



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
November 14, 2019

A. ROLL CALL

President Woo called the meeting to order at 9:00 am. Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Latt, Rupp and Woo were present. General Manager John Friedenbach, Business Manager Chris Harris, Superintendent Dale Davidsen and acting Board Secretary Dee Dee Simpson-Glenn were also present. Pat Kaspari of GHD was present for a portion of the meeting.

B. FLAG SALUTE

President Woo led the flag salute.

C. ACCEPT AGENDA

On a motion by Director Fuller, seconded by Director Rupp, the Board voted 5-0 to accept the agenda.

D. MINUTES

On a motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the minutes of the October 10, 2019 regular meeting.

E. PUBLIC COMMENT

There was no public comment.

F. CONSENT AGENDA

Director Rupp requested Item F1, page 33, Winter Weather Outlook, be pulled for discussion. A short discussion followed. On a motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the Consent agenda.

G. CORRESPONDENCE

Letter from FERC re: 2019 Dam Safety Inspection

Mr. Friedenbach reported on the results of the FERC inspection done by Sam Lee. Mr. Lee had good comments regarding the maintenance and conditions of the dam and they positively reflect on the crew – Operations, Maintenance and the Dam Tender. President Woo thanked Mr. Davidsen and his staff for all their hard work.

H. CONTINUING BUSINESS

1. Water Resource Planning

Mr. Friedenbach reported on the status of Nordic Aqua Farms. There was an update meeting on November 13, 2019 and Nordic Aqua Farms has begun adding staff. The next status meeting will be held sometime in January 2020. At that point their water quality technical staff will be in town. Mr. Friedenbach and Mr. Davidsen went into the field to identify potential sites for a clarifier. Maps were displayed showing the various properties that could meet the requirements – open land, undeveloped and adjacent to the District pipeline. The discussion will continue later in the closed session portion of the meeting.

Mr. Friedenbach gave an overall plan from Staff perspective that included the rehabilitation of Station 6 for approximately six million dollars. He has reached out to Humboldt Economic Development and EDA regarding grant possibilities. A lengthy discussion followed regarding assurances that the domestic rate payers will not have to pay for any of the improvements – these will be paid by the end user. All were in agreement that this will be part of any contracts.

2. Cannabis affecting Mad River Watershed

Brendan Lynch, Game Warden with California Department of Fish and Wildlife and member of the



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Watershed Enforcement Team (WET), gave a presentation on the Cannabis Enforcement Program. The Cannabis Enforcement Program is an umbrella over several programs and serves several counties. Following his presentation, the directors had several questions. Mr. Lynch reported that unfortunately it is a “game of whack a mole.” Once they close down a parcel that is in violation, they return the next year to see it is again up and running with numerous environmental and safety issues that impact the Mad River watershed. The directors appreciated the work that Mr. Lynch and the others members of the team are doing, offered a few ideas and suggestions, and thanked him for the presentation.

3. **CLOSED SESSION: Conference with Legal Counsel – Anticipated Litigation Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (2 cases)**

Prior to going into the first item of the closed session, President Woo recused herself and left the room – due to a conflict of interest.

Director Latt, as Vice-president, continued to closed session. Director Latt reported out there was no action taken on the first item.

Closed section – second item. President Woo returned to the meeting and at the close of the second part of the closed session, reported out that no action was taken.

4. **Ordinance 22-PUBLIC HEARING**

Mr. Friedenbach reported the first reading of the ordinance was last month and a few adjustments were made. President Woo opened the Public Hearing and as there was no public comment, the hearing was closed. On a motion by Director Rupp, seconded by Director Hecathorn, Directors Fuller, Latt, Hecathorn, Rupp and Woo voted 5-0 by roll call vote to approve Ordinance 22.

5. **Peninsula Infrastructure MOU**

Mr. Friedenbach reported that the outflow from the Board of Supervisors was to direct County Staff to explore the creation of a Joint Powers Authority (JPA) with other agencies that had a vested interest in infrastructure development on the Samoa Peninsula and report back. HBMWD expressed concern regarding the JPA as discussions held with Humboldt County Economic Development staff in pursuing different available options for financing the industrial water infrastructure on the Peninsula, some of the entities that were contacted don’t want the District to be in a JPA. They would prefer to deal directly with the water district. That message was communicated at various meetings, including the Samoa Stakeholder Session held on October 24, 2019. This group consisted of County of Humboldt, Humboldt Bay Harbor District, City of Arcata, City of Eureka, Manila CSD, Peninsula CSD, Samoa Fire Department and Humboldt Bay Municipal Water District. Session notes included an agreement to do a Phase One study which will look at the different forms of collaboration. The report will be issued in January however, it may not be in time for the District’s January Board meeting. The cost for that report is going to be \$10,000. Mr. Friedenbach recommended that the District contribution be \$2,500 which will come from REMAT funds. Ultimately, that is one of the costs that will be included in the industrial customer reimbursement. He requested that the first step be that MOUs (or other agreement) be sent to all stakeholders that will contribute to funding the study, especially as it relates to grants and loans.

The directors shared their concerns over a JPA. Director Latt wanted to make sure that the County did not think the JPA was a “fait accompli”. Mr. Friedenbach assured the Board that staff has made sure this message was out there. The January report will have potential collaborators and there may be a draft MOU available for the December Board meeting.



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6. District letter to Humboldt County Planning Commission re: Mad River as a Critical Municipal Water Supply Area

Mr. Friedenbach reported that there may be some resistance to the Mad River being designated as a Critical Water supply and the District may be facing an uphill battle. He would like the Directors to be prepared to discuss this with their elected counterparts, discuss what it would mean and come up with some guidelines as it is not defined in the County’s General Plan. President Woo asked of the two watersheds that do have this designation, what has it meant to them. Mr. Friedenbach will investigate. Director Latt expressed that there could be fear amongst the supervisors that this could be construed as anti-development.

I. **NEW BUSINESS**

Emergency Succession Planning

Mr. Friedenbach included a Sample Emergency Succession Plan Policy in the Directors’ packet. This policy was from McKinleyville CSD, to be used as a starting frame work. The Board had several suggestions on wording of the policy. Staff will bring back the suggested revisions as well as “filling in the blanks” as to who would be next to fill in for the GM during an emergency absence if the Superintendent wasn’t available.

CLOSED SESSION: Conference with Real Property Negotiator pursuant to Government Code Section 54956.8

Property Description: APN 507-111-02

Negotiating Parties: Humboldt Bay Municipal Water District (John Friedenbach) and W. Gallacci

Property Owner: W. Gallacci

Under Negotiation: Price and Terms

The Board went into closed session. Once back in open session, President Woo reported no decisions were made.

J. **REPORTS (from Staff)**

1. **Engineering**

12kV Switchgear Replacement (\$441,750 District Match)

Mr. Kaspari reported that the 12kV switchgear replacement project is out for bid and he has heard from a few interested contractors. The bid opening is scheduled for December 10th. He will bring the summary of bids to the next Board meeting for possible approval.

Log Boom Inspection Report

Mr. Kaspari reported on the engineering log boom inspection. An inspection is done yearly by District maintenance staff and every five years an engineering inspection is done. The log boom is generally doing well although there is one area that needs replacement. Director Rupp asked if the deterioration is reasonable. Mr. Kaspari had hoped we’d get more years out of it. He shared pictures of the parts that were showing wear and tear and felt that they should be replaced next summer. He had received a bid for \$20,000. He thought we may want to order these parts before the new budget and that the repairs definitely cannot be put off. Mr. Davidsen was looking at an option of replacing just the shackles at approximately \$5,000 but had not had this discussion with Mr. Kaspari. He will investigate further and determine the best option.

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

Mr. Kaspari stated there is no additional information on this.

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

Mr. Kaspari stated he has not heard anything since July.



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Lazzar-status report

Mr. Friedenbach showed pictures of the project area and its proximity to the District transmission line. This property is the former Paik-Nicely property. There had been a 55-foot easement agreed on previously but it had never been recorded. Mr. Lazzar has requested assurances from the District that we agree with his proposed drawings/diagrams. At this time Mr. Friedenbach felt it would be premature to act on this but felt the District can comment and the only additional requirement is that the District would need an access road that would bridge over the pipeline. Mr. Lazzar has spoken with David Loya of the City of Arcata and the City would be open to running an access road through City property. Director Latt commented that typically the Board defers to staff and if staff are not voicing concerns, then there's the answer – provided conceptually nothing changes. Mr. Friedenbach said we can provide a comfort letter with conditions. Staff will work on drafting a comfort letter.

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

Mr. Kaspari has been told that this is moving forward but hasn't heard anything else.

2. Financial

Financial Report– approve October 2019 (includes information from September) financial statement & vendor detail report

Ms. Harris noted the miscellaneous expense is at 70%. This is due to fees from Express Personnel for hiring a contract employee. The 2Mw Generator Fuel cost of \$8,109.07 is directly related to the PG&E PSPS and is an additional cost incurred. President Woo reviewed the bills and had no questions. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to approve the October financial report and vendor statement in the amount of \$440,463.80.

Caselle Conference

Ms. Harris reported that she and two other staff members (Becky Moyle and Corey Borghino) attended the training conference in Las Vegas, Nevada. They found it to be very helpful. The conference next year will be held in Salt Lake City and that will make it a little more economical to attend. She thanked the Board for allowing staff to attend the conference.

Director Rupp asked if the software was up and operational. Ms. Harris said it is partially up and running. The next phase is to roll out the online timesheet function. She is hoping that will happen in December.

CalTRUST Investment Fund

Ms. Harris stated as the Board is aware, staff has been frustrated with the inability to receive accurate and timely information regarding various investment accounts owned by the District, held by the County. As of October 31, 2019 the most recent statement the District has been provided is from June 30, 2019. Director Rupp noted the County just reconciled their 2018 financial report. Ms. Harris stated as a result of all this, staff has been researching alternate investment options for the District for the past several months. Factors for consideration included: protection of principle, liquidity, ease of transactions, transparency and availability of monthly reporting including online accessibility. Option One is Local Agency Investment Fund (LAIF) and Option Two is CalTrust Investments. Ms. Harris discussed both options and provided a detailed report on her research into the CalTRUST Investment Fund. In order to both diversify the District's investment funds and to have accurate, timely information for the Districts Financial Statements, staff recommends moving forward with CalTRUST Investments. After a brief discussion, on motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to accept staff recommendation and move forward with CalTrust Investments.



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Resolution 2019-19 Designation of Applicant’s Agent for Non-State Agencies

Ms. Harris explained that Resolution 2019-19 allows the Business Manager and Superintendent to continue working on grants and reimbursements in the General Manager’s absence. The current resolution expires in 2020. On a motion by Director Latt, seconded by Director Rupp, Directors Fuller, Latt, Woo, Hecathorn and Rupp voted 5-0 by roll call vote to approve Resolution 2019-19.

Ordinance 13 -Retail Water Rates Revision-discuss and first reading

Ms. Harris gave an overview of the changes and updates recommended to Ordinance 13. These include Appendix A: Discontinuance of Residential Water Service Policy, Appendix B: Fee Schedule and Appendix C: Retail Water Service Billing Adjustment Policy. Any feedback will be considered and potential adoption at the Public Hearing during the December Board Meeting. President Woo asked if there would be a rate increase and if so, what percentage it would increase. Ms. Harris said a notice will be sent to all customers advising them of the public hearing and there will be no rate increase as part of this hearing.

3. Operations

Monthly report on projects and operations

Mr. Davidsen provided the November operational report. The District did very well during the first PG&E PSPS (public safety power shutdown). The biggest issue was getting power to the Main office. A generator was installed and worked well. Following the second PSPS some issues were discovered regarding the electrical box at the Main Office. Recommendations and a proposed upgrade project to remedy this issue will be brought forward on the next budget.

Paul Jorgensen from the electrical department was hired as the Assistant Operations Supervisor. Regarding the Electrician and Instrumentation Technician open position, the job has been posted in numerous locations but as of the date of the Board meeting, no applications have been received.

Mr. Davidsen reported there had been a leak on the corner of Warren Creek and West End Road. With the help of GR Sundberg and the crew at Essex, it was repaired, and all was good. Mr. Davidsen traveled to San Diego to attend the Fall AWWA conference. He found the conference very educational and informative and thanked the Board for the opportunity to attend.

Safety meeting topics covered Fall Protection Safety and also Scaffolding and Man Basket Safety.

K. MANAGEMENT

CSDA

Mr. Friedenbach reported on SB 929 – the Special Districts Transparency Act. The law requires districts to have a website with specific information available to the public. The District’s website is up to date and meets all the requirements of SB 929.

Dunes Retreat

Mr. Friedenbach attended the evening portion of the Dunes Retreat where he attended a presentation on dunes restoration. The methods of eradicating invasive grass along the dunes, from Crescent City down the California Coast, varies from bulldozing, to burning to manually removing the grass by hand. The long-term results are dependent on the removal process with manual removal being the least successful.



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L. DIRECTOR REPORTS & DISCUSSION

General - comments or reports from Directors

Director Hecathorn announced that as of December 31, 2019, she would be resigning her position on the HBMWD Board. She will be missed by the Board and staff. A discussion followed on the next steps for filling the position. Mr. Friedenbach will bring that information to the December Board meeting.

1. ACWA

H.R. LaBounty Award

Mr. Friedenbach reported that the District submitted an entry for the HR LaBounty Award prior to the deadline. He was later notified that while they had submitted their entry prior to the deadline it will reviewed before the Spring deadline. ACWA/JPIA is addressing the scheduling error on their side so this won't be an issue in the future. Director Rupp expressed appreciation of the staff efforts at safety.

Finance Committee Agenda

Director Rupp reported on the Finance Committee. ACWA is financially solvent and there is a possibility that the dues may go down.

Election/Voting Process

Director Rupp expressed interest in being the delegate for ACWA. On a motion by Director Latt, seconded by Director Fuller, the Board voted 5-0 to send Director Rupp as a delegate to ACWA.

Human Right to Water in California

Mr. Friedenbach stated HBMWD was asked to participate as a co-signor on the Human Right to Water in California letter. Since the deadline was prior to the Board Meeting, the District was unable to participate per policy requiring Board approval. Mr. Friedenbach asked for direction from the Board regarding further consideration. The Board concurred that as a member of ACWA, if ACWA was supportive of the issue, then let ACWA take the lead. They felt no further action was needed.

2. ACWA – JPIA

Letter from ACWA-JPIA re: "President's Special Recognition Award" certificate

Mr. Friedenbach reported that the District received the President's Special Recognition Award certificate for having a loss ratio of 20% or less in the Liability and Property programs.

4. Organizations on which HBMWD Serves: RCEA, RREDC


President Woo reported on the Terra Gen project. There had been several meetings and she gave a list of pros and cons related to the project.

Director Latt reported that RREDC did not meet due to the Public Safety Power Shutoff.

ADJOURNMENT

The meeting adjourned at 4:40 p.m.

Attest:



 Sheri Woo, President



 J. Bruce Rupp, Secretary/Treasurer