latt requested changes to the minutes. On motion by Director Laird, seconded by Director Rupp, the Board voted 5-0 to approve the minutes as amended.

E. PUBLIC COMMENT

No public comment was received.

F. CONSENT AGENDA

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

G. CORRESPONDENCE

Quagga Grant 2015/16 Reimbursement

The District applied for and received a grant in the amount of \$9,150 for Ruth Lake CSD. Mr. Friedenbach stated the first reimbursement for the grant in the amount of \$5,083.85 was received and provided to Ruth Lake CSD. Ruth Lake CSD is paying all the expenses up front since it is their project. Our District is acting in an administrative capacity since we own the lake and are responsible for the Quagga Prevention Program. Our District is not funding any project costs.

Quagga Grant 2016/17 Grant Award \$63,500

Mr. Friedenbach shared that Mr. Canale, the general manager of Ruth Lake CSD, inquired if HBMWD could apply for the 16/17 grant since we were successful the first time around. The marina is impacted and cars can actually go around one of the gate arms, causing a traffic issue when they realize they can't continue. A new gate arm at the Marina and electronic access controls at an additional launch site (Old Ruth) would help alleviate the issues. The District applied for and received a grant in the amount of \$63,500. As previously noted, the District will act in an administrative capacity and Ruth Lake CSD will be responsible for funding the expenses.

H. CONTINUING BUSINESS

Water Conservation Regulations

Mr. Helliker provided an update on the water conservation regulations. The State Water Resources Control Board (SWRCB) and the Department of Water Resources issued their draft report on implementation of the Executive Order. Comments were due by December 19th and he shared the



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

January 12, 2017

letter, signed by 114 agencies that was sent to the State Water Resources Control Board. The SWRCB will conduct a hearing for final approval on February 7. Mr. Helliker also shared the District's letter to Governor Brown requesting he rescind the emergency proclamation on drought conditions.

Water Resource Planning

Transport

Mr. Helliker stated there is not much to report in regards to transport. He did send reports to the folks they met with at ACWA per their request.

Local Sales

Mr. Helliker met with Jack Crider of the Harbor District. They are pursuing a project to locate a data center at the former pulp mill site. The data center could require a significant amount of water for cooling purposes.

Instream Flow

Mr. Helliker stated staff is working on developing a schedule and workplan for revising the diversion rights at Essex to implement a dedication of an annual average of 20 million gallons per day of water to instream flow. The plan should be available next month for the Board's review.

Ordinance 16 and Contract Changes

Mr. Helliker highlighted the proposed changes to the ordinance. The changes include: 1) Adding a line to note amendments in 2017; 2) a sentence to note that the current cost allocation is 100% Municipal Customers; 3) revise the schedule for the quintennial revision of the Peak Rate Allocation to commence July 1, 2017 in order to address revenue changes in 2016 in the Manila CSD; 4) replace current limit on capital expenditures with a quintennial Capital Improvement Plan update process; and 5) revise the effective date of the ordinance to reflect new revision. Mr. Helliker attended the Municipal Customer's Board and Council meeting to address any questions or concerns. He stated the municipal customers, both staff and board, are aware of the proposed changes and have not expressed any concerns. On motion by Director Latt, seconded by Director Woo, the Board voted 5-0 to approve the changes to Ordinance 16.

New Board Member recruitment

The Board discussed the recruitment process for a new Board member. Only one applicant applied for the position. Director Hecathorn stated the applicant seemed good and is qualified, however she would like to see more than one applicant. She noted the vacancy announcement went out during the holiday season when people were focused elsewhere. Director Latt added that the Harbor District was also looking for a new commissioner during the time frame. The Board agreed it would be good for the community and District if the Board had a larger pool of applicants to select from. They requested additional advertising and extending the deadline until February 8th. The Board will have a Special Meeting on February 10 at 2pm to discuss appointing new Director.

I. NEW BUSINESS

Officer and Committee Assignments



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

January 12, 2017

Per the California Water Code, the Board must elect a President in January of odd-numbered years. Since this is an odd-numbered year, an election is required. Appointment of other officers may occur at any time.

Director Rupp nominated Director Woo for President and Director Latt for Vice-President. Director Laird seconded. The motion passed with a 5-0 vote. The Board thanked Director Hecathorn for her service as past President.

Director Rupp stated he would like to remain as Secretary/Treasurer. On motion by Director Laird, seconded by Director Woo, the Board voted 5-0 for Director Rupp to remain as Secretary/Treasurer.

On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 for Director Hecathorn to be the Assistant Secretary/Treasurer.

On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 for President Woo to serve as the primary Board member to RCEA and Director Hecathorn as the alternate.

On motion by Director Hecathorn, seconded by Director Laird, the Board voted 5-0 for Director Rupp to serve as the primary Board member for RREDC and Director Hecathorn as the alternate.

On motion by Director Rupp, seconded by Director Hecathorn, with a 5-0 vote, the Audit Committee will remain the same with Director Rupp and President Woo.

On motion by Director Woo, seconded by Director Rupp, the Board voted 5-0 for the Directors Rupp and Latt to serve on the Transport Committee.

On motion by Director Latt, seconded by Director Rupp, the Board voted 5-0 for President Woo and Director Latt to serve on the Water Task Force.

On motion by Director Rupp, seconded by Director Hecathorn, the Website/Social Media Committee will be moved to inactive status.

The Board will decide on Instream Flow committee members once a new Director is appointed.

Capital Improvement Plan (CIP)

Director Rupp commended the staff on the great work with the CIP. He stated he understands how much work is involved in preparing a document like this and he appreciates the work. He added he would like more time to discuss the CIP and suggested a possible special meeting. President Woo suggested discussing it now and scheduling a special meeting if needed. The Board discussed the CIP and Director Rupp noted it looks like no financing is needed for the next five years. Mr. Helliker acknowledged the good news as Director Rupp noted and added that not needing financing for the next five years also means no significant rate changes due to the CIP.

Electrician Position Description

Mr. Friedenbach stated staff is initiating the process to hire a new electrician and has become aware that the current position description for the job does not encompass the skills and experience needed. Staff updated the description to more accurately reflect the duties of the Electrician and Instrument



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

January 12, 2017

Technician. Staff recommends approval of the updated position description. On motion by Director Laird, seconded by Director Rupp, the Board voted 5-0 to approve the new position description.

As a matter of policy, Mr. Friedenbach inquired if the Board would like to continue to approve position descriptions. Director Hecathorn stated staff knows the requirements best and felt it did not need Board approval. Director Latt suggested management position descriptions still come before the Board. Director Rupp added that new positions should also come before the Board. The Board concurred.

Quagga Grant Resolution 2017-02

As noted earlier, the District received a \$63,500 grant for Quagga/Zebra Mussel Infestation Prevention. Resolution 2017-02 authorizes staff to interface with grant providers. Director Rupp read Resolution 2017-02. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to adopt and approve Resolution 2017-02.

FEMA Grant Resolution 2017-03

Mr. Friedenbach stated Resolution 2017-03 is a designation of applicant's agent and it will cover all Hazard Mitigation grants for the next three years. The Surge Tower project is the District's current project under this grant. Director Rupp read the resolution and the Board voted 5-0 by roll call vote to adopt and approve Resolution 2017-03 Designation of Applicant's Agent for Non State Agencies.

Resolution 2017-01 Recognizing the service of Director Laird

Director Rupp read Resolution 2017-01 Recognizing and Honoring the Outstanding Service of Aldaron Laird. The Board voted 5-0 by roll call vote to approve the resolution. Each of the Directors thanked Director Laird for his service, leadership and positive impact. President Woo thanked him for his service and for getting her involved with the District. Director Rupp stated it has been a great experience working with him and he has a lot of respect for him and his work with ACWA representing the District. Director Hecathorn stated he will be missed and she appreciated his commitment to details. Director Latt recalled he was a young law student when he first met Director Laird to interview him. He enjoyed working with him and stated he is leaving big shoes to fill. Mr. Helliker stated he would not be the GM of the District had it not been for Director Laird who introduced him the North Coast and the District through ACWA. Members of the public also acknowledged his service. Mr. Winzler stated he has had the opportunity to observe every member of the Board since the District began and Director Laird is one of the best. He really hates to see him leave. Ms. Rische stated she appreciated his forward thinking with the Habitat Conservation Plan and navigating the regulatory world when there was no roadmap. He has added a lot of value to the District and she gave her heartfelt thanks for his service.

Director Laird thanked everyone for their kind words. He stated he is proud to be a part of the District and enjoyed working with all the Directors and staff and the friendships formed. He noted it was a hard decision to leave and he will miss everyone.

CLOSED SESSION- discuss Public Employment of General Manager (pursuant to § 54957)

The Board went into closed session at 3:25 pm. They returned to open session at 4:08 pm. There was no reportable action.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

January 12, 2017

J. **REPORTS (from Staff)**

1. **Engineering (11:00 a.m.)**

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

Mr. Kaspari stated the latest schedule shows lateral 1A and the pump test being completed in early March. Change Order 8 revises the contract completion date to March 31, 2017 and has no financial impact on the contract. On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 5-0 to approve Change Order 8. Director Rupp inquired if there was any adverse impact to the District. Mr. Kaspari stated there is a small impact as it will increase construction management costs since they will be there longer than anticipated.

Mr. Kaspari also recommended approval of Progress Payment 6 in the amount of \$202,500 less retainage of \$10,125 for payment of \$192,375. On motion by Director Laird, seconded by Director Rupp, the Board voted 5-0 to approve Progress Payment 6.

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

Mr. Kaspari said he has nothing to report since he has not heard back from FEMA. Director Latt inquired if this was cause for concern. Mr. Kaspari replied, no they indicated they would get back to the District in January or February so we are still on schedule.

1MG Reservoir Roof Replacement & Painting

Mr. Kaspari stated the bid opening was extended to January 18th. The extended deadline will not impact scheduling.

12kV and Surge Tower HMG/PDM

The Phase I for the surge tower is approved. The District will go out for bid for an engineer and for construction management. Mr. Friedenbach stated the Request for Proposals went out yesterday and are due back in February.

The 12kV Switchgear project is still in process. Mr. Kaspari stated he believes it has a good chance of being approved as well.

2. **Financial**

Financial Report

Director Rupp provided the December financial report. He reviewed the bills and stated all was good. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the December financial statement and vendor detail report in the amount of \$255,702.22.

Letter from County Treasurer

Mr. Friedenbach shared the letter from the County Treasurer regarding fund balances. He noted the annualized interest rate was 1.07% for July through September 2016.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

January 12, 2017

Requisitions, Purchase Orders, and Short-Form Contracts

Mr. Friedenbach stated the current procedures for requisitions, purchase orders and short-form contracts have been in place since the year 2000 and are due for an update in regards to purchase level authority, delegation of authority, emergency purchases and credit card purchases. Currently the purchase level authority is set at \$750 for the Superintendent. General Manager approval is required for purchases in excess of \$750. Purchase level authorities should be set based on a balance between operating efficiency needs and financial internal controls to safeguard District assets. Staff recommends the following authority levels: Board of Directors, over \$30,000; General Manager, under \$30,000; Superintendent and Business Manager under \$5,000; Operations and Maintenance Supervisors, under \$2,500. In the event of an absence, the General Manager may delegate authority to either the Superintendent or the Business Manager. The Superintendent may delegate to either the Operations or Maintenance Supervisor.

He noted that the Board approves all projects in the budget. The exception is emergency funds purchases. For emergency purposes, delegation of authority should be authorized to purchase whatever is deemed necessary to respond to and remedy the emergency. On motion by Director Rupp, seconded by Director Laird, the Board voted 5-0 to approve the changes in authority levels.

District credit cards for Maintenance and Operations Supervisors

Currently the General Manger, Superintendent and Business Manager are authorized to have District credit cards. The Maintenance and Operations Supervisors routinely purchase goods and services for the daily operation of the District. They also travel out of the area for required training. It has been challenging at times to obtain authorization from the Superintendent for authorization of purchases on his credit card due to work commitments. Staff recommends authorizing credit cards for the two supervisors with a \$2,500 limit on each card. On motion by Director Rupp, seconded by Director Laird, the Board voted 5-0 to authorize two additional credit cards, one for the Operations Supervisor and one for the Maintenance Supervisor.

3. Operations

Operations Report

Mr. Davidsen provided the January operations report. There has been a great deal of rain and Ruth Lake is at 120% of capacity and water is flowing over the spillway. The rains almost washed away the road to the hydro plant but Brian was able to use heavy equipment and salvage the road. The conditions at headquarters were not much better and required some trenching to draw water away from the structures. Also, a tree fell at headquarters, but fortunately, did not damage property. The training topic at the safety meeting was SCBA Donning and Doffing. Staff continues to work on several projects including Collector 1-1A Later Replacement, Fieldbrook Communications upgrade, Arcata intertie Radio Link to SCADA, Samoa Wireless Communication project and TRF Security.

Emergency Funding for Hazardous Trees at HQ

Last month, Mr. Davidsen shared two quotes received for removal of hazardous, dead, dying and diseased trees at Headquarters. These trees pose immediate hazards to individuals and District property. The first quoted is for \$80,000 and the second quote is from Ridgeline Enterprise for \$20,000 with options to chip slash on site (add \$2,000) and haul logs offsite (add \$2,500). Staff



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

January 12, 2017

recommends contracting with Ridgeline to remove 40-50 selected trees at Ruth Headquarters, and chip all slash from tree removal on site for a total cost of \$22,000 as soon as weather permits. As this is not a budgeted item, staff recommends using the Maintenance Emergency Repair budget line item. This would still leave \$23,410 in the Emergency Repair after spending \$22,000 for hazardous tree removal. On motion by Director Laird, seconded by Director Rupp, the Board voted 5-0 approve a contract with Ridgeline for \$22,000.

Timber Management

Mr. Friedenbach stated that per the Board's request, staff investigated Timber Management Plans, Timber Harvest Plans, and other forestry management options for the Buffer Strip around Ruth Lake. The most important probable failure mode for Matthews Dam is associated with logs and other materials blocking the spillway, causing water to overflow the top of the dam and erode the downstream face. Timber management to prevent such a scenario is critical to the operations of the reservoir. Mr. Friedenbach and the Board discussed three options for timber management: 1) Timber Management Plan (approximate cost \$50,000-\$75,000), 2) Timber Harvest Plan (approximate cost \$30,000-\$75,000) and 3) Tree Removal Exemption Permits (approximate cost \$2,500-\$5,000 annually for Registered Professional Forester). Mr. Friedenbach noted that once a Timber Harvest Plan is accepted, two years of owl calling must be conducted prior to harvesting any trees. Staff recommends using timber harvest exemptions available to us. These do not require permit fees and can be managed with minimal cost by using a registered professional forester on a limited scope contract. This would reduce the number of potential logs reaching the spillway in a high-water event. Director Rupp would like leaseholders to share the financial burden of removing dead, dying and diseased trees. Mr. Davidsen clarified that the trees currently marked as hazardous are on District property, not leaseholder. Director Laird stated wildlife needs some dead trees. He made it clear that having said that, he is not opposed to cutting the trees that pose an immediate threat in the buffer zone. President Woo then inquired if any reforestation is done. Mr. Davidsen stated we are not removing that many trees and not doing any clearcutting so natural reseeding will occur. After discussion, Mr. Helliker reiterated that staff recommends starting with non-leaseholder property in the buffer zone using the exemption methodology recommended by staff. On motion by Director Rupp, seconded by Director Laird, the Board voted 5-0 to approve the California Department of Forestry and Fire Protection exemption methodology for removal of dead, dying and diseased trees in the Buffer Strip around Ruth Lake.

K. DIRECTOR REPORTS & DISCUSSION

1. General

Director Laird provided a presentation on Sea Level Rise Adaptation Planning Project. He noted that scientists can show what will happen but not when. In regards to sea level rise adaptation planning, our area is pretty far along. The areas most likely to be impacted due to overtopping or shoreline breaching are mapped out. He stated it is important for property owners to be aware of how sea level rise can impact them and make their own choices regarding investing into property likely to be impacted. The Board thanked Director Laird for the informative presentation.

2. ACWA – JPLA

No report



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

January 12, 2017

3. ACWA
No report

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

President Woo reported out on the RCEA meeting. She stated they have some good candidates for the Human Resources position. The CPUC approved the RCEA Business Plan and this puts them one step closer to getting California Energy Commission approval. She stated that Mr. Helliker is on the biomass committee and they are reviewing three biomass facilities.

Director Rupp stated the December 26th RREDC meeting was cancelled due to lack of a quorum.

ADJOURNMENT

The meeting adjourned at 4:09 pm.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer