

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
May 14, 2020

1. ROLL CALL

The Board meeting was conducted via Zoom due to COVID-19 Shelter In Place Orders. President Woo called the meeting to order at 9:04. Director Rupp conducted the roll call. Directors Fuller, Latt, Lindberg, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, Tech Manager Dee Dee Simpson-Glenn, and Board Secretary Sherrie Sobol were present. Nathan Stevens of GHD, District Legal Counsel Ryan Plotz and Anne Baptiste of Thomas Law Group were present for a portion of the meeting.

2. FLAG SALUTE

The flag salute was conducted.

3. ACCEPT AGENDA

On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to accept the agenda.

4. PUBLIC COMMENT

No public comment was received prior to the 8:45 am deadline.

A public comment was received on May 17, 2020 regarding Agenda Item 2.0: Flag Salute. A. Saulsbury submitted an email regarding the video pledge recited by John Wayne. The comment states: "For many, I am sure John Wayne is a symbol of Americanism. However, as a Tribal member and someone engaged in anti-racism work, onscreen John Wayne is a symbol of harmful stereotypes and pervasive beliefs about Native community members; offscreen John Wayne was unfortunately even more problematic." ... "My intent is calling attention to this is not to serve as the racial bias police. Instead, I hope this helps you make sure your meeting substance and process is careful to avoid implicit bias that serves as a deterrent to participation for community members who do not fit John Wayne's vision of America."

5. MINUTES

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve the minutes of April 09, 2020.

6. CONSENT AGENDA

Director Fuller pulled Item 6.6 Newspaper articles. On motion by Director Fuller, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve the Consent Agenda, less Item 6.6.

Director Fuller pulled the article from Circle of Blue: Protective Gear in Low Supply for U.S. Water Utilities. She inquired how staff is doing with the personal protective gear. Director Rupp asked if operations are being impacted. Mr. Friedenbach stated this will be discussed under Operations.

Director Fuller discussed the article regarding Buildings Shut Down for Weeks May Have Contaminated Water in Their Pipes. Mr. Friedenbach stated he sent a letter to Sheriff Honsal and Public Health Officer Teresa Frankovich regarding this issue. Mr. Friedenbach stated he checked with the District engineer regarding the sequencing for flushing and also checked with the CDC prior to crafting the letter. He has not heard back from either Sheriff Honsal or Dr. Frankovich. Director Rupp stated this is important information to get out. Director Latt suggested a "My Word" piece or other such press release.

Director Fuller also pulled the article from the Marin Independent Journal: MMWD Considers "very aggressive" water. The Marin Municipal Water District engineer and operations director Paul Sellier was quoted as saying "That's part of our plan moving forward is a very aggressive take of water from

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Sonoma.” Director Fuller stated she thought this was an interesting choice of words and brought it up in terms of the District water transport option. Director Rupp stated he participated in numerous discussions with Sonoma County Water Agency and they have lots of storage capacity. The real issue is will Sonoma provide the extra water to Marin. He doesn’t really see an increase in demand for the future. Mr. Friedenbach noted that Marin Municipal Water District is a wholesale customer of Sonoma County Water District. On motion by Director Fuller, seconded by Director Latt, the Board voted 5-0 by roll call vote to approve Consent Item 6.6.

7. CORRESPONDENCE

7.1 District letter of support to Mad River Alliance

Mr. Friedenbach shared the District letter of support for the Rose Foundation Grant application that Mad River Alliance is applying for. He noted the District submitted a similar support letter two years ago.

7.2 District letter of support for Annie& Mary Trail Connectivity

Mr. Friedenbach discussed the letter of support for the Caltrans District 1 Arcata Annie & Mary Connectivity Project. The end point of the trail is at the District’s Park 1. He noted that there is money included in the project for picnic tables at Park 1 and paving/curbing the parking lot. Director Latt recalled that the County agreed to help with the costs of restrooms at the Park 1. Mr. Friedenbach concurred and stated if the grant application is funded, he will have a formal discussion with the County. Director Fuller stated it would be good to have signage at the park regarding our water system. Funds could be used from the education and outreach budget.

7.3 District letter to GHD and their response re: billing rates

The Board requested staff inquire about reduced billing rates from GHD. Staff did so and GHD responded with an adjusted rate matrix. The District will see some savings going forward.

7.4 District’s Public Comment at Ruth Lake CSD meeting

Ruth Lake CSD closed the lake in response to the pandemic and Trinity County Shelter In Place orders. Many locals were upset they were not able to launch their boats. The District’s public comment letter offered a way for owners of resident watercraft (yellow sticker, category 1) to access the lake with little or no direct contact with RLCSO staff.

7.5 District letter to Trinity County re: Curb on Mad River Road

Mr. Friedenbach shared the letter he wrote to Richard Tippett, Director of Transportation for Trinity County. A registered geologist suggested the District install a curb on the west side of Mad River Road above the spillway of R.W. Matthews Dam. This is a safety measure to direct surface water from the road away from our spillway. The District is willing to install the curb at our expense and is planning on having it installed this summer by Mercer Fraser since they are doing work in the area with the necessary equipment. Mr. Friedenbach stated he has made numerous attempts to reach Mr. Tippett with no success, as stated in the letter. The Board inquired what next steps were in the event the District does not receive a response to the letter. Mr. Friedenbach stated if a response is not received, he will reach out to the Trinity County CAO, Dr. Richard Kuhns, with whom he has previously met.

8. CONTINUING BUSINESS

8.1 Water Resource Planning

a) Local Sales

A report from the Samoa Peninsula Stakeholder Group is expected soon and will be brought to the Board when it is received.

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ESS of Laguna Hills continues to prepare our grant application to the US Economic Development Agency for \$3.5 million in funding for the rehabilitation of Station 6. Staff received a draft of the application and are in the process of providing additional information to complete the application.

b) Transport
No update.

c) Instream Flow
Staff was hoping to provide a draft of the project description however, were not able to finalize one component. The draft will be brought to the Special Board Meeting on May 29th for review and possible approval. President Woo stated the Instream Flow Committee met on May 12. Next steps include reaching out to regulatory agencies and receiving their initial comments on the draft project description. Given the COVID-19 pandemic, it will take longer to schedule a meeting with the State Water Resources Control Board (SWRCB). She provided an overview of the narrative summary for Petition for Change to the SWRCB. Director Fuller stated getting the project narrative approved by the Board is the next big step.

8.2 Cannabis affecting Mad River Watershed

Mr. Friedenbach shared the article “Judge Holds Landowner Liable for Cultivation-Related Environmental Crimes Despite Claim He Was Not Directly Involved”. Director Latt noted the findings of the court showed that the landowner did know what was going on with his property. This decision will be a valuable tool going forward to hold people accountable for the environmental damage.

8.3 The Board entered into closed session at 2:30 pm and returned to open session at 4:30 pm
Conference with Legal Counsel – Anticipated Litigation Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (Brosgart)

Due to a perceived conflict, President Woo recused herself from the meeting. Mr. Friedenbach reported out that the Board unanimously (4-0 by roll call vote) moved in closed session to approve the withdrawal of its appeal of the Planning Commission decision to approve four applications submitted by Michael and Ariel Brosgart for Humboldt APN 516-111-064 as stated in the letter from the Thomas Law Group on behalf of the District.

Conference with Legal Counsel – Anticipated Litigation Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (Axel)

Director Lindberg recused himself from the meeting due to a perceived conflict. President Woo stated there was no reportable action during closed session.

Public Employee Performance Evaluation for General Manager (pursuant to Section 54957(b)(1))
President Woo stated there was no reportable action.

8.4 Vivid Green

Mr. Friedenbach stated Vivid Green, LLC requested a letter of support from the District for a new Variance they would like to file with the Trinity County Planning Department. District legal counsel Ryan Plotz previously recommended the Board request an environmental indemnity agreement in exchange for District support of the variance. Mr. Plotz stated the indemnity agreement is a standard one and reviewed sections two and ten with the Board. Director Latt stated the document looked good to him.

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Mr. Plotz stated legal counsel for Vivid Green has reviewed the document as well as the support letter and found them acceptable. On motion by Director Lindberg, seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve the Environmental Indemnity Agreement and the District letter of support to Trinity County for variance.

9. NEW BUSINESS

9.1 Resolution 2020-05 Quagga/Zebra Mussel Infestation Prevention Grant Program Application and Funding Agreement 2019/20

Director Rupp read Resolution 2020-05. This resolution is required for participation in the grant funding program to assist with the Quagga/Zebra Mussel prevention plan. The resolution authorizes the District to apply for the grant and for the general manager as the designated representative to handle all aspects of the grant if approved. On motion by Director Latt, seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve Resolution 2020-05.

9.2 Policy for Eligibility for Health Care Coverage-Temporary Revision

Ms. Harris stated the Board approved this policy last month, however, ACWA/JPIA extended the deadline from May 31 to July 31st. Staff proposes to change the deadline verbiage to "until rescinded by ACWA/JPIA" rather than coming back to the Board each time ACWA/JPIA extends the deadline. The Board concurred. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the temporary revision to the Policy for Eligibility for Health Care Coverage.

10. REPORTS (from Staff)

10.1 Engineering

a) 12kV Switchgear Replacement (\$441,750 District Match)

Mr. Stevens stated the contractor is in the process of revising their submittal. He should have the final in the next few weeks and will share it with PG&E. PG&E indicated they will only need one week to review it. The District still has not heard back regarding the additional funding requested for this project.

b) Appeal of FEMA Funding Denial for Collector 4 Emergency Restoration Work

As previously reported, FEMA denied funding of \$365,000 and the District filed an appeal. There is no news on the appeal yet.

c) Collector Mainline Redundancy Hazard Mitigation Grant (\$790,570 District Match)

Mr. Stevens said it looks like the project will be funded, most likely late summer or early fall.

d) Reservoir Structural Retrofit Hazard Mitigation Grant (\$914,250 District Match)

Nothing to report. Hoping that NEPA will be finished soon.

e) TRF Generator Hazard Mitigation Grant (\$460,431 District Match)

Mr. Stevens was happy to report that the project was removed from the waitlist and CalOES recommended it to FEMA for funding. We will likely know more in late fall.

10.2 Financial

a) Financial Report

Ms. Harris provided the April financial report. She noted the US Bank General Account balance is higher than usual. This is because money has not yet been shifted to investment accounts given the uncertain financial market fluctuations now with the pandemic. She also noted in the expenditure report that PG&E rates were much higher than anticipated and will

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likely be about twenty percent overbudget. Director Rupp inquired if notification was received from PG&E regarding rate increases. Ms. Harris stated no notices were received. The Board suggested RCEA Executive Director Matthew Marshall speak to the Board regarding power. Director Rupp suggested we also have someone from the ACWA Energy Committee speak to the Board as well.

Director Lindberg reviewed the bills and stated all appeared in order. He was impressed with the detail level and the number of checks. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to approve the April financial statement and vendor detail in the amount of \$311,630.12.

b) FY 2020/2021 Budget Presentation: SS and SEB budget

Ms. Harris provided an overview of the scheduled budget meetings through July 9, 2020 when the FY 2020/21 budget will be considered and approved by the Board. The discussion for this meeting includes the Service & Supply (SS) budget and the Salaries & Employee Benefits (SEB) budget.

The SS budget includes: operations expenses, maintenance expenses, administration expenses and general expenses. She noted there has been an unprecedented increase in power costs. The average increase for FY20 through March 2020 is 12.29%. Pumping and the TRF accounts for 97% of the power bill. Additionally, PG&E requested a rate increase of 12.4% for 2020, 4.7% for 2021 and 4.8% for 2022. This is a major component of the SS budget. The total proposed change to the SS budget is an increase of \$85,700 or 5.5%.

Ms. Harris reviewed the salary schedule. She stated the District currently uses a 5-step salary schedule for all full-time employees. Once at step five, the employee is at their maximum pay level. The challenge to any government agency is to ensure their salary step schedule remains competitive with other agencies. A "Wage and Time-Study Analysis" review is suggested. Without the review on a regular basis the agency risks becoming outdated regarding pay and job descriptions. The last time the District completed an analysis was in 2008. At that time, the analysis resulted in an increase in employee pay rates beginning at five percent and up to 25%. Staff proposes to complete an in-depth Wage and Time Study as compared to other agencies over the next six months and will bring the findings back to the Board for review and discussion. The Board suggested staff review costs for consultants to do this.

The SEB budget includes: all salary and wage expenses, longevity, step, COLA and benefit costs. The total proposed changes will result in an increase of \$212,900 or 3.7%. Proposed changes include adding permanent, part-time staff to the Maintenance Worker 5-step wage schedule and a request for COLA of 3%. Ms. Harris provided the range of financial impact of COLA from 2.5-3.3%. The COLA request is based on the CPI Index and what other local agencies/municipalities are doing. The West Region CPI is 2.9%. The proposed total increase to the salary and wages budget is \$63,800 which is a 2.6% increase. Director Latt requested to see the financial impact of a 1%, 1.5% and 2% COLA.

The employee benefits budget is proposed to increase by \$63,400 which is a 3.8% increase. This includes a new request from employees to keep the HSA Incentive on-going (\$1,000) rather than sunsetting after four years, an increase in CalPERS pension cost (\$27,400), Worker's Compensation insurance (\$15,000), payroll tax expenses (\$2,300) and medical insurance premiums (\$17,700). Feedback from the Board was to continue the HSA incentive

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as long as the total premium keeps saving the District money compared to the other PPO plans.

A new request from employees is that the Board increase the contribution for retiree health insurance premium and further discuss making the retirees premium a percentage of the Family Classic PPO premium annually. Ms. Harris shared some ideas regards this but noted that staff is not anticipating a decision regarding changing the retiree health contribution during this budget process. The only way to get a complete picture of the impact of any changes is to engage the services of an actuarial consultant.

c) Special Board Meeting on May 29, 2020 to discuss Project Budget

The Special Board Meeting at 9 am on May 29th will be conducted via Zoom due to the COVID-19 pandemic. Typically, an employee barbeque follows the meeting but it will be delayed until the Shelter In Place Order allows group activities. Director Rupp stated he has a conflict at 9 am and inquired if the time could be changed to the afternoon. After a brief discussion, the Board agreed to start the meeting at 1:00 pm.

d) CalPERS article re: Retirement Security

Ms. Harris stated she had no comments on the article. She included it for informational purposes.

10.3 **Operations**

Mr. Davidsen provided the monthly operations report. As part of the Water Infrastructure System Efficiency (WISE) a new meter was installed at Collector 4 however; it was not working properly and they are up against a deadline. Staff switched out the meter and were able to get it to read properly. There is one week of testing left with the WISE program. A rebate from PG&E should be arriving as result of participation in the WISE program. Topics for safety meetings held include: confined space; heat and illness prevention; lockout/tagout; and Arc Flash.

He is still running a split crew which is not the most efficient however; it is necessary at this time due to Covid-19.

May maintenance went well and they will go back later to finish work on the hydroplant. Josiah the new electrician is doing very well. This was his first time at Ruth and Mr. Davidsen stated he has a great deal of confidence in him.

In regards to COVID-19, the operations staff has been diligent about wearing masks, especially during shift change. They are sanitizing the work space regularly and it is going well overall despite the inconvenience.

Mr. Friedenbach added the Eureka office staff is social distancing, does not have direct contact with the public and are also sanitizing the work area on a regular basis.

11. MANAGEMENT

11.1 CSDA

Mr. Friedenbach shared the letter sent to California legislators from numerous industries regarding Workers' Compensation and COVID-19. The letter opposes Governor Newsom's Executive Order stating if an employee is working and gets COVID-19, it will be presumed that it is work related. Mr. Friedenbach stated this will be an issue across the state.

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11.2 AWWA Drinking Water Week May 3-9, 2020

May 3-9, 2020 was Drinking Water Week. Mr. Friedenbach shared a screenshot from the District's website that explained what Drinking Water Week is and thanked the team at the District for delivering high-quality drinking water to our communities.

12. **DIRECTOR REPORTS & DISCUSSION**

12.1 **General -comments or reports from Directors**

Mr. Friedenbach shared a video of Director Lindberg receiving his District jacket. Director Lindberg was appreciative of the jacket and thanked the Board.

Director Rupp stated he will now be able to attend the June Board meeting, but will not be present for the July meeting.

President Woo was asked to speak on a KEET-TV special regarding Asian Americans in Humboldt County. She brought this up since she speaks about her participation on the District Board. Directors requested information regarding the time and date of the program.

12.2 **ACWA**

a) Spring Conference (now Summer) July 28-31, 2020

Due to the COVID-19 pandemic, the ACWA Conference is now virtual.

b) State Water board adopts Policy for Safe & Affordable Drinking Water Fund

The State Water Resources Control Board adopted the "Policy for Developing the Fund Expenditure Plan for the Safe and Affordable Drinking Water Fund." This policy serves as the overall guidance for how the Board will identify water systems and administer funding over the next decade to support communities that do not have safe drinking water.

12.3 **ACWA – JPIA**

a) Employee Benefits-COVID-19 treatment costs

Staff shared the letter from ACWA-JPIA stating that their medical plans have been modified to cover 100% of the cost of COVID-19 testing, and associated costs (including treatment) from April 1,2020-May 31,2020. The dates may be extended.

b) Status update from CEO Andy Sells

Mr. Friedenbach included the update from JPIA re: work status for informational purposes.

12.4 **Organizations on which HBMWD Serves: RCEA, RREDC**

a) RCEA

President Woo stated they are conducting meetings via zoom and it's going well so far.

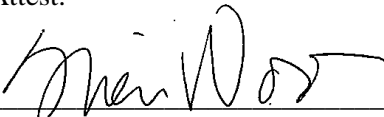
b) RREDC

Director Latt stated RREDC did not meet last month. A special meeting is scheduled for the upcoming Monday, May 18, 2020.

ADJOURNMENT

The meeting adjourned at 5:40 pm

Attest:



Sheri Woo, President



J. Bruce Rupp, Secretary/Treasurer