



**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**  
828 7<sup>th</sup> Street, Eureka



**Minutes for Meeting of Board of Directors**

**November 8, 2018**

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**A. ROLL CALL**

President Woo called the meeting to order at 9:00 am. Director Rupp conducted the roll call. Directors Fuller, Latt, Rupp and Woo were present. Director Hecathorn was absent. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris and Board Secretary Sherrie Sobol were also present. Nathan Stevens of GHD was present for a portion of the meeting and Legal Counsel Paul Brisso participated in a portion of the meeting via phone.

**B. FLAG SALUTE**

President Woo led the flag salute.

**C. ACCEPT AGENDA**

On motion by Director Latt, seconded by Director Fuller, the Board voted 4-0 to accept the agenda.

**D. MINUTES**

Director Latt requested a change to clarify staff recommendation in the Engineering section of the Minutes of the October 11, 2018 Regular Board Meeting. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve the minutes as amended.

**E. PUBLIC COMMENT**

No public comment was received.

**F. CONSENT AGENDA**

On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve the Consent Agenda.

**G. CORRESPONDENCE**

Memo from CDFW re: New Zealand Mud Snail and accompanying article

Mr. Friedenbach discussed the email received from Breck McAlexander, Aquatic Invasive Species Coordinator, for Northern California. The New Zealand Mud Snail is in the Mad River near Park 1. There is no known way to combat them at this time. Director Fuller noted that the discovery was made because of the District's temperature monitoring studies when Darren Ward observed the snails. She emphasized the need for strong decontamination procedures. Director Latt stated it is alarming that biologists have reported 50-90 percent declines in native invertebrates and fish in waterways where the snails are abundant.

Letter from District to City of Arcata re: collaboration for land use policy

Mr. Friedenbach shared the letter to Arcata City Manager, Karen Diemer regarding development of a land use policy via ordinance regarding our easements for our infrastructure that run through the City of Arcata. She was agreeable to process to develop a policy.

Letter from District to Ruth Lake CSD re: improvements in communication

The Board discussed the letter to Ruth Lake CSD regarding improvements in communication. President Woo stated she wrote the letter as a follow up to the Board's request to improve and maintain communication with Ruth Lake CSD. Director Rupp stated it was a great letter and he appreciated President Woo's efforts and leadership.



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**H. CONTINUING BUSINESS**

Water Resource Planning - re: water-use options under consideration (local sales, transport, and in-stream flow dedication)

Mr. Friedenbach stated there is no significant information to report regarding local sales and transport. A site visit was made by the grant administrators from the Wildlife Conservation Board for the instream flow grant. The District’s consultant team met with them on site. President Woo stated the meeting went well.

Cannabis Grows affecting Mad River Watershed

Mr. Friedenbach shared a press release from the Humboldt County Sheriff’s Office Drug Enforcement Unit regarding the Cannabis Eradication/Suppression Program. The grant cycle was for October 2017-September 2018. The release provided statistics such as number of operations conducted, plants and products eradicated, currency and firearms seized and arrests.

Mr. Friedenbach stated the District is also responding to referrals from the County regarding cannabis permits. Staff is using the matrix developed by the Mad River Policy Committee. Many of the projects are on the Mad River or use tributaries to the Mad River as a water source. Director Rupp stated the District is not opposed to the cannabis projects as long as they do not impact the Mad River negatively. Mr. Friedenbach concurred and added that the District is responding in reference to TPZ zones, water source and CEQA. The Board stated they were appreciative and supportive of the extra work required to do this.

Humboldt County Planning Commission Public Hearing re: New Zoning Districts proposed to be added and properties

Mr. Friedenbach shared the District’s letter provided to the Humboldt County Planning Commission regarding the proposed reclassification of APN 504-161-010, owned by Mercer Fraser. The property is currently zoned AG. In early October, the proposed zoning change was to Agriculture Exclusive (AE), with Mineral Resource and Streamside Management Areas and Wetlands combining districts. The November Planning Commission staff report suggest that staff now proposes to zone the parcel Heavy Industrial. Under the IR land use designation, there are five land use options, including AE, which the District is supportive of. The letter lays out the Districts opposition to this proposed change adjacent to the Mad River and drinking water intake infrastructure and other concerns such as the lack of transparency with the proposed changes.

Mr. Friedenbach and several Board members attending the Planning Commission hearing on November 1, 2018. Mr. Friedenbach and numerous others provided public comment. It was a long meeting and, in the end, the commission did not vote on the changes requested by the individual property owners, including Mercer Fraser. Director Rupp thanked the other Board members for attending the meeting, as he was not able to. He also noted the Board of Supervisors has the purview to make zoning changes and if it gets to that point, the District should be there to represent. Director Fuller added the District also needs to pay attention to community plans as well since this could incorporate zoning changes.

Agreement with City of Arcata re: Direct Water Services from Transmission Lines

In the 1970’s multiple meters were installed at 4200 and 4700 West End Road in Arcata for industrial businesses and are connected directly to the HBMWD transmission line. Historically, the District includes any water used through these meters on the City of Arcata monthly wholesale invoice. The City in turn charges for fire service on their domestic water bills to these customers.

In July, the Board authorized staff to work with District Counsel to draft an agreement with the



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City of Arcata to delineate the Districts position regarding billing water usage through these meters directly to the City of Arcata on the monthly wholesale invoice. The agreement was approved at the November 7, 2018 Arcata Council Meeting. Ms. Harris stated the agreement makes the arrangement official and there will be no change to the billing. Staff recommends approval. On motion by Director Latt, seconded by Director Rupp, the Board voted 4-0 to approve the agreement.

Algae test results

Mr. Davidsen shared the August 21, 2018 test results of algae collected at Ruth Lake. All of the District's samples came back negative for toxigenic cyanobacteria via microscopy. He will continue to monitor the lake and follow up as needed.

I. REPORTS (from Staff)

1. Engineering (Time set for 11:00 a.m.)

- a) Blue Lake-FG CSD Water Line Replacement over Mad River (funded by Prop 84 NCIRWMP grant and FEMA Hazard Mitigation Grant)  
Mr. Stevens stated the project is complete. There is some paperwork to complete. Water is flowing through the new system. Mr. Friedenbach stated the drilling subcontractor has not yet been paid by Mercer Fraser. He directed accounts payable to hold payment to Mercer Fraser until they have paid the drilling subcontractor.
- b) Surge Tower Replacement (\$239,900 District Match)  
On motion by Director Fuller, seconded by Director Latt, the Board voted 4-0 to approve the CEQA Notice of Exemption.
- c) Collector Mainline Redundancy Hazard Mitigation Grants (\$763,000 District Match)  
Mr. Stevens stated the project is still on the wait list for funding.
- d) Reservoir Structural Retrofit Hazard Mitigation Grant Application (\$914,250 District Match)  
Nothing to report.
- e) Single Line Industrial Slough Crossing Hazard Mitigation Grant Application (\$679,750 District Match)  
Nothing to report.
- f) Matthews Dam Spillway Analysis Hazard Mitigation Grant Application (\$1,666,667 District Match)  
Nothing to report.
- g) Essex Emergency Chlorine Scrubber Hazard Mitigation Grant NOI (\$335,000 District Match)  
The NOI was submitted on October 5, 2018.
- h) Axel Property Development  
As previously directed by the Board, legal counsel Brisso drafted an Acknowledgement of Risk Agreement. Mr. Brisso stated the attorney for Axel Properties was not happy with it and only wanted to acknowledge risk to building four. The District countered with buildings two and four as they are the most likely to be impacted in the event of a leak.



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Mr. Brisso stated the indemnification language is adequate especially given the concessions made by Axel Properties earlier. Mr. Friedenbach inquired if the agreement was acceptable to the Board and they concurred the agreement was acceptable.

Director Latt recalled earlier concerns regarding heavy equipment on the District pipeline during construction. He inquired how this was being addressed. Mr. Friedenbach stated not only will they be reminded to keep equipment off the pipeline but the District will install temporary construction fencing blocking access.

i) Lazzar Development 27<sup>th</sup>

Mr. Friedenbach stated that Mr. Phil Lazzar would like to finalize an agreement with the District and move forward with his development project. Access to the District's pipeline in the development is landlocked and access is through the 27<sup>th</sup> Street side. The Lazzar property is part of the former Paik Nicely development. Mr. Lazzar is finding some of the Paik Nicely agreements burdensome and would like to negotiate an agreement similar to that with Mr. Moss. Staff recommends using the Moss agreement as a starting framework versus the Paik Nicely agreement. Mr. Brisso stated the current proposed development is much different from that of Paik Nicely. The fair thing to do would be to treat the Lazzar proposal similar to the Moss proposal. Mr. Friedenbach added that the Moss indemnification would also be used as a starting point. Director Latt stated he did not see any basis not to go with staff recommendation. Mr. Brisso clarified that staff is only looking for direction today. The final agreement will be brought to the Board for approval. The Board concurred with staff recommendation to use the Moss agreement as a starting framework.

2. Financial

Financial Report

Ms. Harris provided the October 2018 financial report. She noted the reserves look thin because of the Mad River Pipeline Crossing project. We currently have \$2.9 million claims submitted for grant reimbursement. When the funds are reimbursed, reserves will look much better. Director Fuller reviewed the bills. She noted it was a very full stack to review. She stated that Ms. Moyle explained the new purchase order system since the documentation has a new look. Ms. Harris stated the new system is working well and saves the office staff a lot of time. The monthly cost for the program is minimal at forty dollars per month. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve the October financial report and vendor statement in the amount of \$690,642.88.

Letter from County Treasurer

Ms. Harris shared the letter from the County Treasurer summarizing the interest earned report for quarter ending June 2018. LAIF was paying a higher interest rate than the County this time but is not expected to continue.

3. Operations

Mr. Davidsen provided the October Operational Report. He noted that Ruth Lake is two feet higher at this point in time compared to last year. The Turbidity Reduction Facility was started up and is in recirculation mode waiting for the rains. Safety training included: trenching/shoring, tsunami awareness, and sight and sound safety. There was a leak on the Collector 2 line which is now repaired and includes an air relief valve. Crews worked really hard to get this repaired and in a timely manner so customers were not impacted. The Board conveyed their thanks to staff for a job well done.



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### J. MANAGEMENT

#### CSDA

Mr. Friedenbach shared the CSDA summary of 2017-18 Legislative statistics. CSDA reviewed 5,617 bills, tracked 1,285 bills and directly lobbied on 238 bills. Director Rupp noted that CSDA political interests are much broader than those of ACWA.

#### 12kV Project- Engineering contract

Mr. Friedenbach provided a brief recap of the request for qualifications, evaluation process and request for proposal. The selection team recommended engaging GHD for engineering, environmental and permitting services. The original proposal from GHD was for \$357,000, however he was able to negotiate and reduce the proposal by \$26,000 to \$331,000. On motion by Director Latt, seconded by Director Rupp, the Board voted 4-0 to enter into an agreement with GHD for environmental, design plans and specifications, permitting, surveying, and construction management services for the 12kV Replacement Removal and Replacement project.

Mr. Friedenbach stated he met with Whitchurch Engineering and shared GHD's Statement of Qualifications (SOQ) with them. The purpose was to suggest methods and areas of improvement to make their SOQ more competitive going forward. They seemed appreciative of the feedback.

### K. DIRECTOR REPORTS & DISCUSSION

#### 1. General -comments or reports from Directors

Director Rupp inquired about the status of the new financial software. Ms. Harris stated she and two other staff members will be traveling to Utah in January for the Caselle training. She also explained that additional training will occur prior to January via the webinars and other web-based training. Staff will run parallel systems, and will actually do the payroll during the training session in Utah. The system will be up and running in January 2019.

Director Latt stated that as the current Vice President, he is next in line for President in January 2019. He realizes there a great deal of extra time and work involved in this position. President Woo is doing a great job and he prefers not to step in as President in January. He stated he will not seek nor accept the role of President in January 2019, however would like to be considered for the next election cycle in 2021. He wanted to share with the Board now rather than surprising them in January when the Board must select a President.

#### 2. ACWA – JPIA

Director Rupp stated he has nothing to report. He will be attending meetings the week after Thanksgiving at the fall conference.

#### 3. ACWA

Mr. Friedenbach shared the article "A New Chapter At ACWA" as well as the Federal Regulatory Issues November 2018 Update.

#### 4. Organizations on which HBMWD Serves: RCEA, RREDC

President Woo stated the offshore wind energy project is moving forward. They now have a signed contract for Phase I that includes researching public/private partnerships. She also stated the RCEA Board will be changing somewhat given the recent elections. Director Rupp stated Richard Engel of RCEA spoke about the wind energy program at a Rotary meeting and did a great job. It was very informative.



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Director Latt reported out on the RREDC meeting. The speaker was Tony Smithers from the Eureka-Humboldt Visitors Bureau. Tourism is big in the area. Last year approximately \$416 million was spent by visitors in the area and \$37 million was received in local/state receipts.

**ADJOURNMENT**

The meeting adjourned at 11:52 am.

Attest:

Handwritten signature of Sheri Woo in blue ink.

\_\_\_\_\_  
Sheri Woo, President

Handwritten signature of J. Bruce Rupp in blue ink.

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J. Bruce Rupp, Secretary/Treasurer