



HUMBOLDT BAY MUNICIPAL WATER DISTRICT  
828 7<sup>th</sup> Street, Eureka



Minutes for Meeting of Board of Directors  
August 12, 2021

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1. **ROLL CALL**

President Woo called the meeting to order at 9:00 am. Director Rupp conducted roll call. Directors Fuller, Latt, Lindberg, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, IT Manager Dee Dee Simpson-Glenn and Board Secretary Heather Bitner were present. Nathan Stevens and Steve McHaney of GHD were present for a portion of the meeting.

2. **FLAG SALUTE**

President Woo led the flag salute.

3. **ACCEPT AGENDA**

On motion by Director Latt seconded by Director Fuller, the Board voted 5-0 by roll call vote to accept the agenda.

4. **PUBLIC COMMENT**

Mr. Rick Petrusa, a Ruth Lake leaseholder, addressed the Board to express concern with the progress of the clean-up at his lease site. Specifically, he complained about the amount of slash wood debris that was left on his lease site. He claimed that his site was used as a log landing and processing area for all of the logs harvested at Lonesome Way. Staff will speak to Mr. Petrusa after the meeting to attempt to work out a mutually agreeable solution, and noted that the property was used as the landing site for clean-up efforts.

5. **MINUTES**

5.1 **Minutes of July 8, 2021 Regular Meeting**

On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to approve the minutes for the July 8, 2021 Regular meeting, as amended to correct/clarify statements.

5.2 **Minutes of July 9, 2021 Special Joint Board Meeting with RLCSD**

On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to approve the minutes for the July 9, 2021 Special Joint Board Meeting with RLCSD.

6. **CONSENT AGENDA**

On motion by Director Fuller seconded by Director Latt the Board voted 5-0 by roll call vote to approve the Consent Agenda.

7. **CORRESPONDENCE**

7.1 **FERC letter to HBMWD Re: 2021 Dam Safety Inspection Follow-up dated 7/13/21**

Mr. Friedenbach stated there were no deficiencies, violations or safety concerns raised in the dam safety inspection report. He commented that credit goes to Mr. Davidsen and the maintenance staff that continually maintain those structures.

7.3 **HBMWD letter to NCRA RE: NCRA Commercial License Amendment**

Mr. Friedenbach discussed the letter sent to the NCRA regarding an amendment to our current license agreement on the Annie & Mary railroad grade. He shared that NCRA staff has received the letter, and we are waiting for a response from NCRA. Staff expects to be scheduling a discussion in the near future.



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7.4 HBMWD letter RE: Nordic Aquafarms and the Mad River Flows

Staff addressed the issues of misinformation in the public regarding water usage needs by the proposed Nordic Aquafarms project in relation to the District's ability to provide adequate water for the project. The District does have the capacity to provide both domestic and industrial water to the Nordic Aquafarms project on the Samoa Peninsula.

7.5 HBMWD letter to loggers RE: solicitation for work at TRF

Staff reported they received two letters of interest from loggers in response to the solicitation for the three-acre timber conversion at the TRF. The logging is necessary to make buildable space near the TRF for the larger backup generator and TESLA battery bank projects. In addition, the timber conversion will create defensible space for adjacent neighbors' structures.

7.6 HBMWD letter in support of Mad River August Complex Restoration Project #60286

Staff provided comment to the US Forest Service Mad River August Complex Restoration Project requesting inclusion of a plan for mitigation of long-term woody debris infiltration into and subsequent removal from the lake to protect the dam.

7.7 CalOES letter to HBMWD RE: timelines for COVID grant updates

The District has incurred nearly \$7,000 in COVID related expenses to date.

7.8 City of Arcata 2020 Urban Water Management Plan

Staff shared the letter received from Arcata regarding their UWMP. There was no comment by the Board.

7.9 HBMWD Quagga Progress Report dated 7-19-21

Large logs from the District Headquarters site have been moved into place to try to prevent unauthorized entry at the Old Ruth site to Ruth Lake as a temporary fix. The District received grant funding for placement of large boulders to prevent unauthorized lake access at Old Ruth and other locations as a more permanent solution.

7.10 HBMWD letter to RLCSD RE: California Quagga Infestation map

Staff shared the letter sent to RLCSD, per our Board's request, to inform their Quagga Prevention Plan inspectors of the various lake locations throughout California where Quagga mussels have been detected. This was done to increase inspector awareness and to alert them as to which lakes pose a threat to our Ruth Lake. Staff noted that this letter was included in the Ruth Lake CSD Board packet.

**8. CONTINUING BUSINESS**

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

Staff reviewed its WRP memo with the Board.

a) Local Sales

i. Nordic Aquafarm Update:

Staff met with the Humboldt County Planning staff to answer questions regarding the District's domestic and industrial water transmission systems to the Samoa Peninsula. Mr. Friedenbach requested clarification of specific water sources; domestic, industrial, and salt, be included in the EIR documents so the public would not be confused about the water source.



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The Local Sales Committee met with staff from Nordic Aquafarms and the Humboldt Bay Harbor, Recreation and Conservation District (HBHRCD) and reported out that HBHRCD understands that HBMWD shouldn't have any costs associated with new water distribution. HBHRCD staff suggested granting easements to HBMWD in order to provide maintenance access to a distribution grid. HBMWD staff suggested a possible agreement that clarifies HBHRCD would be responsible for the cost of infrastructure past the current water meter, and HBMWD could contract to maintain the grid on HBHRCD property. Nordic previously offered a site tour, but due to COVID restrictions, tours have been cancelled.

ii. Trinidad Rancheria Feasibility Study update

1. Correspondence to Trinidad Rancheria RE: Water Mainline Extension Analysis  
District staff communicated the preliminary design and capacity calculations for
2. Mainline Extension Agreement (MEA)

Staff met with the Trinidad Water Advisory Committee (WAC), and the Trinidad City Manager to discuss their request to consider the City of Trinidad (City) potentially joining the Mainline Extension Agreement (MEA). Twice, the City has voted not to participate in the Water Mainline Feasibility Study. The WAC asked the City to reconsider its position at a regular City Council meeting on August 10, 2021. The City Council passed a motion to request an extension of the MEA decision by HBMWD.

Several members of the public provided comment to the Board:

Mr. Clompus, Trinidad City Councilmember, and member of the WAC, addressed the Board. There has been continuing opposition to connecting to HBMWD for domestic water due to the perception that it would induce unwanted growth. Of the individuals who submitted public comment to the City Council, those originating from within the City limits, there is a majority of residents in support of connecting to the water mainline. The majority of commentors in opposition live outside the city limits. Trinidad City Council authorized a study by GHD to review the possibility of connecting to the HBMWD regional water system. The City also wants a study of the health of the Luffenholtz watershed. Mr. Clompus stated that by October, there would be adequate data from both studies to make a decision in the best interest of the City.

Mr. Grover, Trinidad City Councilmember, addressed the Board to comment that he is disappointed that science-based information is not enough to prevail in the issue.

Ms. Jacque Hostler-Carmesin of the Trinidad Rancheria commented there are concerns about pipe size and connectivity issues. They would like to continue moving forward with the Mainline Extension Agreement for an October meeting, and would support the City of Trinidad becoming a partner on the water mainline extension provided they do not delay the Rancheria's waterline project. The Rancheria received grant funding for an engineering feasibility study and design of the water mainline extension.

The Board expressed its desire to move forward on the project at the October meeting, and thanked all parties for their transparency.



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Ms. Elaine Weinraub asked where the Trinidad Rancheria storage tanks will be located. Staff responded that the tank location will be on the West side of Hwy 101 on Rancheria property.

Staff recommends the Board approve the draft MEA in order to finalize content of the agreement with Rancheria Tribal Council and legal counsel. If the City of Trinidad wants to join the MEA, there could be an amendment to add the City as a partner at the October board meeting, maintaining the Trinidad Rancheria as the project lead agency.

On motion by Director Rupp seconded by Director Latt the Board voted 5-0 by roll call vote to authorize the General Manager to finalize the MEA with the Trinidad Rancheria and return the document at the October meeting for consideration and approval. If the City of Trinidad wishes to join in the project, then the Board will consider an amendment to the MEA at that time.

3. Correspondence sent to City of Trinidad's Water Advisory Committee  
This item was discussed in section 2 above

b) Transport

The Board suggested it is time to raise the issue of infrastructure for transport again. Sonoma and Mendocino counties need water and if the District can get state or federal funding for the infrastructure it will reduce costs of transport. They recommended the Transport Committee meet with legislators Huffman, McGuire, and Wood, and members of ACWA Region 1 to look at funding for infrastructure. The Board concurred.

c) Instream Flow Committee

i. NMFS meeting report

The Committee met with National Marine Fisheries Service (NMFS) regarding a proposed amendment to the District's Habitat Conservation Plan (HCP). The discussion was generally favorable for an amendment. NMFS staff requested that the District's water dedication be quantified and the project description be better defined.

ii. CDFW meeting report

The committee met with California Department of Fish and Wildlife (CDFW) regarding an amendment to the Habitat Conservation Plan (HCP). A quantification of the District's ability to meet water needs after several years of drought may need to be included in the HCP in the future. Additional engagement from CDFW is needed. There was no perceived push back to the concept of amending the HCP versus submitting a new HCP.

iii. Public outreach with Institute of Local Governments

The Institute for Local Governments submitted a proposal to provide public outreach for the instream flow petition of change to the District's water rights. Public outreach was listed under the District's match requirement for the Wildlife Conservation Board grant. The Board suggested reaching out to Mary Gelinas who is local for a proposal prior to voting on an outreach consultant. Discussion of utilizing the Citizen's Advisory Committee occurred.



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d) McNamara and Peepe

Director Woo recused herself due to a remote potential conflict. Director Woo is employed by SHN Engineers and Geologists, which performs work at the McNamara and Peepe site.

i. Acknowledgement of Document submission to Envirostor

Staff has not received any response from DTSC regarding the District's correspondence submission.

ii. Ground water sampling results

Staff introduced the draft ground water test results (prepared by SHN) showing the presence of dioxins, which is extremely unusual in water. The contamination was found outside of the cap that was put in place by the Department of Toxic Substance Control (DTSC) to contain contamination from the former mill site. The test results were discussed prior to the Board meeting with Mr. Hagemann of Soil/Water/Air Protection Enterprise (SWAPE), and indicate an increase in contamination levels during the last ten years.

Discussion of the findings in the report for DTSC prompted the Board to direct staff to provide a response letter to DTSC, similar to the letter for surface water findings, and in consultation with Mr. Hagemann. The letter is to include the timeline for remediation that had been offered previously by DTSC; a request for the timeline of the bench study; and a request for DTSC to hold a public meeting, per their agreement. The Board suggested staff draft a letter with input from Director Fuller and Mr. Hagemann. The Directors also suggested inviting State representatives to hear about the concerns with DTSC first-hand. Mr. Friedenbach stated Erin Dunn from Jim Wood's office was present at the previous meeting with DTSC.

Ms. Kalt, of Humboldt Baykeeper, provided suggestions for the final draft report. She agrees that preventing contamination from migrating further, and potentially getting to the river is paramount.

8.2 Ruth Lake Emergency Declaration

a. Extension request for Natural Resource Conservation Service (NCRS) - Ruth Lake Emergency Watershed Program (EWP) Project

The extension request has been approved for implementation of the erosion control measures authorized under the grant in the amount of \$1.3M.

b. Cal Fire Notice of Inspection

Morris Logging received an inspection by Cal Fire and they were found to have been doing a good job.

Separately, the District received notice that funding from the Climate Change Investments grant in the amount of \$5M has been approved for reforestation efforts around Ruth Lake and in the headwaters area of the Mad River Watershed. The District partnered with two private land owners adjacent to District property and with the US Forest Service through the Watershed Center in Hayfork on this grant.



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8.3 Drought

a. Humboldt County Supervisors declare drought emergency

Mr. Friedenbach gave an update on information that has been in the news related to the drought in Humboldt County. Areas outside our service area are experiencing drought and potential options to help those communities in need of water were discussed.

b. Local articles regarding drought

Mr. Friedenbach gave a presentation on current drought conditions to the Mad River Rotary.

9. NEW BUSINESS

9.1 Ruth Lake CSD request for financial support for Quagga Prevention Plan costs

Staff drafted a letter in response to the RLCSD request to share costs to implement the Quagga Protection Plan, which communicates that the responsibility for recreational activities lies exclusively with Trinity County and Ruth Lake CSD (RLCSD) as stated in the Master Lease. The Board requested an edit to the letter to include all funding the District has expended to support the Quagga Prevention Plan since its inception.

RLCSD General Manager, Caitlin Canale, referenced the Quagga Prevention Plan, and asked whether a long-term maintenance plan could be added to the Prevention Plan. The Board clarified that there is a lease agreement between the two districts, and that Quagga prevention is the obligation of RLCSD since they are the entity that administers recreation. It is understood that expenses continually increase. Revenue has to increase to match those expenses, and the rate payers of Humboldt Bay contributed at the onset of the program. Long term maintenance for the Quagga Prevention Plan is solely the responsibility of RLCSD.

Jordan Emery, RLCSD Director addressed the Board. He felt costs related to the prevention plan and additional costs that are incurred for maintenance, should be shared by HBMWD. Mr. Emery asked whether the Plan needs to continue if the water chemistry doesn't support the introduction of an infestation. The Board responded that since there is recreation on the lake, the state requires a Quagga Prevention Plan with annual reporting requirements by HBMWD. Although there is relative low risk of quagga infestation due to the lake's chemistry, there is not zero risk and the potential impacts are so high that the Plan must continue. The Board recommended RLCSD contact the Trinity County Economic Development staff to work with them for funding as Ruth Lake recreation brings in tax revenue to Trinity County.

On motion by Director Latt seconded by Director Rupp the Board voted 5-0 by roll call vote to approve sending the letter to RLCSD regarding no financial support for the Quagga Prevention Plan, with edits.

10. REPORTS (from staff)

10.1 Engineering

Mr. Nathan Stevens, of GHD, provided updates to each of the following items.

a. 12kV Switchgear Replacement (\$755,832 District Match)

i. Change Order #5

A change-order is needed for additional relay test switches for the 12kV Project.

ii. GHD credit for test switch change order

GHD is contributing \$16,807.88 towards the cost increase. Change order #5 is in the amount



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of \$42,281.07, with \$25,473.19 being the increase to the District. Mr. Friedenbach has signed the change order, no need for additional approval.

- b. Collector 2 Communications Underground – NCRA License  
Staff provided an update during the Correspondence section of the meeting.
- c. Collector Mainline Redundancy Hazard Mitigation Grant (\$790,570 District Match)  
FEMA approved Phase I which includes Geotech investigation to facilitate a preliminary engineering design. It will also include documentation and research.
- d. Reservoir Structural Retrofit Hazard Mitigation Grant (\$914,250 District Match)  
A list of Phase 1 deliverables sent to CalOES was included in the Board packet. The Phase 2 approval timeline is not currently available.
- e. TRF Generator Hazard Mitigation Grant (\$460,431 District Match)  
There was nothing new to report.
- f. Appeal of FEMA Funding Denial for Collector 4 Emergency Restoration Work  
There is nothing new to report. The Board suggested that Senator McGuire’s office be contacted to find out the status, as it has been more than a year since there has been contact from FEMA regarding this appeal.
- g. R.W. Matthews Dam Spillway Retrofit Scoping Project HMG Advance Assistance Program  
Cal OES has accepted the District’s RFI response letter.
- h. Status report re: other engineering work in progress  
There was nothing to report.

**10.2 Financial**

a. Financial Report

Ms. Harris presented the July 2021 Financial Report. The PARS account is over \$1M, and includes the annual \$50,000 contribution. There is over \$5M in the Cal TRUST accounts.

The Redundant Pipeline Phase 1 grant has recently been approved, and will require increased advance charges over the next couple of years. Long-term financing is an option as well.

Director Woo reviewed the bills for July and did not have any questions. All were in order.

On motion by Director Rupp seconded by Director Lindberg the Board voted 5-0 to approve the July 2021 financial statements and vendor detail report in the amount of \$860,537.07.

b. Review revised Project Budget Reallocation FY21

The Project Budget Reallocation was revised with \$11,600 returned to the final 20/21 Project Budget Expense Report.

On motion by Director Rupp seconded by Director Fuller, the Board voted 5-0 by a roll call vote to approve the FY 20-21 Project Reallocation revision in the amount of \$11,600.



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c. HBMWD letter to Municipal Customers RE: Estimated Wholesale Water Charges and Price Factor 2 Reconciliation for FY21

Reconciliation of the Municipal flat rate billing vs. actual expenses is calculated annually. For FY21, this reconciliation resulted in a credit to the Munis of \$3,589 which was apportioned to the individual Muni's using their moving five-year average.

d. Hydro Plant Financial Analysis

Ms. Harris presented a financial analysis of operating the hydro plant. Over time the expenses have increased mostly due to professional services and regulatory requirements. The revenue generated from the sale of power is directly related to the amount of precipitation received during the winter months. Although there are years that the expenses to operate the hydro plant exceed the income generated through the sale of power, these expenses for state regulatory fees, professional consultants and operational costs would be on-going, regardless of whether the District sells power. Staff analysis supported that it is still in the District's best interest to operate the hydro plant. Mr. Friedenbach also added that the dam would be subject to State regulatory requirements, and the hydro license can be sold by FERC to an outside entity, which would not be in the District's best interest.

The Board noted that the hydro dam operations are layered into the Instream Flow calculations and water rights.

**10.3 Operations**

a. Monthly report on projects and operations

Superintendent Davidsen provided his report to the Board. PG&E requested a plant shutdown at Ruth Hydro which created 81 lost production hours. Staff training included safety meetings on the topics of Traffic Control and Asbestos/Silica.

b. Surplus District computers

The Superintendent proposed to surplus eight computers and one printer that have already been replaced. This equipment has been determined to be obsolete.

On motion by Director Fuller seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve the surplus of the eight computers and one printer.

c. Maintenance Supervisor Report

Mr. Ryan Chairez presented a very informative Power Point presentation on staff's Pipeline Inspections and Maintenance.

**11. MANAGEMENT**

**11.1 ACWA**

a. Fall Conference 2021

On motion by Director Rupp seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve Board and Staff attendance at the ACWA Fall 2021 Conference.

b. National Special Districts Coalition letter in support of H.R. 3534, the Wildfire Emergency Act

On motion by Director Rupp seconded by Director Lindberg the Board voted 5-0 by roll call vote to approve the District joining the National Special Districts Coalition letter in support of H.R. 3534, the Wildfire Emergency Act.





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- c. ACWA comment letter on US Department of Treasury's Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule (TREAS-DO-2021-0008-0002)  
Following Board discussion, they are in support of the Local Fiscal Recovery Funds Interim Final Rule.
- d. Coalition letter in opposition to H.R. 2467, the PFAS Action Act of 2021  
This legislation would run counter to the important "polluter pays" principal that guides superfund clean-ups. Staff recommends opposition to the legislation, and joining the coalition. On motion by Director Rupp seconded by Director Lindberg the Board voted 5-0 by roll call vote to approve the District joining the coalition letter in opposition of H.R. 2467.

### 11.2 CSDA

- a. Humboldt Area Chapter participation in the State Seal of Civic Engagement  
The Humboldt Area Chapter wishes to provide civic engagement opportunities for students in support of the State Seal of Civic Engagement. Our District support would be specifically for Eureka-centric high schools (Eureka High School, St. Bernard's and charter schools).

On motion by Director Rupp seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve participation and support of the State Seal of Civic Engagement.

### 11.3 Annie and Mary Trail Connectivity Project

Staff participated on a proposal review panel for the City of Arcata regarding the Annie and Mary Trail Connectivity Project which goes from Arcata and ends at District Park 1. The selected contractors were GHD as the lead, with SHN as a co-partner in the project. Mr. Friedenbach participated in the scoring and selection for the RFP (request for proposal).

## 12. DIRECTORS REPORTS & DISCUSSION

### 12.1 General -comments or reports from Directors

Director Fuller has been asked to speak at the Humboldt Bay Symposium, virtually, on the District's Instream Flow Project.

Director Rupp asked that the Ruth Lake cabin policy be brought back to the Board for review. Additionally, he requested a review of injuries over the last two years (days lost and injuries) as the Workers Comp costs have increased dramatically.

### 12.2 ACWA

- a. Nomination of J. Bruce Rupp to Finance Committee  
On motion by Director Latt seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve nomination of J. Bruce Rupp to the ACWA Finance Committee and approval of Resolution 2021-15, as amended with corrections.
- b. Nomination of J. Bruce Rupp to Membership Committee  
On motion by Director Latt seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve nomination of J. Bruce Rupp to the ACWA Membership Committee and approval of Resolution 2021-16, as amended with corrections.

### 12.3 ACWA – JPIA

Director Rupp reported out on the Employee Benefits Committee meeting. They have expanded employee health coverage under the JPIA, expanded services in the area of mental



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health beyond what is available under the Employee Assistance Program, effective September 1, 2021.

JPIA PPO program rates will be decreasing by 5%. Anthem HMO rates will go up 3.7% generally, the northern CA rates will go up 2.18% effective January 1, 2022. For the retirees effective January 1, 2022, the JPIA will be going to a Medicare Advantage type program through United Health which means the first provider of care will be United Health and should not cause a disruption to the retirees. There may be cost savings to the District and JPIA. Our retirees will receive better medical benefits through this program.

Director Rupp stated the Executive Committee adopted the changes in the medical plans and rates as discussed in the Benefits Committee report.

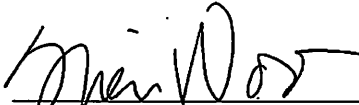
**12.4 Organizations on which HBMWD Serves:**

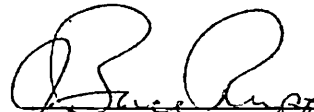
- a. RCEA  
The Secretary of the Interior visited Humboldt to discuss the wind farm initiative. RCEA revenues are going up slightly, but it is anticipated to be a tight year financially.
- b. RREDC  
The board did not meet this month.

**Adjournment**

The meeting adjourned at 4:15pm.

Attest:

  
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Sheri Woo, President

  
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Bruce Rupp, Secretary/Treasurer