



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

August 8, 2019

A. ROLL CALL

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

B. FLAG SALUTE

President Woo led the flag.

C. ACCEPT AGENDA

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

D. MINUTES

On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve the Minutes of July 11, 2019 Regular Meeting and July 19, 2019 Special Joint Board Meeting.

E. PUBLIC COMMENT

No public comment was received.

F. CONSENT AGENDA

Director Rupp pulled Item 1. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted to approve the Consent Agenda less Item 1.

Item 1. Mural Madness on the Samoa Peninsula

Director Rupp was going to comment on one of the murals, however, he realized the mural was not completed. Mr. Friedenbach showed several photos of murals on the concrete vaults. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve Consent Item 1.

G. CORRESPONDENCE

DWR letter re: Validated Water Loss Audit Report for Data Year 2017

Mr. Friedenbach discussed the letter from DWR. The letter states they have reviewed the District's 2017 Validated Water Loss Audit Report and found it meets the reporting requirements. He congratulated Ms. Harris on job well done. She is now in the process of certifying water loss audits for the previous year.

Director

Hecathorn inquired if Ms. Harris was certifying water loss audits for some of the Municipal Customers as well like

last year. Ms. Harris stated she was.

District letter to Humboldt Board of Supervisors re: Water Infrastructure on Samoa Peninsula

Mr. Friedenbach shared the letter sent the Board of Supervisors and shared at their meeting on July 23rd since he was not able to attend. The letter clearly states that the previous industrial customers (pulp mills) constructed and maintained on site clarifiers to remove/reduce turbidity from industrial water prior to utilizing it. The letter also notes that our industrial system is operational however, it has received minimal maintenance during the past ten years and will need significant capital improvements to provide a reliable water supply 24/7/365. Mr. Friedenbach noted the last sentence which shows the District is willing to be a collaborative partner in seeking grant funding to address water infrastructure capital needs that will ultimately benefit our local economy.



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Mr. Scott Adair and Kenneth Spain from the Humboldt County Economic Development Department were present and discussed possible ways to help support and provide assistance to support the Samoa Peninsula industrial water line project. Mr. Adair noted that the Board of Supervisors directed him and his staff to work with the District and find solutions. Funding options they are currently looking at include a USDA grant and the State Ibank. They shared a list of ways the County can help the HBMWD on Samoa Peninsula industrial water line project. Mr. Adair stated he and Mr. Friedenbach worked collaboratively on the list. He will be sharing the list on September 10 with the Board of Supervisors. The Board asked several questions. At the end of the discussion, Director Latt reiterated the District is willing to cooperate and work with the county and could call a special meeting to make decisions if needed. Ms. Naess of Nordic Aquafarms thanked the Board and stated she appreciates the cooperation.

H. CONTINUING BUSINESS

Water Resource Planning

Local Sales

Mr. Friedenbach reported that staff met again with Nordic Aquafarms and has been providing them information for their due diligence process. They have been provided with an update to the West Yost study and have suggested possible alternative technology for turbidity reduction. Staff has asked for formal bids from vendors to use as a basis for grant applications and will be meeting again with Nordic Aquafarms tomorrow. Director Latt noted that both pulp mills had their own clarifiers that they paid for and public funds were not used. He does not support using ratepayer dollars for clarifiers. The Board discussed various clarifier options, including locations. Director Rupp confirmed the process is still in the exploratory phase. Mr. Friedenbach confirmed this and indicated that Nordic Aquafarms will make a decision next month. Director Rupp added the District has been clear from the beginning that the user pays the costs. It is the District's intent to help but not pay for the costs. He, like Director Latt will not vote for a program subsidized by ratepayers. Mr. Friedenbach stated he will also suggest to Nordic Aquafarms that they have some sort of water storage in the event of a line break.

The Board discussed the letter from GHD regarding No Conflict of Interest. GHD has been hired to assist Nordic Aquafarms with the environmental permitting of their proposed facility on the Samoa Peninsula. They have informed Nordic Aquaculture they will not provide any services to them related the transmission, treatment, storage, service fee etc. related to water delivery to their facility. Pat Kaspari serves as the District Engineer and will not be involved in the environmental permitting process at all. Director Rupp requested staff confirm there is no conflict by having District legal counsel review the matter.

Transport

There are no updates on the transport option.

Instream Flow

President Woo stated the Instream Flow team met and several of the State Water Resource Control Board questions were clarified. The process is moving forward.

Cannabis Grows affecting Mad River Watershed

Mr. Friedenbach shared the article in the Times-Standard regarding mistaken abatement notices. Humboldt County has made some adjustments in cannabis enforcement as a result.

Humboldt County Zoning

The Board discussed the article in the North Coast Journal "A Higher Priority" by Elaine Weinreb. The article was well written and several directors have received positive comments.



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PG&E Bankruptcy

Mr. Friedenbach stated the District’s original claim with PG&E is for \$77,135.03. PG&E is reclassifying \$19,805.43 as general unsecured which leaves a payable amount of \$57,329.60. He met with a bankruptcy attorney (for a free consultation) who agreed with the PG&E analysis. He shared with the Board that there is a bankruptcy clause in the ReMAT agreement if the Board is interested in pursuing it. After discussion, Board consensus was not to invoke the ReMAT bankruptcy clause since PG&E is still paying on the ReMAT agreement post bankruptcy filing date.

I. NEW BUSINESS

Hydroelectric Operator/Ruth Representative Trainee

Mr. Friedenbach stated the Hydro Operator/Ruth representative Brian Newell has been in that position for 24 years and employed with the District for 37 years. Mr. Newell has indicated that he plans to retire in the near future. Staff is requesting Board authorization for trainee for up to six months to work with Mr. Newell. Director Rupp stated Mr. Newell has been an exceptional employee and he was supportive of the training. Mr. Davidsen agreed and stated Mr. Newell will be hard to replace and he has a “truckload of knowledge”. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to authorize a temporary Hydroelectric Operator/Ruth Area Representative Trainee position for up to six months.

J. REPORTS (from Staff)

1. Engineering

Surge Tower Replacement (\$239,900 District Match)

Mr. Stevens stated the project is now complete. The pay request has been received and there are just a few grant close out items to complete.

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

PG&E has stated there are no upgrades required which is great news. 60% design submittals will be completed next week. The project will go out for bid by the end of the year.

Collector Mainline Redundancy Hazard Mitigation Grants (\$763,000 District Match)

Nothing to report.

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

The project is moving along. Staff had a call with FEMA to begin the Phase I process that should take three to four months. Once that is complete, the funding for Phase I will be released.

Single Line Industrial Slough Crossing Hazard Mitigation Grant Application (\$679,750 District Match)

Nothing to report.

Matthews Dam Spillway Analysis Hazard Mitigation Grant Application (\$1,666,667 District Match)

Nothing to report.

Essex Emergency Chlorine Scrubber Hazard Mitigation Grant (\$335,000)

Nothing to report.

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

Nothing to report.



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2019 Emergency Disaster

Mr. Friedenbach stated the District just received a letter from CalOES stating the request for assistance has been approved by FEMA. Last month, the Board authorized the GM to procure emergency service procurement. Since the remaining emergency work can be completed by the FEMA deadline for emergency work or November 17, 2019, he will not need to utilize the authority. GRS will continue with the emergency work with GHD providing the emergency construction management.

Status report re: other engineering work in progress

Mr. Stevens reported that GHD submitted the Mad River Crossing Project to the ASCE San Francisco Section under the “Outstanding Small Project” and “Outstanding Water Project” categories. The award ceremony is on September 12th. This is the project that did win Project of the Year at the ASCE North Coast Section. The Board thanked him for the submittal.

2. **Financial**

Financial Report

Ms. Harris provided the July 2019 financial statement & vendor detail report. Director Hecathorn reviewed the bills and stated she did not have any questions. Ms. Harris noted that the City of Eureka shows a zero payment for the month. They are in between finance directors and experienced some technical difficulties with issuing payments. Payment was received the first week of August. Director Rupp inquired how the financial software transition was going and if the District was still running parallel software. Ms. Harris stated only Caselle is being used. It was a bit of a challenge since it is a new system. It is a time-saver in some areas and some are still new so naturally, it is slower in those areas as staff learns. Next year will be much quicker. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve the July financial report and vendor statement in the amount of \$647,647.26.

PARS Trust review

Ms. Harris provided a review of the PARS Trust. In January 2018 when the Board approved establishing the PARS Trust, participation in the “moderate” investment portfolio was selected. She provided a graph showing the District’s fund performance since the initial funding of \$600,000 in April 2018. Over the past twelve months the trust has provided returns of 6.76%. The Board has several options going forward. Ms. Harris reviewed the various options and the Board discussed them. After much discussion and consideration, on motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to stay the course and remain in the “Moderate” portfolio.

3. **Operations**

Mr. Davidsen provided the July Operational Report. Collector 1 was taken off line for electrical upgrades. The Collector 1 transformer and switchgear upgrade project is nearly complete. Eureka Humboldt Fire Extinguisher was onsite maintaining all the District fire extinguishers. Three staff attended basic electrical concepts training, the SB198 Safety Meeting was held on July 18, and the Respirator Safety and Fit testing was conducted on July 31st.

Surplus former Collector 1 transformer

On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to surplus the Collector 1 transformer.

K. **MANAGEMENT**

Mr. Friedenbach reported out on the CSDA chapter meeting. There were two speakers: one talked about State District boundary adjustments that will need to occur after the census and the other gave a



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presentation on asbestos. The guest speaker at the next meeting will be Director Rupp discussing the County Redevelopment Oversight Committee.

L. DIRECTOR REPORTS & DISCUSSION

ACWA – JPIA

Fall Conference 2019 attendance

On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 for the Board, GM and appropriate staff to attend to ACWA Conference and authorize the corresponding expense.

Wellness Grant 2019

Mr. Friedenbach stated the District once again applied for and received an ACWA-JPIA Wellness Grant. This year employees will be able to purchase exercise apparel and/or accessories and be reimbursed up to \$36 after submittal of receipt. Director Rupp congratulated the District and Mr. Friedenbach for the taking the initiative to participate.

ACWA Committee Considerations

Director Rupp stated he would like to participate in the Finance and Membership Committees again. On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 4-0 to have Director Rupp considered for the Finance and Membership Committees.

Region 5 Event

Mr. Friedenbach noted the topic for the upcoming Region 5 event is Water Supply and Reliability. He suggested the District send out our transport letters reminding Region 5 water agencies of our available water supply in advance of their meeting. The Board concurred.

Organizations on which HBMWD Serves: RCEA, RREDC

RCEA

President Woo stated the RCEA meetings have been filling up since the topics have included biomass and Terra Gen. The definition of clean energy when defined will be interesting as it may not include biomass.

RREDC

Director Latt reported out on the RREDC meeting, Nordic Aquafarms provided a presentation and indicated they will not be using GMO fish. They also stated that the HBMWD water was not “clean”. This raised several eyebrows. During director reports portion of the RREDC meeting, Director Latt stated the District water is actually very clean. Nordic is using industrial water which is untreated water from a different system and they have very specific needs. The District water is actually clean and the TRF is not run year- round since the water is not very turbid most of the year.

ADJOURNMENT

The meeting adjourned at 1:40 pm.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer