



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
July 8, 2021

1. Roll Call

The meeting was called to order at 9:00 am, and was conducted within all Brown Act requirements. Time Set items were noted and Roll Call was taken.

Members Present:

- Director Bruce Rupp
- Director Michelle Fuller
- Director David Lindberg
- Director Sheri Woo
- Director Neal Latt

Members Absent:

None

Staff:

- John Friedenbach, General Manager
- Dale Davidsen, Superintendent
- Chris Harris, Business Manager
- Heather Bitner, Board Secretary
- Dee Dee Simpson, Accounting and HR Assistant

Others Present:

- Nathan Stevens, GHD
- Matt Hagemann, SWAPE
- Jennifer Kalt, Humboldt Baykeeper
- Linda Miller, public member
- Madison O’Ferrell, public member

Due to Time Set Items, the agenda items were addressed out of chronological order.

2. Flag Salute

The meeting began with a flag salute.

3. Accept Agenda

On motion by Director Rupp seconded by Director Latt, the Board Accepted the Agenda for the July 8, 2021 Special Meeting by the following Roll Call Vote:

- | | |
|--------------------------|-----|
| Director Michelle Fuller | AYE |
| Director Neal Latt | AYE |
| Director Lindberg | AYE |
| Director Bruce Rupp | AYE |
| Director Sheri Woo | AYE |

There was no public comment.

4. Public Comment

There was no public comment.



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5. Minutes

5.1: Minutes of May 20, 2021 Special Meeting

On motion by Director Lindberg, seconded by Director Fuller, the Board Approved the Minutes for the May 20, 2021 Regular meeting, by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	AYE
Director David Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

5.2: Minutes of June 10, 2021 Regular Meeting

On motion by Director Lindberg, seconded by Director Fuller, the Board Approved the Minutes as corrected and amended for the June 10, 2021 Regular meeting, by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	AYE
Director David Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

6: Consent Agenda

The article regarding Quagga Mussel infestations was referenced. A map of the different locations in California that are known to have been infested with Quagga Zebra mussels was requested. The map will be provided to the RLCSD for their inspectors, as well

On motion by Director Rupp seconded by Director Latt the Board Approved the Consent Agenda by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	AYE
Director David Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

7: Correspondence

7.1 Attorney rate increase:

The Minasian Law Firm is a consultant the District has used for technical advice in the past. The District utilizes various law firms depending on the area of technical expertise required for a specific issue. No action is needed at this time.



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7.2 District letter to Planning Commission re Arcata Land Company CUP:

A comment letter to the Humboldt County Board of Supervisors was sent by Mr. Friedenbach to inform them that the previous Simpson Timber property includes the District’s municipal and industrial water lines, which cross the property. Development is being proposed in the vicinity of the District’s pipelines. The District has easement rights that include certain restrictions for construction of permanent structures on, over or limiting access to maintain, operate or replace District water lines. The District will work with the new owner regarding this and providing water to the property.

If the District supplies water to the project, a change of use is not required to the District’s current water right permit since the project is within the District’s service area.

7.3 State Water Board Notice of Extension of Water Shutoff Moratorium – Governor Newsom has extended the moratorium on shutting off delinquent accounts, and proposes funding to help customers pay their past due water bills. Funding will go directly to Districts on behalf of the delinquent customers.

7.4 CalOES letter of approval for COVID-19 assistance – The District’s request for reimbursement for District expenses related to COVID-19 was approved by CalOES.

7.5 District outreach letter for the 3-acre conversion at the TRF – Staff provided a draft letter for Board review and approval which will be sent to the neighbors surrounding the TRF to provide outreach regarding the Timber Harvest Plan.

On motion by Director Rupp seconded by Director Latt the Board approved the District outreach letter for a 3-acre conversion at the TRF, with edits, by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	AYE
Director David Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

8. Continuing Business

8.1 Water Resource Planning-status report on water use options under consideration

a. Local Sales

i. Nordic Aquafarms update:

CEQA permitting is moving forward. District staff met with the Humboldt County Planning Dept. and their consultants regarding the County’s preparation of an EIR for the project. The topics discussed related to the District’s capability to provide water through the domestic and industrial systems to the project. The National Marine Fisheries Services (NMFS) requested to the County that an impact study of the Mad River with regards to the supply being provided to Nordic be prepared. District staff relayed to the County that the District has an approved Habitat Conservation Plan (HCP) which covers our activities to supply water to the Nordic project, and the water to be supplied to the Nordic project is within the District’s water rights.



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There have been some misstatements in the community regarding the District's water supply capabilities. A fact sheet will be prepared communicating minimum flows as required in the District's HCP and sent to Nordic.

ii. **Trinidad Rancheria Feasibility Study update** - (Time set 10:00 am)

Staff has performed the preliminary draft calculations and will review with the Trinidad Rancheria staff. The next step will be to draft the Mainline Extension Agreement (MEA) with McKinleyville CSD (MCSD) and the Trinidad Rancheria Council. Caltrans staff still need to meet with District and Rancheria staff to discuss a potential water line right of way.

There is currently a 6" water line on the West side of Hwy 101 that is fed by an 8" line on the East side of Hwy 101 through MCSD. The most cost-effective placement of the pipeline would be to utilize the Caltrans right of way along a planned footbridge trail to cross the Little River and transport water along the West side of Hwy 101. There will be one booster pump station to maintain elevation for delivery.

If the MEA is approved by the HBMWD Board, it will then go to the Trinidad Rancheria's Board, who will fully manage and fund the project through permitting and completion of construction. The infrastructure is then deeded back to the District who will retain responsibility for maintenance of the pipeline and water supply in the future. The water will be "wheeled" through MCSD pipelines until it reaches the new pipeline.

The City of Trinidad water committee has contacted the District regarding potential ability to connect to the line. Mr. Friedenbach responded that the City of Trinidad must approve participation in the waterline feasibility study in order to participate. The Trinidad City Council has previously voted twice to not participate.

The Board directed staff to consult with District counsel regarding an obligation to provide water outside of the District's service area, and whether the Water Code references any such obligation.

- b. **Transport** – There was nothing to report out.
- c. **Instream Flow** –

The edited goals for the proposed amendments to the HCP are being edited by the Instream Flow Committee and consultants. The consultants believe there is a strong case to make an amendment to the HCP, rather than to create a new one. The main goals of the amendment are to draft additional Biological Goals and Objectives including:

- Provide aquatic habitat conditions in mainstem Mad River that contribute to the recovery of covered species; and
- Provide habitat resilience for river biome to ameliorate the effects of climate change.

Meetings with the National Marine Fisheries Service (NMFS) and the California Department of Fish and Wildlife (CDFW) are to be held this month to gain input from those agencies concerning the amended HCP. Any species of concern present in the river will be included in the HCP amendment, as determined by the biologists. A question regarding the Arcata gauge belonging to the USGS and potential inconsistencies with



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monitoring flow was brought forward. Staff will research and report back to the Board. Additional public outreach discussions will be conducted regarding the proposed HCP amendment when complete.

d. McNamara and Peepe – (Time Set 9:15 am)

i. California Drinking Water Standards: Maximum Contaminant Level (MCL) vs. Public Health Guidelines (PHG)

Staff introduced the memo with definitions of MCL and PHG, including the District's 2020 Consumer Confidence Report, which is the report of drinking water quality required by the State. The report is provided to our customers including the seven wholesale municipalities who in turn create their own CCR based on any additives and/or local testing requirements. At the Board's request, the District's CCR will be provided annually to the Board.

ii. District letter to DTSC requesting quarterly testing

Director Woo recused herself due to a remote conflict at the beginning of the topic and returned at the end. Director Woo is employed by SHN Engineers and Geologists, which performs work on the McNamara and Peepe site. Director Woo is a SHN minority shareholder and her conflict is remote.

Mr. Friedenbach worked with Mr. Hagemann (from the company Soil/Water/Air Protection Enterprise (SWAPE)) on a draft letter to the Department of Toxic Substances Control (DTSC) requesting regular testing for the McNamara and Peepe site. Groundwater sampling results were released after publication of the Board packet and will be forwarded. The Board provided clarifying edits to the draft letter.

Discussion of the Board and Mr. Hagemann concluded that DTSC should understand that dioxins leaving this site are unacceptable. Although the testing levels are below the MCL, the fact that dioxins were present in surface water is very concerning. This contamination represents many years of not effectively completing the cleanup of the site by DTSC. The Board expressed a sense of urgency be included in the letter to DTSC.

Jennifer Kalt suggested that the table used (from the SHN report) is not clear enough for the public. As the sampling has shown contamination migrating offsite, this demonstrates the original failure of the DTSC cleanup. It is important that the cleanup is finalized before any contamination reaches the District water supply.

Linda Miller, a public member thanked the Board for their efforts and for including sediment sampling and environmental screening for aquatic species. There are Listed Species and Species of Special Concern which live in Hall Creek that require consideration.



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On motion by Director Rupp seconded by Director Lindberg, the Board approved the District letter to DTSC requesting quarterly testing, with edits, by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	AYE
Director David Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	RECUSED

There was no public comment.

8.2 Ruth Lake Emergency Declaration –

a. USFS Mad River August Complex Restoration Project –

USFS has provided a solicitation for public comment on the Mad River area restoration project. The Board has directed staff to provide comment on the project and possible impacts to water quality in Ruth Lake. A considerable amount of forest debris will be left after salvage logging that may get caught in the log boom. Soil erosion impacts to water quality is another area of concern. The potential impact to the Mad River Watershed should be addressed. It appears the amount of proposed reforestation is less than 2% of the total acreage burned.

Madison O’Ferrell, a public member, clarified that the private property members will not be included in the proposed project. There is an USFS meeting regarding the project tonight.

The District continues to promote entering into a good neighbor agreement with USFS, and also partner on future grant applications.

b. Shoreline Debris Removal –

Information was provided to FEMA for the disaster recovery at Ruth Lake to remove woody debris that is making its way to the shoreline around Ruth Lake and potentially impact the log boom. Funding is being requested for the debris removal. An estimation of the volume was ascertained by using photos of the perimeter of the lake condition with on-site visual sampling by BBW Associates. Work will commence Fall, 2021. There was no public comment.

8.3 Local drought conditions –

Staff introduced the daily operations report describing flow releases to the Mad River. A discrepancy between the dam flow releases and the USGS gauge was highlighted. Mr. Friedenbach pointed out that we need to determine how much the tributaries contribute to flow, and how much is lost due to evaporation, going into groundwater, diversions, etc.

He recommended putting gauges into the major tributaries at some point in the future to collect data. This is a unique drought year and it would be a good opportunity to determine the amount of tributary flow in the Mad River. District water rights depend on water contribution from the tributaries. Even at this year’s lower flows, there is more than enough water to continue supplying District wholesale customers. Consumptive-use analysis for all registered water users was conducted as part of the Instream Flow work. There was no public comment.



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9. New Business

9.1 Closed Session: Threat to Public Services or Facilities - Gov. Code 54957

The Board adjourned to Closed Session 3:44pm and returned to Open Session at 3:51pm. There was no public comment.

9.2 Report out from Closed Session- There was no reportable action, and no public comment.

9.3 FERC Part 12D PFMA workshop report out –

The District hosted a workshop with the Federal Energy Regulatory Commission (FERC), District staff, and consultants for the Probable Failure Mode Analysis (PFMA). Situational analysis of scenarios is thought through in a group setting in order to prepare for potential dam failure. The workshop is a component of the FERC Part 12D independent, third-party safety evaluation of the dam and hydro plant. The information from the workshop was presented during Closed Session, but is protected by Homeland Security critical infrastructure laws and not available to the public.

9.4 Return to In-person Board meetings –

The State (CalOSHA) has permitted reopening of public meetings, with a mix of vaccinated and non-vaccinated people (who must be masked). The Board will continue to meet virtually at the August meeting and revisit the issue of when to return to in person meetings.

9.5 Samoa Peninsula Enhanced Infrastructure Financing District (EIFD) –

County staff presented a Resolution of Intention by the Board of Supervisors to form an EIFD on the Samoa Peninsula. The County's timeline for implementation of the EIFD was shared with the Board. When the Harbor District purchased the former LP Pulp Mill site, it was a single property with water infrastructure for domestic and industrial water servicing one customer. The subdivision of that property has created an issue in determining individual consumption of water for various tenants or property owners. This new EIFD will facilitate financing new infrastructure.

Typically, the (HBMWD) District would be eligible for incremental tax revenue from development, which is then passed through to the municipal customers as Price Factor 2 credits. The intention of the County is to ask eligible entities to forego their incremental tax revenue to help fund the EIFD and infrastructure. The Board will be asked to consider this at a later meeting. Staff will continue to monitor and report back when formation documents are pending.

10. Reports from Staff

10.1 Engineering (Time set 11:00 am)

a. **12 kV Switchgear Replacement** (\$755,832 District Match)

A payment request for \$223,915 was presented. Construction and coordination between the District, Contractors and PG&E staff are ongoing. A backup generator is needed for a portion of the construction at the site in September during the time when the switchover from the old equipment to the new equipment is occurring. One key member of the subcontractor's electrical team has been replaced. Construction is scheduled to be completed in November, 2021.

Change order #4 to upgrade the SCADA 12-inch panel view to a 21" Rockwell SE View in the amount of \$3,466 was provided.



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b. Collector 2 Communications Underground – NCRA License

Mr. Friedenbach introduced the proposed license amendment related to the new Collector 2 communications upgrade along the railroad grade and into Park 1 on District property. This item was continued to the Ruth Lake Joint meeting on July 9, 2021. (Board Secretary note: this item was approved unanimously at the July 9, 2021 Board meeting. See Minutes for July 9, 2021 for complete information.)

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

There was nothing to report out.

d. Reservoirs Structural Retrofit Hazard Mitigation Grant (\$914,250 District Match) –

Phase 1 deliverables are due July 31, 2021 to provide everything to CalOES. Two separate bid packages (one for the domestic tanks and one for the industrial water tank) are being prepared to facilitate accurate cost accounting for the two systems. FEMA's NEPA process follows Phase 1 deliverables, and then Phase 2 funding should be authorized.

e. TRF Generator Hazard Mitigation Grant (\$460,431 District Match) – The Request for Information (RFI) response has been sent to CalOES and a report will be provided when Phase 1 is authorized.

f. Appeal of FEMA Funding Denial for Collector 4 Emergency Restoration Work –

There was nothing to report out.

g. R.W. Matthews Dam & Spillway Seismic Stability Analysis and Design HMGP Advance Assistance Project – A new RFI has been sent by CalOES requesting CEQA documents for environmental studies including cultural resources, biological, botanical, wetlands, etc. This will require a revised match commitment letter due to increased cost.

Additional RFI items include potential alternative seismic retrofits that are being considered. The response is due to CalOES on July 14, 2021.

h. Status report re: other engineering work in progress- There was nothing to report out.

There was no public comment.

10.2 Financial

a. Fiscal Year 2020-21 budget reallocation –

Ms. Harris presented the details showing the total funds available for reallocation are currently \$735,510, and she will return next month with any adjustments resulting from finalizing the financials for FY21 if necessary.



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On motion by Director Lindberg seconded by Director Rupp the Board approved the District Fiscal Year 2020-21 budget reallocation by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	AYE
Director David Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

b. Fiscal year 2021-22 proposed budget

Ms. Harris presented the complete draft of the FY2021/22 budget at the June 10, 2021 Board meeting for review and discussion. Based on feedback, staff is presenting the proposed final budget for FY2021/22 with the following changes to the Project Budget –

- o Decrease of \$25,000 in Advanced Charges for Collector Mainline Redundancy Grant Project to offset increase in Worker’s Compensation expense. These advance charges were replaced through the Budget Reallocation process.
- o Change of Project – The project to purchase “500GB USB drives for external back-up for the 15 main servers (\$2,000) has been cancelled. Instead, external back-up coverage will be added to the contract with the company that is currently managing the limited time-based backups for these servers. The cost of the additional storage for the saved data is expected to be \$2,000. This will be included in the “Technical Support and Software Updates” Project and will increase the charges from \$27,000 to \$29,000 (net impact to customer charges related to this change is \$0.00).

On motion by Director Rupp seconded by Director Fuller the Board approved the Fiscal year 2021-22 proposed budget by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	AYE
Director David Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

c. Financial Report– accept June 2021 financial statement & vendor detail report –

Ms. Harris presented the June 2021 Finance Report with a correction to the Restricted Fund Balances included in the packet. The Advanced Charges for the 3x Tank Seismic Retrofit and the Redundant Pipeline are understated and the General Fund Reserves are overstated by the same amount. This correction will be reflected next month.

Director Latt reviewed the bills for June and did not have any questions.



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On motion by Director Rupp seconded by Director Lindberg the Board approved June 2021 financial statement and vendor detail report in the amount of \$407,379.98 by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	AYE
Director David Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

- d. **County Fund Balance from June 30, 2020** – The County fund balance was received and is one year in arrears.

10.3 Operations

a. **Monthly report on projects and operations**

Superintendent Davidsen provided the Operations report. There were two shutdowns at the hydro plant: one for maintenance and one for PG&E maintenance. The TRF is offline for the season. Great progress has been made in clearing out the homeless camp.

Staff training included:

- ASDOS webinar on remote sensing for dams with drones
- JPIA - “Nuts and Bolts of Supervisor Law”
- CPR and First Aid

i. **USEPA letter regarding critical water treatment chemicals** –

A National Chlorine shortage is being reported by the EPA. Municipal water treatment will likely have legislative protection in the future, but at this time, the District is proactively managing it’s chlorine supply.

b. **Surplus District equipment** –

The Superintendent proposed surplus the 2013 Landa high pressure washer as it is obsolete and has been replaced as authorized in the current project budget.

On motion by Director Rupp seconded by Director Latt the Board approved the surplus of the 2013 Landa high pressure washer by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	AYE
Director David Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.



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11. Management

- a. a. **CSDA**
 - i. **GM Summit report out** – Staff attended the educational workshops in person. Mr. Friedenbach thanked the Board for the opportunity to attend.
 - ii. **CSDA Annual Conference** – This conference will be held in Monterey. Staff and Board members have elected not to attend.

There was no public comment.

- iii. **Overview of State Budget passed by Legislature** – nothing to report out
- b. **Bill Sheppard memorial** –

Mr. Sheppard was a contractor for the District for many years. A donation from retired and current District staff is being provided to Blue Lake Volunteer Fire Department in memoriam. No District funds are being expended.

12. Director Reports & Discussion

12.1 General -comments or reports from Directors

Regarding the USFS invoice for renting the USFS property under Ruth Lake, the Board recommends looking into possibly purchasing the property rather than paying each year for property the USFS cannot use again.

12.2 ACWA

Director Rupp attended the Membership Committee meeting of ACWA. The committee discussed member services and membership development. Director Rupp is the representative to the committee from Region 1.

- a. **Resolution 2021-13: Nomination of Ms. Pam Tobin for President of ACWA Executive Board** –

On motion by Director Rupp seconded by Director Lindberg the Board Resolution 2021-13: Nomination of Ms. Pam Tobin for President of ACWA Executive Board was approved by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	AYE
Director David Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.



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b. Resolution 2021-14: Nomination of Ms. Cathy Green for Vice-President of ACWA Executive Board-

On motion by Director Rupp seconded by Director Lindberg the Board approved Resolution 2021-14: Nomination of Ms. Cathy Green for Vice-President of ACWA Executive Board was approved by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	AYE
Director David Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

12.3 ACWA – JPIA

Director Rupp attended the Property Insurance meeting. They anticipate a 15% increase across all lines of insurance. The District rate for Workers Comp is increasing based on the District’s E-Mod rating. Premium to the insurance pool for cyber coverage increased from \$140,000 to \$980,000. It was absorbed by the insurance pool for the next premium year but cyber coverage will be separated out in the future. The Employee Benefits committee meeting will likely be voting on a 5% decrease to PPO rates. Other benefit programs will have increases, but the amounts are not yet known.

12.4 Organizations on which HBMWD Serves:

- a. **RCEA** – Director Woo attended an airport microgrid event. She asked if future agenda items may include a land acknowledgement. Also brought forward were what kinds of majors are desired of the HSU Polytechnic school? Staff suggested water operator certification.
- b. **RREDC** – The fiberoptic cable program is nearly complete but there is a delay from obtaining the right of way from Hwy 255 at Samoa Peninsula to the Arcata data center. Caltrans offered to cede its right of way for the project.

Adjournment: The meeting adjourned at 3:58 pm.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer