



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
October 13, 2022

District Mission

Reliably deliver high quality drinking water to the communities and customers we serve in the greater Humboldt Bay Area at a reasonable cost. Reliably deliver untreated water to our wholesale industrial customer(s) at a reasonable cost. Protect the long-term water supply and water quality interests of the District in the Mad River watershed.

A. ROLL CALL

President Woo 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 Interim Board Secretary Angela Smart were present. Legal Counsel Ryan Plotz, District Engineer Nathan Stevens, and new employee Zachery Bunke also attended for a portion of the meeting.

B. FLAG SALUTE

President Woo led the flag salute.

C. ACCEPT AGENDA

Agenda was accepted as written on motion by Director Lindberg, seconded by Director Rupp, the Board voted 5-0 to approve the agenda.

D. MINUTES

On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to approve the Minutes of the September 8, 2022, Regular Meeting with edits requested.

On motion by Director Latt, seconded by Director Lindberg, the Board voted 4-0 to approve the Minutes of the September 22, 2022, Special Meeting. President Woo abstained per absence.

On motion by Director Fuller, seconded by Director Lindberg, the Board voted 4-0 to approve the Minutes of the September 23, 2022, Joint Board Meeting with RLCSD. Director Rupp abstained per absence.

E. PUBLIC COMMENT

Elaine Weinreb (via Zoom) recently attended a City of Blue Lake Community Meeting in which an increase in water rates was discussed. Elaine was curious if the raise was due to HBMWD wholesale water rates charging Blue Lake for their water. Mr. Friedenbach stated that he is not intimately familiar with their rate analysis, as the District did not participate directly in their rate study. HBMWD has a 5-year rate plan with municipal customers. HBMWD's wholesale water rate this current fiscal year increased by 2.9%. Typically, the cost of wholesale water makes up between 25% to 33% of the total water cost. He pointed out that 2.9% of 33% is not a significant indicator for any rate hikes that Blue Lake might be proposing to their customers.

Kelley Lincoln (via Zoom) asked about information regarding the potential for a Cascadia earthquake event with regards to what could be done to secure the Dam. Mr. Friedenbach directed her to agenda item 10.1d under Reports; Engineering entitled Matthews Dam Advance Assistance Seismic Stability Project that includes Geotech study and analyses for potential impacts of a Cascadia event on the Matthews Dam. The District has applied for grant funding to analyze the potential affects.



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October 13, 2022

F. CONSENT AGENDA

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

G. CORRESPONDENCE

Letter from HBMWD: RE: Cease and Desist Demand for Lease Lot #39e

Mr. Friedenbach sent a letter to the Ruth Lake Lease Lot holders of lot #39e requesting that the grading that was taking place without a permit stop. An application for grading was approved five years ago, but approvals are only authorized for 12 months from the approval date. Mr. Davidsen and Mr. Raschein worked together to assess the situation. After communication with the contractor, they determined that the best course of action would be to allow the contractor to to mitigate the potential erosion threat caused by the unapproved grading. Mr. Davidsen sent a letter outlining the prevention steps he thought were prudent for a mutually beneficial solution. Staff will continue to assess the situation for the next action steps and signs for possible intervention, including contacting the Regional Water Quality Control Board as suggested by Director Fuller.

Letter from Department of Parks and Recreation: RE: Boat Launching Facility grant funding opportunity

Mr. Friedenbach received information from the Department of Boating and Waterways notifying staff of grants for Boat Launch improvements. This information was forwarded to Ms. Canale of RLCSD with the intent for RLCSD to attain funds that may assist with repairing/upgrading their boat launching facilities at low or no cost.

Letter from HBMWD to Humboldt County: RE: Eureka Ready Mix

Mr. Friedenbach sent follow-up correspondence to Desmond Johnston with the Humboldt County Planning and Building Department regarding the 15-year application by Eureka Ready Mix for a Conditional Use Permit extension. Mr. Friedenbach informed Mr. Johnston that Eureka Ready Mix agreed to reimburse the cost to the District for one of the eight annual river cross section surveys in the amount of \$1,275.

H. CONTINUING BUSINESS

Water Resource Planning

Local Sales

Nordic Aquafarms

The County Planning Commission approved Nordic's Coastal Development Permit. Two environmental organizations and the Humboldt Fishermen's Marketing Association filed an appeal on August 17 with the Board of Supervisors. The appeal was discussed and subsequently denied during a meeting on September 28. Nordic Aquafarms contacted Mr. Friedenbach and provided him with a draft of their response regarding the reference of HBMWD's HCP. He found their response to be satisfactory. Director Fuller expressed the importance of transparency and accuracy when discussing our ability to provide the water required, affirming that we can more than adequately fulfill their needs.



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Minutes for Meeting of Board of Directors
October 13, 2022

Trinidad Rancheria Mainline Extension

Mr. Friedenbach sent a letter to CalTrans regarding the Little River Trail Project, alerting them of the District's preliminary discussions when the project originated — requesting that a potential water line be attached to the highway 101 bridge across the Little River as part of the mainline extension to the Trinidad Rancheria. The trail project is currently only at 30% design, making the ability to include this addition reasonably simple. CalTrans did contact the Rancheria to recommend a process of requesting the attachment of the pipeline to the existing bridge and not connecting it to the trail project. Staff will keep the Board updated as more information is available.

Transport

A water rights permit application has been submitted for the Sites Reservoir. The news article (included in the Board Packet) states that processing time could take quite a while. Concern was expressed about the current viability of a public entity partnership for water transfer, given the level of enthusiasm and details about their current situation. The District will continue to seek an entity with a similar sense of urgency and unity.

Instream Flow

Staff is expecting some graphs from GHD soon and anticipates incorporating it into the narrative and distributing it to the Board with time for review before the November Board meeting.

McNamara & Peepe

President Woo recused herself due to a conflict of interest and left the room.

Mr. Friedenbach shared a screenshot of the project document tracking from DTSC. There are no updates to communicate related to Royal Gold's development at the Glendale site.

CLOSED SESSION – Anticipated Litigation: Initiation of litigation pursuant to paragraph (4) of subdivision (d) of § 54956.9 (DTSC)

President Woo recused herself due to a conflict of interest and left the room. No public comment was received prior to entering the closed session. Closed session lasted from 11:34 to 12:26. Upon return from Closed session, Director Latt stated there was no reportable action.

I. NEW BUSINESS

Statewide General Election on November 8, 2022 Candidacy Results

The Board and staff congratulated Directors Rupp and Fuller, serving Divisions 4 and 5, respectively, for another 4-year term. Board members and staff expressed their continued support and pleasure to continue to serve alongside both of these dedicated members.

CLOSED SESSION - Conference with Legal Counsel – – Anticipated Litigation: Initiation of litigation pursuant to paragraph (4) of subdivision (d) of § 54956.9 (Van Duzen)

Director Latt recused himself from participation in Closed session as potential conflict of interest. No public comment was received prior to entering the closed session. Closed session lasted from 1:38 to 1:54. Upon return from Closed session, President Woo stated there was no reportable action.



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828 7th Street, Eureka



Minutes for Meeting of Board of Directors
October 13, 2022

J. **REPORTS (from Staff)**

Engineering

12kV Switchgear Relocation (\$858,332 District match)

Administrative items are still outstanding on this project. An arch flash electrical study that the switchgear manufacturer provided contained errors that are being revised. Mr. Stevens received an email this morning optimistically indicating progress. He added that the District is still holding the 5% retention funds until work is completed.

Collector Mainline Redundancy Project

The District applied for phase one Hazard Mitigation Grant funding for the project, which focuses on preliminary design and environmental studies. Mr. Friedenbach requested an extension from December 4, 2022 to December 4, 2023 because CalOES and FEMA changed the procurement requirements and process, which caused some missed windows for environmental and biological engineering services that needed to take place in the Spring of 2022 and now will need to be done in Spring of 2023.

TRF Generator Project (\$517,819 District match)

Staff recently received another Request For Information (RFI) from CalOES. Mr. Friedenbach referred them back to the previous RFI submitted on April 28, 2022, for part of the request. Mr. Stevens remains optimistic that progress continues to move forward.

Matthews Dam Advance Assistance Seismic Stability Project

An RFI was received on October 12, 2022, from CalOES which requested a declaration of any previous cultural resources work done and whether the site was a registered historic structure. The reply is being currently created, neither of which is the case for this property.

Status report re: other engineering work in progress

Mr. Stevens mentioned that yesterday, October 12, the District exposed the existing 27" DW Line and 2-42" steel industrial lines out in Arcata Bottom as part of the condition assessment of the domestic line. Staff was pleased that the thickness readings during the inspection were found similar to the 1966 outlined specifications.

Financial

September 2022 Financial Statement & Vendor Detail Report

Ms. Harris advised the Board that the current general account is \$4.1 million, with various investments at \$7.9 million. Funds allocated to specific projects (advanced charges) are currently \$5.7 million. General reserves are at \$2.2 million. The District received \$320k in FEMA grant reimbursement on the 12kV project.

The District continues to experience billing delays with PG&E due to meter communication issues. Staff is still waiting to receive the revised PG&E bills.

On a motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to accept the September 2022 Financial statement and Vendor detail in the amount of \$254,694.12.



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828 7th Street, Eureka



Minutes for Meeting of Board of Directors
October 13, 2022

CPI Update

Ms. Harris informed the Board that the Consumer Price Index (CPI) shows the current buying power of a dollar, measuring the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services, rose 8.2 percent over the last 12 months. Ms. Harris regularly updates the Board on wage and cost of living information for their consideration.

Operations

Monthly report on Projects and Operations

Mr. Davidsen provided the September 2022 Operational Report. Ruth Hydro experienced two shutdowns: A PG&E planned event for 3 hours and 30 minutes, and a maintenance-scheduled computer repair created a total production loss of 400 KWh. Ruth Lake recorded 1.7" in rain for September.

In September, Mr. Davidsen attended the 2022 Cascadia/TsunamiCon and the joint meeting with RLCSO. Staff worked with CDFW and NMFS regarding Collector 4 ramp construction. Maintenance inspected and performed minor repairs on the CT reservoir and log boom. They joined Hartford Steam and Boiler for an on-site pressure vessel inspection. The main office is still awaiting the roofing contractor to schedule the new roof in anticipation of starting the solar project when the new roof is complete.

K. MANAGEMENT

Presentation to New Employee – Zachery Bunke

Zachery Bunke, a new Operations & Maintenance Technician was presented with a District jacket as is the custom in celebrating new employment with the Humboldt Bay Municipal Water District.

Dam Project Financing

Mr. Friedenbach shared a flyer from FERC regarding Army Corps of Engineer's financing program for critical infrastructure dams to demonstrate that funding opportunities are available. Directors and Staff conversed about potential steps and policies in place. Mr. Davidsen discussed the information received at the 2022 Cascadia/TsunamiCon regarding protocols that are currently in place and inspections performed in the event of varying levels of disaster. Director Latt mentioned the 54-page Dam Failure Contingency Plan on the HBMWD.com website under Reports and Resources. Mr. Friedenbach said that the District Staff had discussed the EAP information with DSOD and FERC about the classification of the EAP documents as critical infrastructure with Homeland Security.

Flow Gage at Spillway

Mr. Friedenbach included a picture of the flow gage painted on the Spillway, per the District's Dam Safety Surveillance Monitoring Plan (DSSMP). He pointed out that 20k CFS flow over the Spillway, a trigger point, is readily indicated on the graphic that will provide an obvious indication, perhaps before gauges alert the condition.

L. DIRECTOR REPORTS & DISCUSSION

General - comments or reports from Directors

Director Rupp encouraged staff to review the District's policies for: inclusion, equity, and diversity in both Staff and Board vacancy aspects. He also offered assistance in creating policy and possibly forming a committee around the drafting of this type of policy.



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828 7th Street, Eureka



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October 13, 2022

Director Fuller expressed appreciation for the September lunch at Essex for Board members and staff. She appreciated the facilities tour and it was a good opportunity to connect with staff.

President Woo and Director Rupp commented on recent changes with Assembly bill 2449 regarding Brown Act teleconferencing requirements. Previously, if a Board member participated virtually, the Brown Act required you to post a director's location and the agenda within 24 or 72 hours (depending on the requirement), and the public was allowed to attend at that location. This new exception says that if an emergency type situation (medical conditions qualify) exists, the affected elected official can request, without divulging confidential medical information, they participate virtually in that meeting. As long as a quorum of the Board is physically present at the meeting at an adequately noticed, public location, the Board can vote to allow this individual to attend the meeting virtually.

M. ACWA

ACWA Legislative Summary

Mr. Friedenbach included in the Board Packet, a short synopsis of legislation that ACWA advocated for and against on behalf of water districts throughout the state of California. Director Rupp commented that the consensus given during the survey of membership highlighted the quality of representation that ACWA provides and how well it's regarded amongst it's member agencies throughout California.

Director report out

Director Rupp reported that he attended the ACWA Executive Board Meeting. He participated in the budget adoption, including a 4% dues increase. He also was present at the vote to form the ACWA Foundation and to file the Articles of Incorporation with the Secretary of State. He is excited to share the purposes and goals of the Foundation to promote diversity, equity, and inclusion within the water industry through grants, scholarships, and training with the unanimous support of ACWA.

N. ACWA – JPIA

Director report out, if any

Director Rupp attended the Finance and Audit committee meeting on September 28 & 29. They approved the 2021 audit.

The Liability Committee met and recommended an increase in the premium for liability insurance for the coming year beginning October 1 of 10%. In 2013-14 it was reduced 5%, in 2014-15 it went down 10%, in 2017-18 it went down 9%, so it's been decreasing steadily for some time now. Because of the hardening of the insurance industry in California, all insurance premiums have been going up and liability is no exception.

The Executive Committee elected Melanie McDonald as the new Chair, and David Drake as the Vice Chair.

The California Water Insurance Fund Board met, and voted to cover the first \$5 million of liability that JPIA carries, which is their self-insured level.

The Board thanked Director Rupp for his continued service and involvement in these entities.



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October 13, 2022

O. ORGANIZATIONS ON WHICH HBMWD SERVE

RCEA

President Woo noted that the Board Packet has the September 22, 2022 agenda and the August 25, 2022 Meeting Minutes.

RREDC

Director Latt spoke about the meeting on September 26. The program speakers were Dawn Arledge and Amanda Hickey from the California Center for Rural Policy and CalPoly Humboldt on “What a California Forward Community Economic Resiliency Fund Grant would mean for our Region.” They are working on an economic development plan with the purpose to build a resilient equitable economy as California transitions to carbon neutrality and identifying key projects for state funding that are part of our economic development plan. The state has an influx of money available for the implementation of key items identified in different regions for divisions 1-13 composed of Humboldt, Del Norte, Mendocino, and Lake counties.

ADJOURNMENT

The meeting adjourned at 2:24 pm.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer