

**Humboldt Bay Municipal Water
District 828 7th Street, Eureka**



**Minutes for Regular Meeting of the Board of Directors
October 12, 2023**

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 acting Board Secretary Sherrie Sobol were present. District Engineer Nathan Stevens was present for a portion of the meeting.

2. FLAG SALUTE

President Latt led the flag salute.

3. ACCEPT AGENDA

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

4. PUBLIC COMMENT

No public comment was received.

5. MINUTES

a. September 14, 2023, Regular Board Meeting Minutes

The Board requested a few changes to help clarify the minutes. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to approve the minutes as amended.

b. September 22, 2023, Special Joint Board Meeting with Ruth Lake CSD

The Board requested two grammatical changes. On motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 to approve the minutes as amended.

6. CONSENT AGENDA

Director Fuller requested Item B "California water rights verification bill, SB 389, passes Senate and advances to Governor's Desk" be pulled. On motion by Director Lindberg, seconded by Director Woo, the Board voted 5-0 to approve the Consent Agenda, less Item B.

Director Fuller stated she was disappointed to see the District's name listed in opposition to the bill. She believed the bill did not have a direct nexus to the District. The District has its water rights regulated under the current system. President Latt noted that ACWA sends out action alerts when they have a position on a bill. He stated that McKinleyville CSD also signed in opposition and that their board member Dennis Mayo, serves on the ACWA Board. Director Fuller stated it's not a huge issue and that Mr. Friedenbach is doing his best, especially when there is no time to bring an item to the Board. A brief discussion was held regarding revisiting parameters /guidelines or forming a Board Legislative Committee for supporting or opposing legislative issues. It was also suggested that the Regulatory Analyst II take the lead on legislative issues. On motion by Director Fuller, seconded by Director Woo, the Board voted 5-0 to approve Consent Item B.

7. CORRESPONDENCE

a. HBMWD letter RE: Emergency Action Plan (EAP) tabletop and functional exercises

The Federal Energy Regulatory Commission (FERC) previously requested notification of the date of the District's EAP tabletop and functional exercise. Mr. Friedenbach shared the letter he sent to (FERC) conveying the date of September 27, 2024 and requesting attendance by FERC staff.

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- b. HBMWD letter RE: Grant agreement number WC-1739BC extension request
Staff requested an extension due to unforeseen delays in completing tasks under the Work Plan for the grant agreement. The extension has been approved through March 31, 2024. Mr. Friedenbach noted this was an extremely quick turn-around since the request was submitted on September 18 and approved on September 19.
 - c. HBMWD letter RE: Amendment NO.2 to grant agreement WC-1739BC
This letter was the approval of extension as noted above.
 - d. Letter from Cal OES: Notice of Power Resiliency Grant completion
Mr. Friedenbach shared the letter from CalOES congratulating the District on completion of the grant program. The grant received was for \$215,000 which covered 74% of the costs for the 12kV interface to the backup generator. Director Woo stated the District has great consulting engineers who play a huge role in the District receiving grants. Director Fuller concurred.
 - e. Email from Eureka Chamber of Commerce RE: Nominations for 2024 Chamber Board
The Eureka Chamber of Commerce is currently accepting applications for their 2024 Board. Mr. Friedenbach inquired if any of the Directors were interested in applying. No one expressed interest.

8. CONTINUING BUSINESS

8.1 Water Resource Planning

- a. Local Sales
 - i. Nordic Aquafarms
The North Coast Regional Water Quality Control Board approved a NPDES permit for Nordic Aquafarms for the discharge of wastewater.
 - ii. Trinidad Rancheria Mainline Extension
No update was received.
 - iii. Blue Lake Rancheria Mainline Extension
The project is moving forward. An RFP for engineering services was published.
 - iv. Offshore Wind Heavy Lift Multipurpose Marine Terminal Project
No update was received. It was noted that Larry Oetker, current GM of Humboldt Bay Harbor and Recreation & Conservation District, will be retiring soon. The Directors stated it is important to keep the lines of communication open with their new GM.
- b. Transport
No update was available.
- c. Instream Flow
Director Woo provided a presentation to the CalPoly Engineering Department about the District's Instream Flow (ISF) dedication and District in general. The students were very interested. They were very interested in the operations of the District and distribution of water.

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The draft Section 1707 Petition for Change was submitted to the Water Board staff for their draft review. The District received a comment letter from NMFS in response to the District's Petition for Change. The Instream Flow Committee met to discuss the issues raised by NMFS. The Committee shared that the letter clearly shows that NMFS staff does not understand that our Section 1707 Petition for Change does not propose changing District operations. NMFS staff seems to believe that the amount proposed for instream flow dedication is in *addition* to current operations, which is not correct. It was stated that there have been numerous face-to-face meetings with NMFS staff that should have been effective at communicating what the Section 1707 Petition for Change is about. This will now be communicated to NMFS in writing and it will hopefully help them understand correctly that there will be no change in our current operations. Director Fuller stated she believes that the SWRCB will understand, even though NMFS does not. President Latt stated the District needs to clarify that our 1707 Petition for Change is not about augmentation, but rather codification of our current operations. Director Woo stated that the District was asked to participate and provide a presentation at the upcoming Humboldt Bay Symposium and this would be a good opportunity to do this.

8.2 McNamara & Peepe

Director Woo recused herself due to a conflict of interest and left the room. She returned when discussion ended.

a. DTSC Monthly Summary Report, September

Mr. Friedenbach discussed the monthly report. A summary of activities and results for the 2023 site investigation was submitted by SHN. This is for work done from June -August 2023. The final work plan should be available on the Envirostor website, however, he has not yet seen it. The contract with SHN will expire in December 2023. DTSC is preparing a contract renewal to extend activities with SHN. The Board concurred it is very frustrating to wait so long for results to be shared.

b. DTSC Quarterly virtual update – October 24th at 10:00 a.m.

President Latt inquired if the District had any concerns, other than timeliness of reports, to raise at the virtual meeting. It was requested that DTSC explain the reasoning on where the water samples were taken, especially given some new information that was recently received on where chemicals may have been disposed on the site.

c. Site maps & historical sampling results (stormwater and well water)

The maps are included for reference only.

8.3 Annie & Mary Trail- Temporary Occupancy Exception Letter

The City of Arcata continues to advance the NEPA environmental studies required for the Annie & Mary Trail project. One component of the NEPA process is Section 4(f), consideration of potential project impacts on public property in the project area. Since the trail project will impact HBMWD's Park 1 temporarily, the Temporary Occupancy Exception Letter is required. There will not be any major impacts to Park 1 and the paving of the parking lot and access road will be improvements to District facilities. Staff requested the Board authorize the General Manager to sign and submit to Caltrans the letter regarding Section 4(f) Finding for the Annie and Mary Trail Project noting that the

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project would not adversely affect a publicly owned park and use of the property would not result in a Section 4(f) use per the temporary occupancy exception. On motion by Director Fuller, seconded by Director Woo, the Board voted 5-0 to authorize the General Manager to sign and submit the Caltrans letter.

9. NEW BUSINESS

a. DRAFT Workplace Bullying Policy

Last month, staff presented Chapter 1 of the proposed revisions of the Employee Handbook for edits and input. Directors noted the lack of a bullying policy. Ms. Harris reached out to ACWA JPIA, for guidance and was provided a Workplace Bullying Policy that they are taking to their board. She shared the draft policy on Workplace Bullying and requested Director input and edits. The Directors concurred it was well done. On motion by Director Rupp, seconded by Director Lindberg the Board voted 5-0 to approve the draft Workplace Bullying Policy.

b. Employee Handbook chapter 2

Based on feedback from the September Board meeting, staff has provided *Section 1005-Equal Employment Opportunity* from Chapter 1 of the Employee Handbook for additional review with the suggested changes/edits in red. The Board concurred to remove the first sentence in red. Chapter 2 was also provided for Director review and input. Several changes were suggested and Ms. Harris stated she will bring back Chapter 2 with the suggested edits for review.

c. Policy for Disposing of Removed stumps at Ruth Lake District property

At the District's Joint Board meeting with Ruth Lake CSD, the topic of tree stump disposal was raised. Mr. Friedenbach shared the proposed modification to add three options for stump disposal, all at the sole cost and expense of the Lease Lot holder. The options are: 1. Burning on Lease Lot from which it was removed; 2. Burning on HBMWD Buffer Strip at a location determined by HBMWD; and 3. Disposal off HBMWD property in accordance with Federal, State and Local waste disposal laws and regulations. If the Board approves this, the current tree removal policy will be updated. On motion by Director Lindberg, seconded by Director Rupp, the Board voted 5-0 to approve the proposed modification regarding tree stump disposal and update the policy for tree removal.

10. REPORTS (from STAFF)

10.1 Engineering

a. Samoa Peninsula Waterline right-of-way maintenance project

i. NOP Staff Memo

Staff has contracted with GHD to prepare an Environmental Impact Report (EIR) to obtain environmental clearance and permits for the Samoa Peninsula Waterline Right-of-Way Maintenance Project. One of the first steps in the EIR process is to prepare a Notice of Preparation (NOP). Part of the process for the NOP is to conduct a public scoping meeting to receive comments from the public. The draft NOP was shared with the Directors for their initial review.

ii. Draft Notice of Preparation (NOP)

Kerry McNamee of GHD provided an overview of the NOP. The NOP is the first step of the EIR. The NOP is filed with the County and provides an opportunity for public

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feedback. The purpose is to engage the public and appropriate agencies during the 30-day comment period. This is a time to receive public comment, not to answer all comments and questions.

b. Collector 2 Rehabilitation Project

Mr. Stevens shared that Payment Request 6 was received from the contractor Layne Christensen in the amount of \$571,733.75. He expects to see a change order next month to cover additional crew that was brought in to expedite work. It is currently anticipated that work will be required in the river beyond October 15, 2023 and a request for an extension was sent to CDFW. No issues are expected. It is expected that work will be off the river and the project in full operation by the end of October. He noted that the laterals developed well and he is happy with the 530 feet of total lateral length achieved.

c. Essex Onsite Sodium Hypochlorite Generation

The tanks have been ordered and much of the other equipment has arrived.

d. TRF Generator

The project is on track for 60% design submittal in November.

e. Collector Mainline Redundancy Project

i. HBMWD time extension request to CalOES

Mr. Friedenbach requested a 24-month extension of time from CalOES to complete Phase I of the Collector Mainline Redundancy project. It takes FEMA about 18 months to do the NEPA work, then an additional six months for GEI to complete their work. If approved, this would extend the project activity date to December 4, 2025. He has not yet heard back from CalOES however, he expects the extension to be granted.

ii. GEI DRAFT Cost Proposal for Change in Scope of Phase 1 Work

GEI provided a draft cost proposal for Change in Scope of Phase 1 Work-Geotechnical Hazard. The cost proposal is an incremental cost to the District of potentially \$925,000. The District does not currently have sufficient funding at this time for the project. Staff sees three options: 1. Scrap the project and forego having a second/redundant water transmission line from the Collectors up to the TRF. This subjects the District to bearing the single point failure risk in the transmission line; 2. Move forward with the grant extension and submit the change in scope of work. If Phase I grant extension is approved, research options such as Advance Charges, Project Budget Reallocations, general reserves, grants or financing} to close the funding gap during the 24-month extension period. If funding is not secured, Option 1 decision can be made at this future time; 3} Move forward without further geotechnical investigations.

Since the grant requires the District to assert that the new pipeline would mitigate against earthquake failure, it is not likely that the District or its consultants can make the affirmative statement without the additional geotechnical investigations.

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Annmarie Behan, Senior Geotechnical Engineer for GEI provided information on methods to help determine fault areas and discussed options for pipeline placement locations. She shared that the additional geotechnical investigative work will help determine pipeline location options and types of drilling needed such as HDD. Knowing where the faults are will also impact other proposed projects. Mr. Friedenbach recommended giving GEI the approval to move forward with the additional Geotech work (\$925,000) since there is time to come up with funding via grants, loans, etc. On motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 to adopt Option 2 and move forward with the geotechnical work. The Board thanked Annmarie for her presentation.

- f. Matthews Dam HMG Advance Assistance Seismic Stability Project
Mr. Stevens reviewed the Immediate Needs Funding (INF) Fact Sheet. This Seismic Stability Project falls under the INF which means funds will not be obligated anytime soon.
- g. Status report re: other engineering work in progress
Nothing to report.

10.2 Financial

- a. September 2023 Financial Statement & Vendor Detail Report
Ms. Harris presented the September 2023 financial report. The investment and interest-bearing accounts balance is \$10,062,631.43. The General Funds Reserves account is at \$3,439,782.36. Director Lindberg reviewed the bills and had no concerns. On motion by Director Rupp, seconded by Director Lindberg the Board voted 5-0 to approve the September financial report and vendor detail in the amount of \$197,916.47.
- b. September 2023 Fieldbrook-Glendale contract revenue and Expense Summary
This section of the report has been broken out for transparency. It used to be included in the main financial report, but this means of presentation is much easier to see at a glance.
- c. Annual PARS Client Review
The District has a PARS Section 115 Trust Account for the purpose of unfunded pension liability rate stabilization. On an annual basis, PARS investment management staff meets with District management staff to review the District's current investment strategy for the PARS account. The purpose of the review is to ensure the District continues to utilize the best market position available when considering the CalPERS unfunded liability needs for the near future. Due to market conditions, the District's portfolio manager (Andrew Brown)

for the PARS account has recommended shifting PARS investment assets into a less volatile portfolio, as he believes the market will continue to slump. Ms. Harris shared three options for the Board to consider.

Options are as follows: 1. Additional contributions into the PARS Section 115 Trust Account; 2. Increase the "funded budget" for Unfunded Pension Liability from \$200,000 to \$250,000 (or alternate amount); and 3. Accept Mr. Brown's suggestion to shift the District's investments in the PARS account from the Moderate Portfolio into the Moderately

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Conservative Portfolio. If the Board decides to transfer the funds, staff will complete and acquire signatures on the appropriate forms to complete the transfer. Staff shared that a 4th option is to consider is financing the District's unfunded liability. Ms. Harris noted that unfunded liability will never go away as long as there are employees. She recommended the Board consider the first three options-all of them. After a brief discussion, on motion by Director Lindberg, seconded by Director Woo, the Board voted 5-0 to make additional contributions, increase the funded budget, and move the funds to a Moderately Conservative Portfolio.

10.3 Operations

September Operations Report

Superintendent Davidsen provided the September Operations Report. Three Essex staff went to Ruth to do dye testing of spillway drains and prepare the spillway for drone mapping. On the way back, Unit 7 broke down and needed to be hauled back to Essex. Mr. Friedenbach added the original cost of repairs was estimated at \$25,000. Thanks to the combined efforts of Mr. Davidsen and Ms. Harris, the costs decreased to \$2,500 with the majority of the work being covered under warranty. A crew went to Ruth later in the week and conducted the annual log boom inspection and the drone spillway mapping. The Safety meeting topic was Forklift Safety Training. Operations staff distributed and collected the Lead and Copper samples and sent them to the lab. Mr. Davidsen staffed a booth at the College of the Redwoods Career Expo and that went very well.

10.4 Management

a. National Public Lands Day at Ruth Lake

Mr. Friedenbach shared the flyer for the Ruth Lake Cleanup that took place on September 23rd. He and another staff member participated in the cleanup. The cleanup was a success, as noted in the publication The Trinity Journal. Mr. Friedenbach presented the Directors with custom made t-shirts from the event. The Board was appreciative of the cleanup efforts as well as the shirts. Mr. Friedenbach stated it was a good event and he was happy to participate. Lots of trash was retrieved.

b. Reforestation practitioners' symposium

Mr. Friedenbach provided details, per request, on the Reforestation Practitioners' Symposium taking place on November 15th and 16th.

11. DIRECTOR REPORTS & DISCUSSION

11.1 General – comments or reports from Directors

Director Woo asked about District job descriptions and inquired if the section "Required Knowledge, Skills and Abilities" were required at the time of hire. Ms. Harris replied yes, unless otherwise noted.

Director Rupp stated he would like to see what other local agencies are paying their directors for attendance at board meetings. He would like this topic (and comps) brought back to the Board for discussion.

11.2 ACWA

a. Director Report

Director Rupp stated the ACWA Board members are currently working on a Code of Conduct

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policy. He attended an Executive Committee meeting and he is still on the Region 1 Board however, he has stepped down as chair and this will involve less time commitment. He stated the Legislative Committee has done well. They were very successful and effective with issues they chose to support. The Personnel Committee met and are trying to determine at what level do they need to be made aware of personnel issues. This is important since 67% of ACWA's costs are personnel.

- b. ACWA Board officers' election and Region election results for the 2024-2025 term
The list of election results was provided. Director Rupp is still serving on Region 1 board.

11.3 ACWA – JPIA

Director Report

Director Rupp reported the Liability Insurance Committee met and it looks like liability insurance will increase average of ten percent. He believed the District's increase was going to be less and Ms. Harris confirmed this. The Finance Committee met and reviewed the Investment Program.

11.4 Organizations on which HBMWD Serves

a. RCEA

Director Woo stated when Director Rupp mentioned personnel issues it really hit home. The RCEA directors are currently dealing with HR issues. When it reaches the level of directors, it's never good.

b. RREDC

The meeting was cancelled so there is nothing to report.

ADJOURNMENT

The meeting adjourned at 3:07 pm.

Attest:


Neal Latt, President


J. Bruce Rupp, Secretary/Treasurer