



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 7th Street, Eureka



**Minutes for Meeting of Board of Directors
April 12, 2018**

A. ROLL CALL

President Woo called the meeting to order at 9:01 am. Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Latt, Rupp and Woo were present. General Manager John Friedenbach, Business Manager Chris Harris and Board Secretary Sherrie Sobol were 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

Under the Ralph M. Brown Act, a legitimate immediate need can be acted upon even though it is not on the posted agenda. The Board must determine that there is an immediate need to take action and the need arose after the agenda was posted. Under the Ralph M. Brown Act, in order to add a qualified item to the agenda, it must be publicly identified so that interested members of the public can monitor or participate in the consideration of the item in question. Also, the Board must agree by consensus to discuss the item.

Mr. Friedenbach stated he would like the Board to consider an addition to the agenda. Late yesterday afternoon the District received notice that Pioneer Law Group could no longer represent the District. The District needs legal representation in order to move forward with the Planning Commission appeal. Staff recommends adding an Item 6 under New Business: Thomas Law Group Fee/Retainer Agreement-discuss and possibly approve. The Board concurred there was need for immediate action and added it to the agenda. On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 5-0 to accept the agenda with the addition of Item 6 under New Business.

D. MINUTES

Director Woo requested a change in wording, not substance on Page D3 under Cannabis Grows. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the minutes of the March 8, 2018 Regular Board Meeting as amended.

E. PUBLIC COMMENT

A member of the public inquired if time sets would be changed given the addition of the new item to the agenda. Mr. Friedenbach stated the time sets are not affected by the addition of the New Business item.

F. CONSENT AGENDA

President Woo pulled Item 3 page 25, The Mad River Union April 1st article: Town divided, accusations fly over controversial Plaza monument.

On motion by Director Fuller, seconded by Director Rupp, the Board voted 5-0 to accept the Consent Agenda, less Item F3.

President Woo said she had a good laugh reading the Mad River Union April 1st article: Town divided, accusations fly over controversial Plaza monument, especially the third paragraph "...bowing down to the Humboldt Bay Municipal Water District and their liquid oppression. Who made them God?" The article was part of the Mad River Union's April Fool's edition. On motion by Director Fuller, seconded by Director Hecathorn the Board voted 5-0 to accept Consent Item F3.



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G. CORRESPONDENCE

Letter from District re: WCB Grant

Mr. Friedenbach shared the thank you letters sent out to those who provided a letter of support for the District's 2017 Wildlife Conservation Board grant application.

Letter from District to Humboldt County OES re: participation in Local Hazard Mitigation Plan

Mr. Friedenbach shared the letter sent to Humboldt County OES committing the District as a Participating Jurisdiction in the Humboldt County Multi-Jurisdictional Local Hazard Mitigation Plan (LHMP). Mr. Friedenbach stated the County has until March 2019 to update their Local Hazard Mitigation Plan. CalOES also sent the District a notice regarding the March 2019 deadline for the County. In order for the District and all other County agencies to receive Hazard Mitigation Grant funds, the County must have an approved LHMP and the District must be a participant. Given the importance of having a current approved LHMP, the Board directed staff to send a letter to the Board of Supervisors to ensure they are aware of the deadline.

H. CONTINUING BUSINESS

Water Resource Planning

Instream Flow Option

- a) Resolution 2018-03 Approving the Application for Grant Funds from the Wildlife Conservation Board for the Mad River Stream Flow Enhancement Project

The District received a grant for the Mad River Stream Flow Enhancement Project from the Wildlife Conservation Board. One of the requirements prior to receiving funding is a Board approved resolution. Director Rupp read Resolution 2018-03 Approving the Application for Grant Funds from the Wildlife Conservation Board for the Mad River Stream Flow Enhancement Project. The Board voted 5-0 by roll call vote to approve Resolution 2018-03.

- b) News articles re: grant from WCB

Mr. Friedenbach shared a few news articles regarding the grant funding the District received from the Wildlife Conservation Board.

Transport Option

The Transport Committee will be participating in a call next week with Mr. Tavares who is interested in water transport. Director Rupp stated he and Director Latt will review the term sheet previously approved by the Board prior to the call.

Cannabis Grows

Mr. Friedenbach stated he did not have any new updates. Last month, he reported out that one option proposed by CDFW was to help fund overtime for their enforcement staff on the Mad River. If the Board is interested in pursuing this option, there is budget money available. Director Latt requested the item be on the agenda for consideration next month.

Planning Commission Appeal

- a) Status report and discussion

President Woo stated the Board will discuss the topic first, then accept public comment. Director Latt recused himself and left the room prior to Board discussion. Mr. Friedenbach stated previous legal counsel, Ms. Matarazzo of Pioneer Law Group disagreed with the supposed conflict, however rather than cloud the issue, she terminated services. The Board will later discuss the possible approval of a fee/retainer agreement with Thomas Law Group. Ms. Walker of the Thomas Law Group will be participating in the open session as well as closed session discussion. He noted that as General Manager, it is within his authority to hire



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legal counsel on a short-term basis in situations such as this one. Ms. Walker participated in the discussion via phone. No representatives from MCMP were identified as being present. Mr. Friedenbach reviewed the chronology of events/correspondence that transpired since the last Board meeting regarding the MCMP LLC permit appeal. Based on the delay and content of correspondence that transpired the past week by MCMP regarding the withdrawal of their permit application at the Glendale property, staff recommends the District immediately demand the Board of Supervisors hear our appeal to the Glendale property permit. Additionally, staff recommends no further meetings occur with MCMP representatives unless District legal counsel is present. Director Rupp stated we met in good faith and thought there was progress. Given the initial lack of communication from MCMP and the subsequent content of communications this week, he supports staff recommendation. After additional discussion, the Board concurred the District should move forward with the appeal to the Board of Supervisors at this point. They also concurred that no private meetings with any of the Board of Supervisors should occur, all will be done in a public setting. President Woo invited public comments.

Ms. Lynch stated she was speaking as an individual and noted that transparency seems to be an issue. She agreed that any meetings between the District and the Board of Supervisors should be done in a public forum. Mr. Kaspari spoke as individual member of the public and stated this needs to remain in the public and not die down. Mr. Latt returned and spoke as a member of the public and expressed concern regarding the elapsed time from when District filed their appeal and the now adversarial tone from MCMP. He supports the District moving forward to have the Board of Supervisors hear the appeal as soon as possible. He left the premises after his public comment. Ms. Weinreb stated she believed the Board of Supervisors had 30 days to the hear the appeal from the date filed and inquired how they could get away with not having the issue on their agenda. President Woo thanked the public for their input.

The Board continued their discussion and Director Rupp inquired who requested the initial meeting with MCMP. Mr. Friedenbach stated the District requested the meeting and it was preferenced with MCMP pulling the permit and agreeing to a covenant on the property. If MCMP were to agree to this, a joint press release would have been issued. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to move forward with the permit appeal and to send a letter to the Board of Supervisors.

b) CLOSED SESSION- to discuss potential litigation-pursuant to Section 54956.9 (c) of the Brown Act

At 10:30 am President Woo stated the Board was going into closed session to discuss potential litigation.

The Board returned to open session at 10:50 am. President Woo stated there was no reportable action. Director Latt returned around 10:53 am.

TRF Tour

Mr. Friedenbach stated over 60 invitations went out to the Municipal Customers elected boards/councils and their General Manager/Superintendents. Having received less than a dozen confirmed attendees, the tour was cancelled.

Lazzar Subdivision

Legal Counsel Paul Brisso participated in the discussion via phone. Mr. Friedenbach stated the District received an agency referral request from the City of Arcata for comments on the proposed



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Lazzar subdivision. He provided background information on the proposed Lazzar subdivision. The proposed development is over and near our main transmission lines for the industrial and domestic systems. There is also a valve access vault on the south side of the parcel. The District had various conversations with Mr. Lazzar during 2016 and 2017. Those discussions were ended abruptly by Mr. Lazzar when the District communicated that expenses related negotiating a modification to those rights would need to be borne by Mr. Lazzar as the District cannot gift public funds. Mr. Lazzar has proceeded with his proposed development without resolution of our easement rights conflicting with his proposed development plans over and adjacent to our existing pipelines and infrastructure on the property. Therefore, staff recommends that the District oppose the proposed project until such time as the property owner negotiates acceptable modifications to our existing floating easement rights that will protect the District's infrastructure and provide adequate access to maintain, replace, or modify our existing infrastructure. Director Latt asked legal counsel for recommendations on how to minimize our costs given the adversarial position taken by the developer. Mr. Brisso stated he agrees with Mr. Friedenbach's approach to opposing the project until the District has adequate easement protections. This is the least litigious and most cost-effective approach. The Board discussed easement rights and Mr. Brisso stated the law is clear regarding the District's floating easement. Approximately ten years ago, the District negotiated to fix its floating easement as a 40-foot easement corridor adjacent to the pipeline and rights to ingress/egress to maintain the pipeline over the entire property. Mr. Brisso stated if Mr. Lazzar were willing to comply with the prior land owner's agreement of a 40-foot corridor and 5-foot buffer easement, there would be no issues and legal costs would be minimal. Director Latt stated the cover letter opposing the project should note the District's prior negotiated fixed-easement is a binding legal agreement on successors interest and Mr. Lazzar's project as proposed with a thirty-foot easement does not comport to either fixed or floating easement. After additional discussion, on motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 authorize the General Manager to file a letter with legal consultation, to the City of Arcata opposing the Lazzar subdivision as proposed given concerns regarding the District's easement interests.

I. NEW BUSINESS

Request from Mad River Alliance for financial support

Mr. Friedenbach stated the District received a request from Mad River Alliance (MRA) for Water Quality Monitoring support and shared the letter with the Board. He then introduced Dave Feral, Executive Director of Mad River Alliance. Mr. Feral thanked the Board for the opportunity to speak. He stated he did not have a PowerPoint presentation but is happy to answer any questions regarding the water sampling plan or the request for water quality monitoring support. The MRA is seeking financial support to develop a paid position to manage their water quality monitoring project. The work will include coordinating volunteer technicians, purchasing and maintaining field equipment, and managing data collection and report. MRA's goal is to raise \$35,600 to fund this staff position and is requesting support of \$5,000 from the District. Director Hecathorn asked if this project was being done by volunteers. Mr. Feral replied yes and listed several professionals in the field who are donating their time and one paid staff person is needed to manage and compile data provided by the volunteers. Director Latt stated he is supportive but requested a summary of findings so the District can work with MRA and help develop any plans necessary to protect the quality of the water. Mr. Feral stated the information received will be open source and shared. Director Rupp asked staff where funding would come from if the Board approves the request. Mr. Friedenbach stated the funds would come from the Mad River Watershed Regulatory Compliance budget. He suggested that funding be contingent upon receiving annual reports in a timely manner and the District be made aware of any abnormal or spike results in the monitoring process. Mr. Feral stated this would not be an issue. The Board was supportive of the project and concurred that protecting water quality is not only important, but also part of the District's Mission Statement. On motion by Director Latt,



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seconded by Director Hecathorn, the Board voted 4-0 to provide funding in the amount of \$5,000 to Mad River Alliance to support the Water Quality Monitoring Project and receive an annual summary of the results. President Woo stated she did not have a conflict but abstained to prevent any perceived conflict.

RCEA Public Agency Solar Program

Mr. Friedenbach discussed the RCEA’s Public Agency Solar Program. He shared the services included in the first phase which is a no-cost solar energy and energy efficiency service review and analysis. Since the initial step is at no cost to the District, he submitted an application for the Public Agency Pilot Solar Program. RCEA staff will work our District to develop a scope of work and identify feasible and eligible projects. If we decide at that time to move forward with RCEA’s recommendations we will need to enter a Participation Agreement with RCEA and that will come before the Board for approval. Mr. Friedenbach stated if the Board does not want to proceed with the no cost analysis, no work has been done by either the District or RCEA so no loss would occur. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to proceed with the initial no-cost analysis.

District Facebook

Mr. Friedenbach inquired if the Board wanted to keep the District Facebook page. He noted that it has not been updated since former GM Paul Helliker left and it appears that there are two Facebook pages. The Board discussed options and decided to have the Website Social Media Ad-Hoc Committee meet to further discuss this. The ad-hoc committee is comprised of President Woo and Director Fuller and they will work with Business Manger Harris on this.

Joint Board Meeting with Ruth Lake CSD

Each year, the District holds a joint board meeting with Ruth Lake CSD to discuss issues of mutual interest in and around Ruth Lake. Given the road closures on Highway 36, Mr. Friedenbach suggested meeting on Friday since the road opens at 3 pm versus 5 pm for the return trip. After a brief discussion, the Board agreed to meet on June 8, 2018 if this works for the Ruth Lake CSD board as well.

Resolution 2018-04 Recognizing and Honoring the Outstanding Service of Carol McKibben

Carol McKibben was present in the Board room and Director Rupp stated it would be an honor to read her resolution. After Resolution 2018-04 was read, the Board voted 5-0 by roll call vote to adopt Resolution 2018-04 Recognizing and Honoring the Outstanding Service and Achievements of Carol McKibben. President Woo presented Ms. McKibben with a framed resolution and thanked her for her service with the District. Ms. McKibben stated it was a dream come true to work for the District. It is a great company and she had great co-workers.

J. REPORTS (from Staff)

1. Engineering

Blue Lake-FG CSD Water Line Replacement over Mad River (funded by Prop 84 NCIRWMP grant and FEMA Hazard Mitigation Grant)

Mr. Kaspari stated Mercer Fraser was the low bidder and awarded the contract. They have signed the contract and additional paperwork, including the Notice to Proceed. Mr. Kaspari added that this project is grant funded and Mercer Fraser is aware of the grant expiration date. He is currently awaiting the project schedule from Mercer Fraser.

Surge Tower Replacement/12kV Replacement



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Mr. Kaspari stated the CEQA documents for the Surge Tower Project will likely come to the Board next month. It will be a Negative Declaration and the project will probably start in 2019.

There is no new information on the 12kV project. FEMA is working on it and we should know more in a few months.

Collector Mainline Redundancy Hazard Mitigation Grants

Nothing new to report.

Reservoir Structural Retrofit Hazard Mitigation Grant Application

Mr. Kaspari stated the full application is due by July 1st and the District is ahead of schedule.

Single Line Industrial Slough Crossing Hazard Mitigation Grant Notice of Interest

Nothing new to report.

Dam Spillway Analysis

Mr. Friedenbach stated in response to the Oroville incident, FERC is now requiring dam owners to conduct a Potential Failure Mode Analysis (PFMA) of their existing spillway. Given our location and costs involved to have all participants in the same room, the District conducted a webinar style meeting. This approach was well received and effective. Approximately twenty participants were involved representing the District, GHD (Eureka), GEI (Oakland), FERC (San Francisco) and DSOD (Sacramento). Several regulators commented that our dam is one of the best maintained dams and they were impressed that we have an on-site dam tender. The PFMA Spillway report along with a few other reports will be sent to FERC and DSOD by the end of the month.

2. **Financial**

Financial Report

Ms. Harris provided the March financial report. Director Rupp noted that the reserves are down due to large projects and hydro revenues are up due to the ReMAT agreement. Director Rupp reviewed the bills and there were no issues. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to approve the March 2018 financial report and vendor statement in the amount of \$295,852.58.

Project Budget 2018/19

Mr. Friedenbach inquired if the Board had any projects they would like to see included in the FY18/19 budget and if so, to please email Ms. Harris within the next week. The Project Budget meeting is scheduled for May 30th at 9 am at Essex. Director Rupp stated he would like to see a budget item for security. He expressed concerns regarding an invasion of the SCADA system as this topic has been in the news lately.

3. **Operations**

Mr. Friedenbach stated that Mr. Davidsen and Mr. Chairez are attending an Inspection and Assessment of Dams training hosted by the Association of State Dam Safety Officials. Mr. Friedenbach provided the March Operational report. Staff continued clean up at the TRF from the generator failure and started the process to get the TRF back on line, which they successfully did. A new maintenance worker was hired and is scheduled start on April 16th. Engineers inspected the CT Reservoir and the report will be shared at a future meeting. Training included cross connection control and backflow testing. Chlorine leak response training was also conducted in coordination with the Humboldt County HazMat team and the Arcata Fire District.



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Ruth Bunkhouse Remodel, Release Project for Bid

Mr. Friedenbach stated staff is requesting approval to release the proposed project to go out for bid. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to release the project for bid. The Board briefly discussed potential names for the bunkhouse.

K. MANAGEMENT

CSDA

Mr. Friedenbach shared the “Take Action” alerts. He stated this is similar to the ACWA Alerts and is informational only. The CSDA requested letters of support be sent out regarding SB929 that would require all Special Districts to have and maintain a website by 2020. Mr. Friedenbach shared the District’s letter of support. He noted the bill provides an exemption for small districts that cannot comply due to hardships such as no broadband access or the necessary finances or staff to start and maintain a website. Districts that cannot comply due to hardship will need to adopt a resolution declaring the exemption.

CUEMA Seminar

Mr. Friedenbach attended a training on “Emotional Intelligence” held at the JPIA and conducted by CUEMA. The training was useful and he learned some good tools. CUEMA is the California Utility Executive Management Association. This is a non-profit organization for water utility professionals, their supporters and associates working in California.

Form 700

The Form 700 is due annually and Mr. Friedenbach thanked the Board for submitting their Form 700 in a timely manner.

L. DIRECTOR REPORTS & DISCUSSION

1. General

No comments were received.

2. ACWA – JPIA

Director Rupp stated the JPIA newsletter Perspective is out and has some good information. The Employee Benefits Committee met on April 4. The health insurance rate increase range is 6-9% without subsidies. Pharmaceuticals is the largest cost growth. The Employee Benefits program is a \$90 million program and they have found ways to save money without reducing benefits to member agencies. The committee will meet again in July to set rates effective January 2019.

3. ACWA

Director Rupp stated he was not selected to serve on the ACWA Region 1 Board.

Mr. Friedenbach shared the Advisory and other ACWA articles related to SB623 the proposed drinking water tax. He noted that one of the supporters of this tax is the Rural County Representatives of California (RCRC) and County Supervisor Rex Bohn is the Chair of RCRC Executive Committee. The Board asked staff to send a letter to the RCRC expressing their concerns regarding SB623.

4. Organizations on which HBMWD Serves: RCEA, RREDC

Director Latt stated RREDC did not meet since they did not have a quorum. President Woo reported out on the RCEA meeting. She stated that they chose a team for the offshore wind energy



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project and will submitting an unsolicited lease application to the Bureau of Ocean Energy Management.

ADJOURNMENT

The meeting adjourned at 3:16 pm.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer