

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



Minutes for Regular Meeting of the Board of Directors
March 9th, 2023

District Mission

Reliably deliver high-quality drinking water to the communities and customers we serve in the greater Humboldt Bay Area at a reasonable cost. Reliably deliver untreated water to our wholesale industrial customer(s) at a reasonable cost. Protect the long-term water supply and water quality interests of the District in the Mad River watershed.

1. ROLL CALL

President Latt called the meeting to order at 9:00 AM. Directors Fuller, Lindberg, Rupp, and Woo were in attendance. General Manager (GM) John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, and Board Secretary Angela Smart were present. District Engineer Nathan Stevens was present for a portion of the meeting.

2. FLAG SALUTE

President Latt led the flag salute.

3. ACCEPT AGENDA

The agenda was accepted as published on motion by Director Woo, seconded by Director Lindberg, and a Board vote of 5-0.

4. PUBLIC COMMENT

No comments were received.

5. MINUTES

February 9, 2023, Regular Board Meeting Minutes were accepted with suggested edits on motion by Director Lindberg, seconded by Director Woo, and a Board vote of 5-0.

6. CONSENT AGENDA

The Board approved the Consent Agenda on motion by Director Fuller, seconded by Director Woo, and a Board vote of 5-0.

7. CORRESPONDENCE

7.1 HBMWD letter to Tina Bartlett – CDFW – Annual Report.

GM Friedenbach presented the Board with a letter written to Tina Bartlett, California Department of Fish and Wildlife (CDFW), regarding the 10th annual report of the Long-Term Lake and Streambed Alteration Agreement (LTSAA) No. R1-2010-0093. The letter includes as an attachment the District's Habitat Conservation Plan (HCP) report for the 2022 calendar year.

7.2 HBMWD letter to Justin Ly – Annual Report.

GM Friedenbach presented the Board with a letter written to Justin Ly of the National Marine Fisheries Service (NMFS) reporting the District's river activities conducted and permitted under the HCP during the calendar year 2022. There was no "take" of species during the year.

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It is submitted along with the letter to the CDFW. Both agencies monitor activities by the District in the river.

7.3 RCEA Board Voting Related to the CCA Program.

Communication received from the RCEA regarding Board Voting Related to the CCA Program was included in the Board Packet, which stated no changes were made to Board voting shares. RCEA Board of Directors voted unanimously to approve the updated, unchanged vote distribution at its January 26, 2023, regular meeting.

8. CONTINUING BUSINESS

8.1 Water Resource Planning.

- a. Local Sales
 - i. Nordic Aquafarms continues to face permitting challenges.
 - ii. Trinidad Rancheria Mainline Extension advertised their Cher-Ae Heights Indian Community RFQ for engineering services for the project. The response due date is March 29, 2023.
- b. Transport - no updates to report.
- c. Instream Flow - GHD is updating the District's narrative data table with information from 2018-2022.

8.2 McNamara & Peepe (Director Woo recused herself due to a conflict of interest.)

- a. 2/15/23 DTSC letter response to HBMWD letter re: Ground Water Report.

GM Friedenbach discussed DTSC's response to the letter sent on December 8, 2022, regarding the Groundwater Monitoring Report issued by SHN in October 2022. President Latt commented on the elevating levels of contamination found at the site. There is anecdotal evidence that buried barrels disintegrate over years of contact with the soil.
- b. 2/15/23 DTSC letter regarding HBMWD letter.

GM Friedenbach discussed DTSC's response to the letter sent on December 9, 2022, regarding the McNamara & Peepe site visit that occurred on November 4, 2022. The letter sent to DTSC requested clarification regarding their priority designation for the site. DTSC responded that they considered the site a Priority 1-B site, defined as "ongoing operation and maintenance of a state or federally funded site remediation treatment system necessary to prevent exposure to human or environmental receptors" [which, presumed by action or pace, is not being treated as such]. DTSC claimed difficulty collecting soil samples due to gravelly lithology. This warranted the proposed further investigation planned for Spring 2023 with the noted intent to step out laterally from the concrete cap to better understand the extent of the contamination.

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8.3 RLCSD Master Lease Renewal Option Response – Master Lease Amendment

GM Friedenbach presented RLCSD’s request to exercise a third 10-year renewal option to the Master Lease. The original lease signed in 1964 was between HBMWD and Trinity County. In 1966 Trinity County assigned that responsibility to the newly formed RLCSD. The current RCLSD Master Lease renewal option expires on May 31, 2023. The Master Lease Ad Hoc Committee reviewed the historical files and documents regarding the buffer strip recreational activities. Water quality protection is the priority. In addition to the option renewal request, GM Friedenbach presented a proposed Master Lease Amendment #3 to the Board. Amendment #3, drafted by District Counsel, would assist RLCSD with implementing policy enforcement with the Lease Lot holders and protect water quality at Ruth Lake. The Board reviewed and approved the proposed Amendment 3 to the Master Lease. The Board waived the notice period for the option and granted the 10-year option commencing on June 1, 2023, subject to RLCSD’s acceptance of the terms of the Master Lease Amendment #3 on motion by Director Rupp, seconded by Director Woo and a Board vote of 5-0.

8.4 The RLCSD Master Lease Liability Insurance Limit

Current insurance requirements were determined more than a decade ago. Considering economic inflation and the risk market for recreational activities, an increase is necessary. The Board directed Staff, in consultation with District Counsel, to draft and send a letter to RLCSD requesting current market insurance policy limits under Master Lease as recommended by the ACWA-JPIA with a minimum of \$10 million.

8.5 CLOSED SESSION — Conference with Legal Counsel - Anticipated Litigation: Initiation of litigation pursuant to paragraph (4) of subdivision (d) of § 54956.9 (DTSC)

Closed session was conducted from 11:31 AM to 12:22 PM. The Board returned to open session, and President Latt announced there was no reportable action.

8.6 CLOSED SESSION — Public Employee Performance Evaluation for General Manager (pursuant to Section 54957(b)(1))

Closed session began at 2:38 PM. The Board returned to open session at 3:35 PM. In Open Session, President Latt stated that based on the Performance Evaluation of the General Manager, the Board authorized a 1% merit increase of \$1,755 as an employer-discretionary contribution to the GM’s 457(b) account on April 1, 2023. The GM's yearly salary will remain at \$175,499. On motion by Director Rupp, seconded by Director Woo, the Board unanimously voted 5-0.

9. NEW BUSINESS

9.1 Collector Mainline Redundancy Project Engineering Services Contract Award – Phase 1

Staff informed CalOES grant administration of the RFQ and SOQ. Staff completed and submitted the “Request for Noncompetitive Procurement Authorization” that was CalOES requested. CalOES determined that the District had complied with the required procurement procedures. Based on the evaluation recommendation of the SOQ review committee, the

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Board awarded the contract to GEI Consultants, Inc. for professional services for the Collector Mainline Redundancy Project Phase 1 in the amount of \$422,103 on motion by Director Woo, seconded by Director Lindberg, and a Board vote of 5-0.

9.2 Policy for Brown Act Implementation at HBMWD Board Meetings

GM Friedenbach presented a formal Policy addressing electronic conferencing and the recently modified requirements of the Ralph M. Brown Act by AB2449. This new law added “just cause” and “emergency circumstances” to the exceptions to the general rules under the Brown Act for teleconferencing. In response to these changes, The Hybrid Board Meetings Policy (located in the Board Packet) was approved on motion by Director Rupp, seconded by Director Fuller, and a Board vote of 5-0.

9.3 Stump Removal Policy at Ruth Lake

GM Friedenbach discussed the need to add stump removal to existing policies for tree removal around Ruth Lake. As a consequence of the August Complex Wildfire and salvage logging conducted around the lake, a large number of tree stumps exist. Stump removal destabilizes the soil by increasing erosion and runoff flows into Ruth Lake which negatively impacts water quality. The Board reviewed and approved the updated Removing Stumps, Dead, Dying, and Diseased Trees Policy for HBMWD property at Ruth Lake, updating the current tree removal policy on motion by Director Fuller, seconded by Director Rupp, and a Board vote of 5-0.

9.4 COVID-19 Prevention Policy and Sick Leave

Changes in Cal/OSHA policies and requirements regarding COVID-19 impacts on employers occurred on February 3, 2023. Governor Newsom rescinded the COVID-19 State of Emergency for California on February 28, 2023. District Management has been navigating various COVID-19 protocol requirements since March 2020. Some of the mandates have been related to whether and how employees are paid when they have COVID or have been exposed. California employers have been required to provide employees paid time off for COVID infection separate from their standard sick pay.

Business Manager Harris presented the Board with 3 options for a proposed updated COVID-19 Sick Leave and Prevention Policy (CPP). Option 1 would continue to offer COVID-19 Sick-Pay for employees that test positive, regardless of the source of infection, for a minimum of 5-day quarantine, up to a 10-day quarantine (following the current “Return-to-Work Protocol” in the CPP); a maximum of 80 hours in a calendar year. This COVID-19 Sick-Pay would not accrue or be available to cash-out and would mirror prior COVID-19 Sick Leave mandates. The Board requested a 6-month and 12-month review of the implementation of this policy with a report back to the Board. The Board discussed all options and approved Option 1 of Staff recommendations as outlined in the Board Packet as stated above, on motion by Director Woo, seconded by Director Rupp, and on a vote of 5-0.

The revised District COVID-19 Prevention Program was approved on motion by Director Woo, seconded by Director Lindberg, and a Board vote of 5-0.

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10. REPORTS (from STAFF)

10.1 Engineering

a. 12kV Switchgear Relocation (\$858,332 District match)

District Engineer Nathan Stevens advised the Board that the project is nearly completed. The Notice of Completion was filed with the County on January 25, 2023, and the 35-day retention and release deadline has elapsed. The only remaining task for the contractor is to sign the waiver and release.

b. Collector 2 Rehabilitation Project

Mr. Stevens recounted the Notice of Award approval of the contract to Layne Christensen at the February Board Meeting, which was presented on February 21, 2023. They have until March 21st, (14 days) to return that paperwork with the required bonds and insurance documentation. Discussion clarifying the contract language is currently taking place between the legal counsels of both parties.

c. Essex Onsite Sodium Hypochlorite Generation

A productive kick-off meeting took place with PSI to discuss the project's requirements. Mr. Stevens indicated the equipment is expected to be on-site at the end of this calendar year. The next milestone in the project is a set of drawings before manufacture to be completed by PSI.

d. TRF Generator

FEMA Phase 1 funding has been awarded for the 750-kW generator for the Turbidity Reduction Facility. The Request for Qualifications (RFQ) has been released, and the Statement of Qualifications (SOQ) is due March 15, 2023. Once received, the Selection Committee will review and score the submissions and bring the recommendations before the Board. This is another Hazard Mitigation Grant project.

e. Status report re: other engineering work in progress

Mr. Stevens stated there was nothing further to report.

10.2 Financial

a. February 2023 Financial Statement & Vendor Detail Report

Business Manager Harris provided the financial report. The general bank account balance is \$3.9 million. Total investments are \$7.8 million. Under the Restricted Funds, the advanced charges for the Spillway Seismic Grant has over \$23k, and the Essex Facility Expansion has over \$105k. Both items appear blank in the report due to a programming glitch. Ms. Harris has verified these amounts register correctly within the software and is investigating the reason they are not displayed in the report. Total encumbered funds when these items are incorporated is \$5.3 million, and a total general fund reserve of \$2.6 million. President Latt reviewed the February bills. The Board moved to approve the February 2023 Financial Statement & Vendor

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Detail at \$427,806.01 on motion by Director Rupp, Seconded by Director Lindberg, and by a vote of 5-0 to approve the report.

b. District Reserve Policy Review

Business Manager Harris discussed the District Reserve Policy, which has not been updated since July 2009. Currently, the financial policy includes restricted, partially restricted, and unrestricted general reserves. Unrestricted General Reserves has a current limit of \$4 million. Based on applying the change in the California Construction Cost index from 2009 to 2023 to the CIP component, general inflation and other factors, staff recommended an increase to the maximum funding amount of the Unrestricted General Reserves to \$7 million. The staff report delineated a six-step process to implement any reserve policy change that would affect Ordinance 16 and our Wholesale Customer contracts. The Board approved the proposed changes and increase of the General Reserve on motion by Director Rupp, seconded by Director Fuller, and a Board vote of 5-0.

c. Budget Presentation Calendar

Business Manager Harris presented the FY 2023/24 budget calendar of meetings. Staff will preview the proposed Total Budget, and the proposed Services & Supplies, and moved the Salary & Employee Benefits Budgets to the May 16 Regular Board Meeting. The Board has selected to review the proposed Project Budget on May 24 at a Special Board Meeting. A review of the complete proposed FY23/24 Budget is scheduled for June 8, and Potential Approval of the proposed FY23/24 budget will take place on July 13.

10.3 Operations

a. February 2023 Operation Report & Graphs

Superintendent Davidsen reported 6.93 inches of rain and 7 feet of snow had fallen with 3-4 feet accumulating at Ruth Headquarters, requiring Mr. Raschein to use snowshoes to access the hydro plant. Ruth Hydro produced 784,000 kWh of power. The lake level was 2,653.28 feet on February 28, which was 0.72 feet below the spillway. The lake discharge averaged 263 cfs, with a high of 385 cfs on February 8. The river at Winzler Control Center had an average flow of 1,033 cfs, with a high of 3,180 cfs on February 28.

On February 8, the maintenance crew repaired a leak on Bay Street. On February 15, an HCS meter was installed after the scheduled calibration. On February 22, a tree was removed which was leaning over Fieldbrook reservoir. On February 24, staff discovered the meter from Old Simpson to Harbor District had failed due to loss of power and has impacted communication for operation staff.

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10.4 Management

- a. Trades Day @ Redwood Acres Fairgrounds – April 27th
Staff has registered for the Trades Day Construction Industry Career Exploration event. Superintendent Davidsen and staff will attend the event. GM Friedenbach invited Board Directors to attend if they desired.
- b. Local CSDA Certificate for HBMWD
GM Friedenbach presented the Board with the CSDA Humboldt Area Chapter Member certificate. The Humboldt Area Chapter currently has 15 members.

11. DIRECTOR REPORTS & DISCUSSION

11.1 General - comments or reports from Directors

Director Rupp provided a handout entitled “Great Teammate.” The brochure mentioned many ways to have successful teamwork experiences.

11.2 ACWA

- a. Director report out if any
Director Rupp stated there was nothing new to report.

11.3 ACWA – JPIA

- b. Pamela E. Tobin – Concurring Resolution – Resolution 2023-04
Elections will be held in April for the ACWA-JPIA Executive Committee. As a courtesy, HBMWD proposed Resolution 2023-04, a Concurring Nomination of Pamela Tobin. Resolution 2023-04 was approved on motion by Director Rupp, seconded by Director Lindberg, and a Board vote of 5-0.
- c. Perspective Newsletter
The JPIA Perspective Newsletter was included in the Board Packet for Directors’ review.

11.4 Organizations on which HBMWD Serves

RCEA Board Report

Director Woo reported that RCEA is currently searching for a suitable location, and success in this search may be announced at a Special Meeting later that afternoon. Director Woo also commented excitedly that the Yurok Tribe joined the RCEA Board.

RREDC Board Report

President Latt recounted a presentation by CalPoly Humboldt’s Fiscal Facilities Director, who spoke with the RREDC Board, regarding the budget for \$458 million in State funding.

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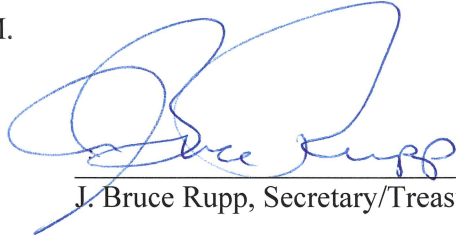
ADJOURNMENT

The meeting was adjourned at 3:41 PM.

Attest:



Neal Latt, President



J. Bruce Rupp, Secretary/Treasurer