

MINUTES

SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
NORTH YUBA WATER DISTRICT

Held at the District Office
8691 LaPorte Road, Brownsville

Thursday, November 30, 2017

A. ROLL CALL

President Don Forguson called the meeting to order at 5:00 PM at the District Office in Brownsville, CA. The recording secretary called the roll.

	<i>PRESENT</i>	<i>ABSENT</i>	<i>VISITORS</i>
<i>DIRECTORS</i>	President Donald Forguson		5 Visitors
	Vice President Eric Hansard		
	Director Doug Neilson		
	Director Terry Brown		
<i>GENERAL MANAGER</i>	Director Gary Hawthorne		
	Jeff Maupin		

B. PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was led by Director Brown.

ACTION ITEMS

C. CONSENT ITEMS:

1. Approval of **Minutes for Regular Board Meeting of October 26, 2017**
2. Approval of **Payroll for the Month of October 2017- \$ 30,258.65**
3. Approval of **Bills for the Month of October 2017- \$ 152,671.38**

President Forguson wants Item I of the Minutes of the Regular Board Meeting of October 26, 2017 to be discussed again in closed session. This may be put on the agenda of a Special Meeting.

Vice President Hansard made a motion that the board approve Consent Items 1-3 with the exception of Item I of the Minutes of the Regular Board Meeting of October 26, 2017. Director Brown seconded the motion. The motion passed with a unanimous vote.

D. FINANCIAL MANAGER'S REPORT

Financial Manager, Heidi Naether, reviewed Cash on Hand and Income Statements for the period ending **October 31, 2017**.

As of October 31, 2017, total cash in all accounts, including reserves, was \$4,674,742.29.

Total income to date was \$2,647,556.24. Total expenses were \$517,574.00, leaving a net profit of \$2,129,982.24.

Director Neilson made a motion that the board approve the financial manager's report as presented. Vice President Hansard seconded the motion. The motion passed with a unanimous vote.

A member of the public confirmed the district had over 2 million in revenue.

E. YUBA COUNTY WATER AGENCY LOAN – Requesting approval to pay off the YCWA loan in the amount of approximately \$399,000.00. By paying off this loan, the District will be saving approximately \$15,960.00 per year in interest. Savings over the balance of the life of the loan in interest would be approximately \$65,240.00.

Mr. Maupin said the district borrowed money from the Yuba County Water Agency for lining the lower ditch. The District currently has sufficient funds to pay off the loan. Paying the loan off now will save on interest and shows the YCWA that the District honors its commitments.

Members of the board said the district should pay the balance of the loan to contribute to a good relationship with the YCWA and a positive financial status for future grants.

Director Hawthorne made a motion that the board approve Warrant #52-29213 from Fund 640 to pay the Yuba County Water Agency loan balance in full. Director Brown seconded the motion. The motion passed with a unanimous vote.

A member of the public agreed the loan should be paid.

F. MUNICIPAL FINANCE CORPORATION LOAN – Requesting approval to pay off the Municipal Finance Corporation Loan in the approximate amount of \$867,773.07.

Mr. Maupin said the loan was originally borrowed for the Forbestown tank and pipeline. It was used for the betterment of the district: replacing the pipe on the Sharon Valley bridge and paying for repairs

to the Forbestown ditch. If the balance of the loans being discussed are paid, in seven months the district should be replenished by power sales. There will still be funds available after paying these proposed loans to fulfill the district's commitment to the Forbestown ditch.

President Ferguson said the loan was taken out before Mr. Maupin began working for the district. He thinks it should be paid.

Director Nielson made a motion that the board approve paying the Municipal Finance Corporation Loan balance in full from the Savings-Treasury Fund by June 2018. Director Hawthorne seconded the motion. The motion passed with a unanimous vote.

G. TREATMENT PLANT – Requesting approval for the Rewiring of the Treatment Plant and the SCADA Upgrade. Over the years, emergency repairs to the treatment plant's wiring have been made that have deviated from the standard electrical schematic and it needs to be rewired and a new schematic created. The SCADA system was installed in 1987 and has been malfunctioning, exposing the district to liability. The system's hardware and software need to be upgraded.

A. Rewiring – Mr. Maupin said the treatment plant wiring should be color-coded with a schematic showing each wire's function. The district's treatment plant wiring has deviated from the original schematic due to changes in control functions, monitoring, or emergency repairs. Which in turn have caused operational problems. An electrician had previously given an estimate of about \$90,000.00. The current estimate may be approximately \$150,000.00. Mr. Maupin would like approval for up to \$150,000.00 to review and rewire the treatment plant and create a new schematic to account for all the wires.

B. SCADA Upgrade – Mr. Maupin said the software and programmable logic controller tells the system how to run based on any circumstances. It is currently running on a 1980's computer, with 1990's SCADA software. The current SCADA software runs on Microsoft NT which is no longer in use. The district needs to update its software and hardware. Mr. Maupin asked the Board to approve Aqua Sierra Controls, Inc.'s official bid to upgrade the software portion of the system and authorize staff to purchase applicable hardware.

Vice President Hansard wanted to know if the old system could be used for backup. Mr. Maupin stated he would use flash drives to copy the programming and also to capture data. If anything malfunctions, the flash drive could be used to reset everything.

Director Brown said the rewiring is critical and shouldn't wait. Vice President Hansard likes seeing the infrastructure upgraded. Director Nielson wanted to know if anything else needed to be upgraded.

Vice President Hansard made a motion that the board approve the Rewiring of the Treatment Plant and the SCADA Upgrade as presented. Director Neilson seconded the motion. The motion passed with a unanimous vote.

H. FLEET REPLACEMENT – The District’s current fleet of work trucks vary in age from 1977 to 2012. Some have become inoperable as they are cost prohibitive to repair. Requesting approval to purchase the following:

- (4) 1500 ½ ton pickups
- (1) 2500 ¾ ton pickup
- (1) 3500 1 ton pickup
- (1) 5500 dump truck

Mr. Maupin said maintenance on the district’s trucks has been increasing. A couple of trucks are permanently out of use as repairs outweigh their value. He is asking for approval to purchase various trucks for the district to improve the fleet.

Mr. Maupin is asking approval for the bid from Yuba City Dodge for \$258,746.84. He also requested quotes from another dealer in Idaho who can’t match the local bid because they are only making a \$400 profit on each vehicle. The 1500’s are V-6. They are all 4WD for off-road and snow. The bid does not include boxes for the trucks and some needed tools which would cost an additional few thousand dollars. Director Nielson wanted to know if the insurance cost would increase. President Ferguson thinks it’s good for the district and will put more staff in action, rather than being doubled up in vehicles. Director Brown said this should have been done long before, and there should be a policy set for the budget to set aside money each year to periodically replace the fleet as needed, according to a set of criteria.

Director Brown wanted to know the plan to dispose of the used vehicles. Mr. Maupin said the district would get a cash offer from the dealer to avoid the appearance of impropriety and to avoid the need to administrate a bid for surplus equipment.

Vice President Hansard made a motion that the board approve the purchase the fleet replacement vehicles as presented. Director Hawthorne seconded the motion. The motion passed with a unanimous vote.

A member of the public thinks this purchase is an investment in the workers and will help provide safety for employees.

I. PURCHASE OF TRACTORS – The district has a 1970 Backhoe that needs to be replaced and is requesting approval for the purchase of the following equipment:

- (1) 2018 420F2 Caterpillar Backhoe, equipped with an 18”/24” Bucket
- (1) 2018 305.5 Mini Excavator, equipped with a 24”/47” Bucket and Flail Mower
- (1) Equipment Trailer, rated for 18,000 pounds

Mr. Maupin said the district’s 1970 Backhoe and Boom are so worn out that they are dangerous on the street and in close quarters. All repairs and maintenance have been done, but it needs to be retired. The new replacement backhoe would have a clamshell bucket that would be useful, safety features, an extended reach with a thumb for picking up logs. The excavator would be an addition and could be used to maintain embankments and clearing the irrigation ditch quickly and could possibly end the use

of chemicals. The blade would allow staff to make roads as they go. The addition of a trailer would enable staff to transport the equipment and eliminate the need to hire it done. The bid for all three items is \$232,983.46.

President Forguson said the lower ditch could be maintained very efficiently using the excavator with very little human labor required. Both pieces of equipment are needed. Although there isn't a final design of the pipeline, if there is a road, the excavator may be used on the upper ditch as well.

President Forguson made a motion that the board approve the purchase of the new equipment as presented. Director Brown seconded the motion. The motion passed with a unanimous vote.

The employee's union representative offered free tractor operator training for the district's employees.

*** An additional Action was taken by the board.**

President Forguson made a motion that the board approve the use of up to a total of two million dollars (\$2,000,000.00) to cover all loans, upgrades, and purchases, and any related costs, in Items E through I, as presented above. Vice President Hansard seconded the motion. The motion passed with a unanimous vote.

DISCUSSION/REPORTS

J. PIPING THE LOWER DITCH

Mr. Maupin said the lower ditch has been lined with Visqueen to help prevent water loss. The recent wet year has been helpful in showing the lined ditch functioned better and he believes the district should get a price for the district's staff to pipe the lower ditch in these areas. Once Northstar Engineering gives their recommendations for piping sizes, the district staff can start laying pipe. Director Nielson asked if the pipe would lay in the ditch or be put on footings. Mr. Maupin said the pipe would lay in the ditch and possibly use a head wall and tail wall. Board members discussed how improving the delivery system would benefit the customers. The board instructed Mr. Maupin to look into the staff piping the lower ditch.

*** At this point the board members discussed making sure General Manager Maupin had enough funds to cover the loans, upgrades, and purchases, and any related costs, for Items E through I. An Action was taken by the board and noted at the end of the Action Items.**

K. GENERAL MANAGER'S REPORT

1. Operations Memorandum – Provided by Mr. Maupin.
2. Water Diversions – Provided by Mr. Maupin.

3. Communications, radio upgrades – Mr. Maupin is planning an audit of the area to see how to cover the dead spots in the district’s radio communication. He hopes to acquire a recommendation for the equipment needed to solve the district’s communication problems and present those findings to the Board at the next regular board meeting.

L. DIRECTORS’ INPUT – President Forguson read the Rules for Directors’ Input.

President Forguson said the outlay of money during this meeting accomplishes a lot to move the district forward.

He wants to add a closed session to the next meeting to discuss Item I from the October agenda. A Special Meeting needs to be set to replace the December regular meeting.

Director Brown would like to set dates for Policy workshops at the next meeting.

M. PUBLIC INPUT – President Forguson read the rules for public input.

The employee’s union representative would like to have the board meeting before the end of January to handle union matters.

N. ADJOURNMENT

There being no further business to discuss, **Director Hawthorne made a motion that the board adjourn. Director Brown seconded the motion. The motion passed with a unanimous vote.**

The meeting was adjourned at 6:41 p.m.

Respectfully Submitted,

Tina M. Parker, Recording Secretary