

**Humboldt Bay Municipal Water  
District 828 7<sup>th</sup> Street, Eureka**



**Minutes for Regular Meeting of the Board of Directors  
May 16<sup>th</sup>, 2023**

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**1. ROLL CALL**

President Latt called the meeting to order at 9:00 am. Director Rupp conducted the roll call. Directors Fuller, Latt, Lindberg, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris and Accounting Tech II Dee Dee Simpson-Glenn were also present. Nathan Stevens, District Engineer was there for a portion of the meeting. Director Fuller left the meeting shortly before it ended.

**2. FLAG SALUTE**

President Latt led the flag salute.

**3. ACCEPT AGENDA**

On motion by Director Lindberg, seconded by Director Woo, the Board voted 5-0 to accept the agenda.

**4. PUBLIC COMMENT**

No public comment was received.

**5. MINUTES**

The April 13, 2023 minutes were not completed in time for the meeting. The minutes will be presented at the Special Meeting on May 24, 2023.

**6. CONSENT AGENDA**

On motion by Director Woo, seconded by Director Fuller, the Board voted 5-0 to approve the Consent Agenda.

**7. CORRESPONDENCE**

**7.1 HBMWD letter to FERC re: ODSP**

Mr. Friedenbach shared the letter sent to FERC regarding the District's Owner's Dam Safety Program (ODSP). Staff and consultants submitted an updated ODSP, keeping the District in compliance.

**7.2 HBMWD letter to RLCSD re: Master Lease Amendment #3 and response**

Mr. Friedenbach discussed amendment three to the Master Lease with Ruth Lake CSD. The updated policies provided more options for enforcement of the RLCSD policies for the Ruth Lake Leaseholders. The update has been signed by both districts and goes into effect June 1, 2023 and is valid during the remainder of the Master Lease term.

**7.3 HBMWD/RLCSD letter requesting Law Enforcement Presence at Ruth Lake**

During the joint board meeting last year with Ruth Lake CSD, the topic of law enforcement on and around Ruth Lake was discussed. Several enforcement agencies present suggested the districts request law enforcement presence during high-profile weekends. Mr. Friedenbach shared the joint letter sent by HBMWD and RLCSD to four agencies requesting enforcement for specific time frames. The California Highway Patrol has responded favorably. Staff is still awaiting confirmation from other agencies.

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7.4 CalOES Notice of Obligation COVID-19 Expenses

The District applied for and received grant funding to reimburse Covid -19 costs incurred, such as plexiglass dividers. Reimbursement was received in the amount of \$5,868.87. Mr. Friedenbach commended Ms. Harris on a job well done.

8. CONTINUING BUSINESS

8.1 Water Resource Planning - status report on water use options under consideration

a. Local Sales

i. *Nordic Aquafarms—Supervisor Arroyo visits Nordic’s Danish fish farm*

The Directors briefly discussed the news article. Mr. Friedenbach shared that senior staff from Nordic Aquafarms will be in town for a Coastal Commission meeting and would also like to meet with the District. The Board concurred that Mr. Friedenbach and Directors Latt and Rupp should meet with them and discussed agenda items for the upcoming meeting.

ii. *Trinidad Rancheria Mainline Extension*

District staff reached out to the Trinidad Rancheria to see if they have selected an engineer for the project however, they have not yet responded.

b. Transport

Mr. Friedenbach stated there is no update.

c. Instream Flow

Mr. Friedenbach stated staff is still expecting a report from GHD.

8.2 McNamara & Peepe – Letter to DTSC

Director Woo recused herself due to a conflict of interest and left the room. Mr. Friedenbach gave an overview of the letter initiated by the District to the DTSC (Department of Toxic Substances Control). In an effort to increase communications and document statements made by DTSC, monthly emails of status, as well as quarterly face-to-face meetings have been promised by DTSC. The Mad River Policy Committee initiated monthly meetings with the EPA via Microsoft Teams to continue the discourse on the progress. Matthew Hageman of SWAPE and Jen Kalt of Humboldt Baykeeper joined the Committee for these meetings. Pre-meetings are held one half-hour prior to the EPA meeting to insure they make the best use of the monthly meeting time. As of the date of the Board meeting, the District had not received contact from DTSC for the May status. No public comment was received and Director Woo rejoined the meeting when discussion ended.

9. NEW BUSINESS

RFP/RFQ for Compensation & Benefit Study

Ms. Harris stated this is one of three RFP’s she’s been working on. At this point, it is informational only and she noted that the costs are included in the proposed budget for FY23/24. A discussion on what the Compensation and Benefit Study would include took place. Tasks will include reviewing position descriptions to ensure they match the actual duties, salary compensation, and comparison with other equivalent agencies. Responses to the RFP/RFQ are due by May 26, 2023.

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**10. REPORTS (from STAFF)**

**10.1 Engineering**

**a. Collector 2 Rehabilitation Project**

Mr. Stevens stated the first payment request from Layne has been received. It is relatively small in the amount of \$15,561.00.

**b. Essex Onsite Sodium Hypochlorite Generation**

Mr. Stevens reported they had just received the design submittal for the Onsite Sodium Hypochlorite Generation and he had given it a cursory look. GHD and the District will need to approve the design submittal before it goes to the manufacturer. This should be relatively soon.

**c. TRF Generator**

Mr. Stevens reported that PACE Engineering, the contractor for the project, is making progress. They have conducted several preliminary site visits.

**d. Collector Mainline Redundancy Project**

GEI has conducted a preliminary site visit.

**e. Status report re: other engineering work in progress**

There were no other items to report.

**10.2 Financial**

**a. April 2023 Financial Statement & Vendor Detail Report**

Ms. Harris provided the April financial report and highlighted balances for the following accounts: General account is \$4.9 million, Various Investments is \$8 million, Funds Allocated to Specific Projects (Advanced Charges) is \$5.6 million and General Reserves is \$3.3 million. Vendor Statements totaled \$492,193.67. On motion by Director Lindberg seconded by Director Rupp, the Board voted 5-0 to approve the April financial statement and Vendor detail report.

**b. Budget Presentation**

Ms. Harris presented the FY23/24 proposed budget. The Directors asked several questions and were overall very supportive. The FY23/24 estimated Municipal Customer charges are \$8,039,196, which is an increase of \$40,055 or 3.40%.

**c. Fire Fuel & Defensible Space Project, Part II Contract**

Ms. Harris shared that the District released an RFP/RFQ for Part II of the Fire Fuel & Defensible Space Project. It is anticipated that Part I of the project will be completed within the next several weeks. Part II is intended to continue fire fuel reduction on properties that did not burn as well as areas unaddressed during the salvage logging process. Following a review of the RFP Ruth Fire Fuel Reduction Part II responses, staff recommended the Board approve entering into a contract with Greentek Services in the area surrounding Ruth Lake. On a motion by Director Lindberg, seconded by Director Woo, the Board voted 5-0 to enter into a contract with Greentek Services for Part II of the Fire Fuel Reduction & Defensible Space

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Project.

**d. RFP – Qualified Municipal Financial Advisory Firm**

Ms. Harris reported that on April 6, 2023, the District released an RFQ for the qualified municipal financial advisory firm to assist the District in developing and evaluating options to address currently underfunded capital improvement projects. Seven responses were received by the deadline. She summarized the responses; District staff thoroughly reviewed the submitted responses and a recommendation was made to the Board to enter into a contract with NHA Advisors for the services of Qualified Municipal Financial Advisory Firm. Mark Norcross, Principal of NHA attended the meeting via Zoom and gave background and history of this firm. On a motion by Director Rupp and seconded by Director Lindberg, the Board voted 5-0 to adopt the staff recommendation and enter into a contract with NHA Advisors for the services of Qualified Municipal Financial Advisory Firm.

**e. Disbursement Procedure Update**

Ms. Harris gave the background on the current disbursement procedures (payables). The review of the procedures found areas where there were opportunities to improve efficiency and update written procedures.

Ms. Harris outlined the current process for checks requiring two signatures. Historically, two signatures were required on all checks of \$1,000 and above (excepting payroll related checks). The results of a review of other agencies' policies on the two-signature requirement was shared with the Directors. Ms. Harris recommended the threshold for the two-signatures on checks, be raised to \$5,000 and above. On a motion by Director Rupp and seconded by Director Lindberg, the Board voted 5-0 to set the level for all checks requiring two signatures at the amount of \$5,000 and above.

The Directors concurred that it was time to revisit the Secretary/Treasurer policy as well and the Board Policy Committee has agreed to meet to review the current policy and propose changes. Additionally, Mr. Friedenbach suggested that as this relates to the Board Governance Manual, it might be a good time to review the entire document.

**10.3 Operations**

**a. April 2023 Operation Report & Graphs**

Mr. Davidsen gave his monthly operations report. The domestic water turbidity was average and TRF water produced met the Public Health Secondary Standards. The Humboldt County Haz-Mat inspection has been done by Dean Adams and all went well. Mr. Davidsen reported on the lightning strike damage at the TRF valve network hardware. Repairs are ongoing. On April 26<sup>th</sup> and 27<sup>th</sup> the District participated in a Trades Fair to promote the Water Operator profession as well as a College of the Redwoods Job Fair to seek summer part-time workers.

**b. Correspondence re: hydro plant energy export**

On April 21<sup>st</sup> lightning damaged equipment in the PG&E system. As a result, the Hydro plant is now offline and there has been no power generated since that date. It was most likely caused by a transformer at the Low Gap station and until that is replaced, PG&E will not allow the Hydro Plant

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to go back online. This could take two to three months. There was a discussion regarding filing a claim with PG&E for reimbursement for the loss of revenue. There were mixed opinions on whether or not this would have a positive outcome.

**10.4 Management**

Mr. Friedenbach reported out on his attendance at the ACWA/JPIA and ACWA conferences and gave a brief description of the sessions he attended.

**11. DIRECTOR REPORTS & DISCUSSION**

**11.1 General - comments or reports from Directors**

No general comments were provided.

**11.2 ACWA**

**a. CARB Advanced Clean Fleets Coalition comment letter**

Mr. Friedenbach discussed the comment letter the district signed onto with ACWA. The letter was regarding the proposed CARB Advanced Clean Air Fleets Coalition. Two bullet points were the thrust of ACWA's opinion – The ACF (Advanced Clean Fleets) rule must provide flexibility if a ZEV (zero-emission vehicle) is not commercially available when a traditional specialty vehicle reaches the end of its useful life. The second point was the ACF rule must be tailored to the emergency response needs of each utility. Mr. Friedenbach clarified that as the legislation stands today, due to the District being adjacent to a low population county (Trinity County), the District will not be required to reach the 50% mark until 2027. Additionally, it is not the entire fleet that must be electrified by 2027, just all purchases from that date forward must be electric. Mr. Friedenbach suggested approaching RCEA and see if they will work with us on a compliance plan.

**b. Energy Committee re: CARB**

Mr. Friedenbach shared an email from Nicholas Blair, State Relations Advocate II, ACWA. He stated the email was related to the topic above. The email was to inform us that the above-mentioned CARB regulation was passed. CARB has built exemption pathways in situations where available ZEVs do not meet fleet needs, and where charging infrastructure is not yet built to support fleet electrification into the ACF rule. Mr. Friedenbach felt those exemptions will become more important if water agencies or police and fire aren't able to electrify because the vehicles aren't in the market, and CARB will then have to change the rules.

**c. Region 2 Program & Tour; Sites Reservoir**

On a motion by Director Woo and seconded by Director Rupp, the board voted 5-0 that should any member of the board like to attend the Region 2 Program and Tour of Sites reservoir, they would be District authorized expenses.

**d. ACWA Spring Conference**

Directors Rupp and Woo reported out on the sessions they attended at the conference and summarized the information they received.

**e. Region 1 ACWA director report out**

Nothing to report.

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f. ACWA Coalition Letters

The items below were addressed (i through iv) as one general topic. The directors discussed the ACWA coalition letters. Each of the subjects are very complex and require a great deal of research to gain a full understanding. There is also a need to establish a relationship with our local legislators and have a legislative program for our District as well as working with other districts on outreach. A suggestion was made to have a Water Policy agenda item added to the Director Reports section that will include general comments from directors.

- i. AB 460 Water Rights and Usage: Interim Relief: Procedures - Coalition opposition letter
- ii. AB 1337 Water Shortage Enforcement- Coalition opposition letter
- iii. SB 23 Water Supply and Flood Risk Reduction Projects: Expedited Permitting - Coalition support letter
- iv. SB 389 Determination of Water Right- Coalition opposition letter

g. Communications Advisory re: Quench CA

QuenchCA is a statewide education campaign launched by the Association of California Water Agencies (ACWA) to educate California about the importance and positive benefits of investing in our state's water infrastructure. Ideas were discussed on ways to share this information with the public.

h. ACWA Foundation

A summary of the ACWA Foundation was given. The purpose of the Foundation is to develop diversity, equity and inclusion in the water workforce. The Foundation is in the process of seeking support and trying to raise funding for the Foundation. As the purpose is the education of young people through scholarships and to increase diversity in the water industry the Board agreed to contribute \$1,000 to the ACWA Foundation.

i. ACWA Region 1 Call for Candidates

On a motion by Director Rupp and seconded by Director Lindberg, the board voted by a roll call vote to adopt Resolution 2023-08, placing in Nomination J. Bruce Rupp as a Board Member of the Association of California Water Agencies Region 1 Board.

11.3 ACWA – JPIA

Spring Conference report out

Director Rupp reported on the various sessions he attended. This included Carrum Health, Worker's Compensation, AI (Artificial Intelligence), Infrastructure and more. The election for the JPIA Executive Committee was held and Director Rupp was re-elected on the first ballot. He was the only candidate out of 13 to be elected on the first ballot.

11.4 Organizations on which HBMWD Serves

a. RCEA Agenda Board of Directors Meeting 04/27/23

Director Woo reported that the Blue Lake Rancheria joined the RCEA Board. This brings the total number of entities on the board to eleven.

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b. RREDC Agenda Board of Directors Meeting 4/24/23

Director Latt reported Natalynne DeLapp, Executive Director, Humboldt County Growers Alliance was the speaker. She spoke on the Humboldt Cannabis Initiative and its impact on development in the County.

**ADJOURNMENT**

The meeting adjourned at 3:22 pm.

Attest:

  
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Neal Latt, President

  
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David Lindberg, Assistant Secretary/Treasurer