

**Humboldt Bay Municipal Water District
828 7th Street, Eureka**



**Minutes for Regular Meeting of the Board of Directors
September 9, 2021**

1. ROLL CALL

President Woo called the meeting to order at 9:01 a.m. Director Rupp conducted the roll call. Directors Fuller, Latt, Lindberg, Rupp and Woo were present. Director Rupp had to leave the meeting at 12:40 due to a medical appointment. General Manager John Friedenbach, Superintendent Dale Davidson, Business Manager Chris Harris, Tech Manager Dee Dee Simpson and interim Board Secretary Sherrie Sobol were present. Nathan Stevens of GHD was present for a portion of the meeting.

2. FLAG SALUTE

President Woo led the flag salute.

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

Two public comments were received. One commented that that were several items of interest on the agenda and another inquired when the Mad River will be designated as a critical watershed.

5. MINUTES

5.1 Minutes of the August 12, 2021 Regular Meeting

Page five of the minutes under the McNamara and Peepe topic, it was noted that Envirositor was incorrectly spelled. Staff will make the correction. On motion by Director Fuller, seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve the minutes as amended.

5.2 Minutes of the August 17, 2021 Special Meeting

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

6. CONSENT AGENDA

6.1 Media articles of local/water interest

On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the Consent Agenda.

7. CORRESPONDENCE

7.1 Surface Transportation Board notification regarding Annie & Mary Railroad

Mr. Friedenbach shared Decision Docket No. AB 1305X issued by the federal Surface Transportation Board (STB) regarding possible abandonment of the railroad line between Korblex and Korbel known as the Annie & Mary line. It appears from the ruling that the STB is leaning toward accepting an official abandonment of this railroad line effective 1985. If this is the case, then there is a legal issue of whether the NCRA had the legal right to request and enter into a license agreement with the District for the new location of the 12kV Switchgear. Staff is seeking Board direction regarding use of special counsel with railroad law experience. The Board expressed confidence in District legal counsel Ryan Plotz and suggested staff check with him first and see if he wants to take this on.

7.2 Notice from DWR re: Quagga mussel discovery at Castaic Lake

Department of Water Resources (DWR) staff discovered two quagga mussel shells in mid-August at Castaic Lake. Earlier in the month, a visitor reported a live mussel in the lake. Mr. Friedenbach stated he shared the correspondence to emphasize the importance of the District's Aquatic Invasive Species Prevention Plan. The fact that quagga mussels were just discovered at Castaic highlights the

potential for quagga at Ruth and we must remain vigilant with our AISPP. Ruth Lake may be considered low risk but the consequences are high if quagga get into the lake.

8. CONTINUING BUSINESS

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

a. Local Sales

Nordic Aquafarms

The District provided an updated “will serve” letter to the Humboldt County Planning Department for Nordic Aquafarms. The District has the capacity to provide domestic potable water of 502,000 gallons per day and industrial non-potable water of 2 million gallons per day to Nordic Aquafarms.

Trinidad Rancheria Mainline Extension

Mr. Friedenbach stated the project is moving forward. The Mainline Extension Agreement will likely be brought to the October Board meeting since legal counsel for the Rancheria is currently reviewing the agreement.

President Woo and Mr. Friedenbach attended the City of Trinidad’s Water Advisory Committee (WAC) meeting on September 7, 2021. The WAC plans on recommending the Trinidad City Council discuss the water line feasibility study at their October council meeting.

b. Transport

Per the Board’s request, staff sent a letter to our local federal and state elected officials. The letter was in regard to the current California drought situation and the District’s Water Resource Planning Transport option and available water supply. The Board concurred it was a good letter.

c. Instream Flow

Director Fuller will be presenting the District’s Instream Flow Dedication at the Humboldt Bay Symposium. The committee has been working on the presentation for the event. The Symposium is virtual this year and the link to join was shared with the Board.

d. McNamara and Peepe

President Woo recused herself due to a remote potential conflict. She is employed by SHN Consulting Engineers which performs work at the McNamara and Peepe site. Mr. Friedenbach shared the letter to DTSC that was drafted with input from Director Fuller and Mr. Hagemann and signed by Vice-President Latt. Mr. Friedenbach stated DTSC staff was invited to attend the Board Meeting, however, declined due to the one week notice. Given the importance of this topic, the Board deferred the discussion until DTSC could be present as well as additional state legislators. They agreed to hold a Special Board Meeting if needed. Erin Dunn, Field Representative for Assemblymember Jim Wood offered assistance with scheduling the meeting if needed. Members of the public provided comment. Ms. Kalt of Humboldt Baykeeper stated it is not just drinking water that is at risk, but the Mad River itself. She is alarmed that DTSC is not taking the issue more seriously and thanked the Board for their urgency on this matter. Another member of the public concurred with the sense of urgency and stated she could assist if needed with letters from the public and attendance at meetings. President Woo returned after the end of the discussion.

8.2 Ruth Lake Emergency Declaration

The logger for the Ruth site informed the District they are done with the project. There are slash piles laying around which are scheduled to be burned this winter. Cal Fire has conditions that must be met prior to burning and if for some reason these are not met by April 2022, the logger will grind the piles.

At the August Board Meeting, Leaseholder R. Petrusha requested the District review the impact of salvage logging operations on his lease lot. Subsequent to the meeting, he submitted an email with photographs. He is requesting the District clear the lot of all shredded trees and slash as soon as possible and inquired who would be responsible for damage to his utilities and septic tank that were clearly marked, yet were damaged during the clean-up. Mr. Petrusha was not able to attend the meeting due to a schedule conflict. He requested the item not be continued as this is stressful and he wants to move forward with rebuilding.

After much discussion, the Board directed staff to make an exception and clear 25% of the debris off the lease lot based on staff's estimation that 25% of the logs processed on Mr. Petrusha's lease lot were from adjoining lease lot sites. Staff was directed to work with Mr. Petrusha to resolve the issue. Regarding the utilities and septic tank, this is an issue between Mr. Petrusha and the logger, as the locations of both were clearly marked. District staff will help facilitate this discussion.

8.3 Humboldt Coastal Resiliency Project and Climate Ready Project

Staff shared a portion of the Humboldt Coastal Resiliency Project and Climate Ready Project summary data for cross-shore transects winter 2016-summer 2020. The portions shared only included the transect areas where the District's pipeline is located. The full report is available on the District website. When the report is finalized, the Board requested Andrea Pickart speak to the Board regarding our interest in the scientific data obtained and any potential future effects on our pipeline.

8.4 2021 Guidelines for the Small Community Drought Relief

The Small Community Drought Relief Program will provide grant funding until the money runs out. This program does not require a match and was shared with the City of Trinidad. Staff recommended applying for the grant to rehab the laterals on Collector 4. The Board concurred.

8.5 3-Acre Conversion

The District initially received two inquiries in response to the solicitation for bid proposals however, one potential bidder dropped out. Staff made efforts to receive additional bids with no success. Mr. Friedenbach shared the contract which was reviewed by District council. Staff recommends approval of the agreement and authorization for the general manager to sign the contract. Time is of the essence to complete this work before the winter rains. On motion by Director Latt, seconded by Director Lindberg, the Board voted 4-0 by roll call vote to approve the contract and authorize the GM to sign the contract. Director Rupp was not present.

9. NEW BUSINESS

9.1 Quagga/Zebra Mussel Infestation Prevention Grant Program

The District received notice last month that the grant application was approved. In order to move forward and accept the grant, an updated resolution with the grant amount and time frame is required. Staff recommends the Board approve entering into grant agreement in the amount of \$82,915 and approving Resolution 2021-17. Director Fuller read the resolution. On motion by Director Latt, seconded by Director Lindberg, the Board voted 4-0 by roll call vote to approve entering into the grant agreement and approve Resolution 2021-17. Director Rupp was not present.

9.2 CalFire-Climate Change Investments Healthy Forest Grant

A resolution is required to receive grant funding from the CalFire Healthy Forest Grant. Director Fuller read Resolution 2021-18. On motion by Director Lindberg, seconded by Director Fuller, the Board voted 4-0 by roll call vote to approve entering into the grant agreement in the amount of \$4,998,475, and approve Resolution 2021-18. Director Rupp was not present.

9.3 Gate request from TRF neighbor

The District notified neighbors near the Turbidity Reduction Facility (TRF) about the 3-acre conversion timber harvest. One neighbor inquired if a new gate could be installed and he is willing to share the cost 50/50. Staff visited the property and agreed that once the 3-acre conversion occurs, there will be potential for easy access to both the neighboring property owner and District property. Staff recommends the Board authorize a project not to exceed \$5,000.00 in District funds to install a new gate at the end of Ryan's Hill road with shared locks with both the neighboring property owner and PG&E on District property. On motion by Director Latt, seconded by Director Lindberg, the Board voted 4-0 by roll call vote to approve the gate installation. Director Rupp was not present.

9.4 District participation in LIDAR proposal with NCRP & WRTC

Mr. Friedenbach stated that Mad River watershed lidar is critical geospatial infrastructure for resource management. The North Coast Resource Partnership (NCRP) and the Watershed Research and Training Center (WRTC) are leading a regional initiative that will bring State and Federal funders as well as local agencies to collect and distribute a regional lidar coverage. Mr. Tim Bailey of the WRTC discussed the proposed lidar project, the potential funding partners, and benefits of lidar, such as helping to identify potential landslides and fault mapping. Having lidar data is investment in future projects such as Hazard Mitigation Grants and Watershed Planning Adaptation as it will provide a competitive edge in grant funding. He is requesting District support of the project as a partner. He requested support via a letter and financial commitment.

After Board discussion, they agreed to provide a letter of support and make a financial commitment. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to provide a letter of support, and make a financial commitment of \$20,000 total over two years, with \$10,000 in the second year being contingent upon all of the Mad River being covered by lidar.

9.5 Status of Peninsula CSD

This item was tabled to a future date as there was no one present representing the CSD.

10. **REPORTS (from Staff)**

10.1 **Engineering** Nathan Stevens, District Engineer provided updates on the projects listed below.

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

The project is on hiatus until the 12kV housing unit is delivered. The building was originally scheduled for delivery in July, however, wildfires caused several road closures at that time. A permit is required for transportation and currently Cal Trans is not issuing any load permits until October 1, 2021. Due to the logistical issues, the project is delayed. Staff will inquire with CalOES about a project extension under the grant funding agreement.

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

Staff is reaching out to Congressman Huffman's office for assistance with the appeal.

c. R.W. Matthews Dam & Spillway seismic Stability Analysis and Design HMGP Advance Assistance Project

A new revised Match Commitment letter was needed as CalOES requested additional work be completed. This resulted in an increase in the District match. Staff is requesting the Board ratify the match. It was noted that this does not commit the District to accepting the grant. If awarded the grant, the District will have the opportunity to accept or reject the grant. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to ratify the letter.

d. Status report re: other engineering work in progress

The existing feeder five to Collectors 2 and 5 is having electrical issues. Staff is proposing to install a new vault and feeder cable. This is a good opportunity to repair the feeder line since the electrical contractor for the 12kV project is on site. Mr. Davidsen added that this will benefit the 12kV project. The estimated project cost is \$50,000. The item will be brought forward to the October meeting for possible approval.

10.2 Financial

a. Financial Report

Ms. Harris presented the August financial report. She noted that power sales revenue seems low compared to last year. This is due to the fact that last year, PG&E bankruptcy funds were received. The debt service to US Bank is paid in full for the Collector 3 and Techite projects! Director Lindberg reviewed the bills and all appeared in order. On motion by Director Fuller, seconded by Director Lindberg, the Board voted 4-0 by roll call vote to approve the August financial report and vendor statement in the amount of \$500,453.26. Director Rupp was not present.

b. Review of District Workers' Compensation claims

Ms. Harris provided a review of Workers' Compensation claims for fiscal years 2018-2021. Current rates are based on data/claims from the previous three years. She shared claims by year and types. The District had a large claim in FY2019/20 and unfortunately will be included until FY24/25. Once that claim is no longer factored in, staff anticipates a decrease in the District's X-mod factor.

c. COVID-19 State Water Arrearages Survey

Ms. Harris stated the survey has been completed for the District and Fieldbrook Glendale CSD. The time frame for the survey is March 14, 2020 thru June 15, 2021. The District has only one customer that owes over \$600.00. The Board discussed mandated vaccines for the District staff. No action was taken.

10.3 Operations

Mr. Davidsen provided the August Operations report. The maintenance crew worked on some minor spillway repairs at Ruth. Staff have also been working on keeping homeless encampments off District property and have not seen any encampments in the past week. The safety meeting topic was forklift safety and practical test. Staff attended training including an ADSO webinar on Uplift and Drainage; and Backflow re-certification training.

11. MANAGEMENT

11.1 Brown Act Meetings-in person/virtual/hybrid

The Board requested staff provide monthly updates on the status of returning to in person meetings. Mr. Friedenbach stated we are still waiting to see if exceptions to the Brown Act for virtual meetings will be extended or changed via legislation. Two Brown Act teleconference-related bills are still active at the California state legislature: AB 339 and AB 361. If there is no legislative change and the governor's executive order expires on September 30th, then the prior Brown Act rules governing virtual participation in board meetings will apply.

11.2 Labor Shortage

Mr. Friedenbach shared the article regarding local labor shortages and noted the District is having the same experience.

12. DIRECTOR REPORTS & DISCUSSION

12.1 General -comments or reports from Directors

President Woo shared that she received a photo of a side channel near the Blue Lake Hatchery that was dry. One week later she received another photo of the same location with standing water. The person who sent them was inquiring if the District was aware of any illegal

cannabis diversions. Director Fuller noted the Hatchery has a discharge permit and it could be an area that was naturally dry and then the discharge occurred.

12.2 ACWA

Region 1 ballot

On motion by Director Lindberg, seconded by Director Fuller, the Board voted 4-0 by roll call vote to approve selecting Option 1 on the ballot, concurring with the Region 1 Nominating Committee's recommend slate with J. Bruce Rupp as Chair of Region 1. Director Rupp was not present.

Finance Committee

Mr. Friedenbach provided Director Rupp's report in his absence: Director Rupp attended an ACWA Finance Committee meeting. They discussed next year's budget. They adopted a recommendation to the full ACWA Board to approve a \$9 million dollar budget with no deficit. This included the previously approved 2% increase in dues. The future increases will be held to 1% barring an emergency.

The Investment Subcommittee of the Finance Committee met and reviewed earnings. They are looking into a 115 Trust, like PARS, to reduce future pension liabilities.

12.3 ACWA – JPIA

No report.

12.4 Organizations on which HBMWD Serves

RCEA

President Woo reported out on the meeting. She stated they are moving forward with projects. They will have another below normal revenue year however, once the solar projects move forward, the portfolio should improve.

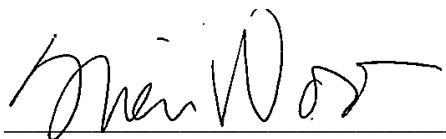
RREDC

Director Latt reported out on the meeting. They received a presentation on Humboldt State University becoming a polytechnic institution. They have received a grant of about \$460 million to achieve the transition with approximately \$200 million for real estate purchases and upgrades.

ADJOURNMENT

The meeting adjourned at 3:12 pm.

Attest:



Sheri Woo, President



J. Bruce Rupp, Secretary/Treasurer