

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
July 9, 2020

1. ROLL CALL

President Woo called the meeting to order at 9 am. 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 also present. District Legal Counsel Ryan Plotz and Anne Baptiste, District Engineer Nathan Stevens of GHD, Collette Santsche of LAFCo and Brenda Sutter of Laurel Tree Charter School were present for a portion of the meeting.

2. FLAG SALUTE

The flag salute was conducted.

3. ACCEPT AGENDA

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

4. PUBLIC COMMENT

No public comment was received.

5. MINUTES

Minutes of June 11, 2020 Regular Meeting

Director Latt requested clarification to his comment regarding the letter from the Trinidad Rancheria. He would like the minutes to reflect that he stated the letter was not about building a pipeline *today*, but rather a process of inquiry that will take the District a considerable amount of time to consider. The Board concurred with the clarification. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve the minutes of June 11, 2020 as amended by Director Latt.

Minutes of the June 26, 2020 Special Joint Meeting with Ruth Lake CSD

There was some confusion regarding the Tree policy and the Board declined to approve the minutes and requested the minutes be brought back in August for possible approval.

6. CONSENT AGENDA

Director Rupp requested Item 6.1 be pulled. 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 6.1.

Director Rupp asked staff to please explain the components of the rate structure. Ms. Harris stated the commodity pass thru is the actual cost of water. As consumption increases, the costs will increase. The base rates are intended to cover the cost of service while the commodity portion is the cost of water only. The Capital Improvement Plan (CIP) costs are related to the age of the infrastructure and maintenance and/or replacement needs. Director Rupp stated he would like to see a rate comparison with other local municipalities for just the water charge. On motion by Director Lindberg, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the Consent Item 6.1.

7. CORRESPONDENCE

District letter re: LTSAA-sub notification letter

Mr. Friedenbach stated the District has a Long-Term Streambed Alteration Agreement for work in the river. Per the agreement, work in the river must be completed by October 15 and the District must provide sub notification at least fifteen days prior to commencing work. He shared the sub-notification letter and stated that representatives from California Fish and Wildlife (CDFW) were on site yesterday and did not express concerns regarding proposed work.

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8. CONTINUING BUSINESS

8.1 Water Resource Planning

Local Sales, incl. Nordic Aquafarms and Trinidad Rancheria

Mr. Friedenbach stated there is no update on Nordic Aquafarms. In regards to the inquiry request from the Trinidad Rancheria, staff and the local sales committee drafted and sent a response letter that he shared with the Board. No response has been received yet however, a lot of information was requested.

Director Latt noted that Item E on page 2 of the letter states: All costs for the main line extensions are born by the applicant and require a deposit in advance to cover District costs. Director Latt stated he reviewed the bills this month and noted that two items have already been expensed to the vendor GHD. He firmly stated he is not in favor of spending any more ratepayer funds until a deposit is received from the Trinidad Rancheria. Mr. Friedenbach stated at the June Board meeting, the Board directed staff to compile documents previously prepared regarding the water supply to the Trinidad area. The expense referenced is for the time GHD charged the District to compile these records in response to Board direction.

ESS is still working on our grant application. Staff is in the process of soliciting support letters and the grant application will be sent out soon.

The Samoa Peninsula Stakeholder Group now says a report should be available July 10th. Staff will distribute the report to the Board when it's received and report out at the August meeting.

Transport

No update.

Instream Flow

The Instream Flow Committee met with CDFW via Zoom. Director Fuller stated they have some new staff who are willing to engage in conversation and seemed positive towards instream flow. President Woo concurred and stated they are educating a new set of people about the process.

8.2 Cannabis affecting Mad River Watershed

Mr. Friedenbach stated last month the Board inquired who was responsible for environmental cleanup from an illegal grow. Ultimately, it is the responsible party who will be billed. Environmental health and other agencies will share in the clean-up and bill the responsible party.

Mr. Friedenbach stated he received an email last night from a citizen concerned about a cannabis grow in Maple Creek. He will respond as appropriate if there are areas of concern to the District relating to the water supply. Director Latt stated he does not want the District to be used as a tool by neighbors who oppose permitted grows. Director Rupp replied and stated he heard staff say they would look into it and respond if the water supply is threatened. Mr. Friedenbach concurred and stated staff goes to the Humboldt County Planning Department to receive factual information on the project.

8.3 LAFCo Municipal Service Review (MSR) and Sphere of Influence presentation

Ms. Collette Santsche of LAFCo provided a presentation on LAFCo services, the Municipal Service Review (MSR) and Sphere of Influence. She discussed LAFCo's mission, why they were created, the composition of the commission and their role as a regulatory agency and resource. She stated the last District MSR was in 2009. The MSR is conducted prior to updating Spheres of Influence and focuses on service delivery. The MSR process consists of data collection, development of agency

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profile, agency review and input, MSR determination followed by Sphere of Influence determination and culminates with a public hearing. Directors asked several questions and thanked her for the response. President Woo noted the public hearing is at the end of the process. She inquired if it was incumbent on the agency being reviewed to involve public engagement. Ms. Santsche said she would be happy to partner with the Board for public engagement prior to the public hearing. She also indicated she would be willing to provide updates on the process at future Board meetings. The Board thanked her for the educational presentation.

8.4 CLOSED SESSION- 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 due to a potential or perceived conflict of interest since he has done work for Axel Properties, LLC. He was sent to the Zoom waiting room. The rest of the Board then entered into closed session. Director Latt reported out in open session and stated there was no reportable action.

8.5 Self Generation Incentive Program (SGIP) -TRF

Last month staff submitted the Essex incentive project with a bank of Tesla batteries to PG&E under the Self-Generation Incentive Program (SGIP). The project was approved but is on the waitlist due to funding availability. After consultation with Tesla, it was determined the TRF could also benefit and see substantial savings with SGIP. The TRF project was submitted to the PG&E SGIP program for possible funding and is also waitlisted.

8.6 Samoa Pacific LLC

Mr. Friedenbach stated the District has concerns regarding fire flow restrictions based on the size of the water meter and supply line to refill the proposed 300,000 gallon water tank which is the intended source for fire suppression. Last February the District sent a letter to the Planning Commission expressing concern about the six-inch service line flowing through a four-inch meter. The District suggested upgrading to a six-inch meter to not have this restriction in water flow for fire suppression purposes. With a six-inch line the tank can be refilled in approximately 1.7 hours. The Planning Commission issued a CUP condition of approval for the Samoa Pacific Group to work with HBMWD on the potential need to upgrade the existing water meter from four to six inches. The new plans now show using a two-inch water supply line instead of a six-inch. Using a two-inch line would take approximately 14.2 hours to fill the 300,000 gallon reservoir. Staff shared concerns with Chief Dale Unea of the Samoa Peninsula Fire District. Chief Unea noted the District's concerns but stated "It is with great apprehension that I approve of this step". Mr. Friedenbach stated that fire suppression is not our purview and we do respect Chief Unea's authority. However, we are still very concerned. Legal Counsel Plotz stated he looked into the liability issue for the District. If there is insufficient water flow for fire suppression, the water supplier is not responsible. Additionally, the District raised the concerns in a letter previously sent which documents our concerns. The District is not undertaking any contractual agreement with regard to fire suppression. This will be made clear again in a letter to Samoa Peninsula CSD. Director Latt suggested the District send another letter to the Humboldt County Planning Commission stating the District disagrees with the pipe size providing water to the tank and why. Director Rupp suggested the District's insurance provider, JPIA be contacted as well. He also suggested staff ask the developer to indemnify the District. He and Director Fuller also agreed it would be a good idea to send a letter to the Planning Commission and get our concerns on record with the County. Mr. Plotz stated the letter to the Planning Commission should be very clear and specific about the concerns. We can only hope the developer agrees to the increased line capacity. Mr. Friedenbach suggested staff discuss concerns with the Samoa Pacific Group and come back to the Board in August with an update.

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8.7 North Coast Railroad Authority (NCRA)

Mr. Friedenbach stated he spoke with the NCRA engineer who requested additional information regarding the conduit that would be placed in the easement. The engineer also stated he was amenable to the project. Mr. Friedenbach will bring updates back to the Board next month.

8.8 Letter from Thomas Law Group to Department of Toxic Substances (DTSC)

President Woo recused herself due to an apparent or perceived conflict of interest since the firm she works for has done some work at the McNamara and Peepe site. She was sent to the Zoom waiting room. Legal Counsel Anne Baptiste and the remaining Board discussed the draft letter to DTSC. Ms. Baptiste stated the letter includes requesting DTSC lower their testing limit to the Public Health Goal, using Frontier Analytical Laboratory which can test to this limit, and no longer use Test America due to their inaccurate test results. She also suggested sending the letter soon, ahead of when DTSC does their sampling. The Directors suggested some wordsmithing changes, including requesting a meeting with DTSC Deputy Director Grant Cope to occur no later than August 31, 2020 to ensure that the DTSC prioritizes investigation and remediation of the site without continued delay. Director Latt requested Ms. Baptiste prepare a list of discussion topics and specific questions for the anticipated meeting with DTSC Deputy Director Cope. All agreed the letter was well done and suggested it be sent out very soon.

Ms. Jen Kalt of Humboldt Baykeeper provided public comment. She stated Humboldt Baykeeper has been focused on the site for some time now and is supportive of the District's actions. Test results indicate the plume is moving towards the Mad River. She supports the District's efforts to get DTSC to take this matter seriously however, it may be time to go beyond letter writing.

Another commenter inquired if more tests will be done. Mr. Friedenbach stated this letter to DTSC is requesting additional testing on all of the McNamara and Peepe property.

9. NEW BUSINESS

9.1 August Board Meeting consider changing date from August 13 to August 20

Mr. Friedenbach stated he was scheduled to be at a conference on August 13 however, that is now cancelled. Director Fuller stated she will not be able to attend the meeting on August 13 due to a conflict in schedules. After a brief discussion, the Board agreed to keep the meeting on August 13.

9.2 Laurel Tree Charter School Memorandum of Understanding (MOU)

Mr. Friedenbach stated staff received a request and proposed MOU from Laurel Tree Charter School to use the District's Park 1 as an outdoor learning forum for the upcoming school year. Legal Counsel Plotz has reviewed the MOU and made suggested changes. Staff is still awaiting a response from our insurer, ACWA JPIA, but do not anticipate any issues. Ms. Brenda Sutter, the lead teacher at Laurel Tree Charter School was present and stated she was available to answer questions or concerns. She shared there will be one teacher for every 10-15 students. Four teachers will be on the premises with approximately 40-45 students. The students are enrolled in middle school and high school. The Board asked several questions of both Mr. Plotz and Ms. Sutter. After discussion, on motion by Director Latt, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the MOU with the suggested wording changes.

9.3 FEMA Emergency Action Plan – Trinity County Face-to-Face meeting

Mr. Friedenbach stated Ms. Samantha Ryan was in charge of the meeting and did an excellent job. She conducted the meeting via Zoom and had a great attendance. The meeting went very well and Ms. Ryan is doing an outstanding job.

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9.4 District Conflict of Interest Code

Ms. Harris reviewed the 2020 Local Agency Biennial Notice (Conflict of Interest Code) and stated no changes are needed therefore no amendment is required. On motion by Director Lindberg, seconded by Director Fuller, the Board voted 5-0 by roll call voted to approve submittal of the notice with no amendment required.

9.5 Kirkpatrick property: dock request

Mr. Friedenbach stated Roger Kirkpatrick recently purchased a property at Ruth Lake that is not a lease site, but private property. The property has water and mineral rights as well as road easements that grants him rights to access the lake from his newly acquired property. Mr. Kirkpatrick has verbally requested permission to place a dock on Ruth Lake. Staff has not completed the review of files regarding this issue and is not ready to make a recommendation to the Board concerning the request for a dock. It is unknown at this time if there is precedence for this possible action.

Mr. Kirkpatrick addressed the Board and thanked Mr. Friedenbach for his cooperation so far and noted that Mr. Friedenbach and staff have been good to work with. He stated he would like to install a dock on Ruth Lake so his family can enjoy it for years to come. He understands there are dock requirements and he wants to do this properly and in compliance. The Board asked several questions and discussed their concerns. Director Latt stated Mr. Kirkpatrick is seeking an entitlement that would add value to his property without payment to the District and also without compensation to the District for the staff time utilized to complete the process he is proposing. He requested staff track any time involved in this. Director Rupp stated the public has a right to petition the Board and ask questions without being charged money for the time. He also stated he feels it is premature to approve the dock and more staff and legal work needs to be done. He would like Mr. Kirkpatrick to provide his request in writing. Director Latt replied to Director Rupp and stated there is a difference between entitlement and public comment. He reaffirmed his request for staff time to be tracked regardless of any decision made regarding reimbursement. If legal counsel is needed the applicant should bear the costs. Mr. Kirkpatrick stated he agrees with Director Latt on some of his comments. He also noted that he has provided all documents to Mr. Friedenbach already, as he wants to be upfront and factual. He would like a dock for his family and is willing to pay a fee to the District for having the dock on Ruth Lake. The Board requested the item be on the August agenda for possible approval, that Mr. Kirkpatrick provide his request in writing and that staff work with Mr. Kirkpatrick to move forward. Mr. Kirkpatrick thanked the Board for their time.

10. REPORTS (from Staff)

10.1 Engineering

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

Mr. Stevens stated payment request three was received and approved in the amount of \$61,750.00.

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

Nothing to report. Still waiting to hear back regarding Phase I funding.

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

Nothing to report. Still waiting to hear back regarding Phase I funding.

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

Nothing to report. Still waiting to hear back regarding Phase I funding.

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

Mr. Stevens provided a quick recap on the grant request for Collector 4. The District requested

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FEMA funding to help offset the cost of emergency repair work due to storms. FEMA denied the request and the District filed an appeal. CalOES received the appeal and after reviewing the supporting documents provided, agreed with the District and expressed support for the appeal to FEMA. FEMA has ninety days to respond. The District should know the status of the appeal by the middle of September. The Board thanked Mr. Stevens and Friedenbach for their work on the appeal.

- f) Status report re: other engineering work in progress
Nothing to report.

10.2 Financial

- a) Financial Report— approve June 2020 financial statement & vendor detail report

Ms. Harris provided the June financial report. She was happy to report the District has received all the PG&E Bankruptcy Fund money and are 100% whole with the funds. The operations and maintenance budget is at 81% of budget which is excellent. Director Latt reviewed the bills and stated all was in order. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve the financial statement and vendor detail report in the amount of \$302,318.02

- b) FY19/20 Project Budget reallocation update

Ms. Harris stated the preliminary project reallocations from last month were \$1,304,276.00. Upon final analysis the revised amount is \$1,284,750.00 with \$19,526.00 being returned to the FY19/20 budget. Director Rupp inquired if this was communicated to the municipal customers. Mr. Friedenbach said it was reaffirmed by the municipal customers last month at the muni meeting. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the FY19/20 Project Budget reallocation.

- c) FY 2020/2021 Budget Presentation: total proposed budget & revenue estimates

Ms. Harris stated the complete draft of the FY2020/21 budget was presented at the June 11, 2020 Board meeting for review and discussion. Based on feedback, staff is presenting the proposed final budget for FY2020/21 with minimal changes. The Service & Supply budget increased \$6,000.00 due to an anticipated increase in property insurance premiums and is now \$4,643,300.00. There are no changes to the Salary & Wages Budget (\$2,471,600.00) or the Employee Benefits Budget (\$1,749,700.00). Staff recommends the Board approve the FY2020/21 budget as presented. On motion by Director Latt, seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve the FY2020/21 budget.

10.3 Operations

Mr. Davidsen provided the June 2020 Operations Report. The Turbidity Reduction Facility shut down for the summer on May 27th. Crews are still working on a variety of projects. Five staff members took the HAZWOPER training webinar that is a required annual refresher course. Staff is dealing with the modified staffing arrangements due to COVID 19 as best as possible. It is not an ideal situation but it is the safest situation.

11. MANAGEMENT

North Coast Resource Partnership (NCRP)

Mr. Friedenbach stated he resigned from and attended his last TPRC committee meeting for the NCRP. It was worthwhile serving on the Technical Peer Review committee.

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12. DIRECTOR REPORTS & DISCUSSION

12.1 General -comments or reports from Directors

Director Latt expressed his frustration and outrage that a City of Arcata official would tell an applicant that they did not like dealing with HBMWD and to go as far as to suggest the applicant sue us. Director Latt stated the official has an attitude problem that needs to be addressed and he would like this communicated to the Arcata City Council. President Woo inquired if this was hearsay at this point. Mr. Friedenbach concurred and stated he will have a discussion with the City Manager.

12.2 ACWA

Director Rupp stated he attended two meetings. He shared that the investment in CalTrust is doing well. He also stated the audit is completed and it is a clean audit.

12.3 ACWA – JPIA

Director Rupp stated he will be attending a virtual meeting on July 27, 2020.

12.4 Organizations on which HBMWD Serves: RCEA, RREDC

RCEA

President Woo stated it was a very emotional meeting. The board passed a resolution on racial justice. She noted it was not unanimously supported however it did pass. One member chose to abstain. She stated not only was the board emotional but the public as well. Staff suggested the resolution and also an ad-hoc committee to discuss a racial equality action plan. The ad-hoc committee will be on the agenda for approval next month.

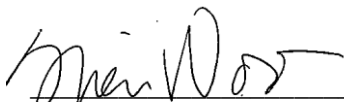
RREDC

Director Latt stated the guest speaker was Mo Harper Desir from Black Humboldt. They will be having an expo in January 2021 at the Adorni Center highlighting Black-Owned businesses. Also, RREDC funded 33 emergency COVID loans.

ADJOURNMENT

The meeting adjourned at 3:45 pm

Attest:



Sheri Woo, President



J. Bruce Rupp, Secretary/Treasurer