



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

April 16, 2019

A. ROLL CALL

President Woo called the meeting to order at 9:00 am. Director Hecathorn conducted the roll call. Directors Fuller, Hecathorn, Latt and Woo were present. Director Rupp was absent. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris and Board Secretary Sherrie Sobol were also present. Pat Kaspari of GHD, Paul Brisso of the Mitchell Law Firm and Michael O'Conner of R.J. Ricciardi, Inc. were present for a portion of the meeting.

B. FLAG SALUTE

President Woo led the flag salute.

C. ACCEPT AGENDA

On motion by Director Latt, seconded by Director Hecathorn, the Board voted 4-0 to accept the agenda.

D. MINUTES

Director Latt requested an addition to the minutes of March 14th meeting in the Annie & Mary Trail discussion listed under Management. The addition included comments made by Mr. Hank Seemann of the County in regards to Mr. Davidsen's concerns about increased use of the park resulting in additional trash and restroom usage. On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 4-0 to approve the Minutes of March 11, 2019 Emergency Board Meeting and March 14, 2019 Regular Meeting as modified.

E. PUBLIC COMMENT

A member of the public stated he was present to support someone who was going to make a public comment but was not there yet. He added that the Board room had a good atmosphere. President Woo stated she would reopen public comment if the person arrived prior to the 9:15 scheduled time set.

F. CONSENT AGENDA

President Woo requested the article on water tax in Item F3 be pulled. On motion by Director Latt, seconded by Director Hecathorn, the Board voted 4-0 to approve the Consent Agenda, less Item 3.

President Woo inquired how our local representatives voted the last time the water tax issue was up for vote. Mr. Friedenbach stated he would confirm the information and bring it back to the next meeting. He noted that he has participated in two meetings with local staff for Senator McGuire and Assemblymember Wood and discussed the water tax, and both have been cc'd on District correspondence on this issue, so both representatives should be aware of our concerns regarding the water tax. On motion by Director Fuller, seconded by Director Latt, the Board voted 4-0 to approve Consent Item F3.

G. CORRESPONDENCE

Letter from District submitting DSSMR

Mr. Friedenbach stated the 2018 Dam Safety Surveillance and Monitoring Report was submitted to FERC. This is an annual requirement and is related the Dam Safety Surveillance Monitoring Plan which is updated as needed.



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Letter from District to Humboldt County Planning Dept re: zoning

Mr. Friedenbach shared the letter to the Planning Department. He stated that most of the content was crafted by District legal counsel, Ms. Walker. President Woo stated she is glad special legal counsel is following this issue. Director Latt inquired if staff received any response yet. Mr. Friedenbach stated no response has been received.

Letter from Paul Brisso of The Mitchell Law Firm, LLP re: professional transition

District legal counsel Paul Brisso submitted a letter informing the District of his professional transition in 2019. Mr. Brisso was present to answer questions regarding this and express his appreciation for working with the District. He noted the long history that the Mitchell Law Firm has enjoyed with the District and hopes the District will continue this as he transitions most of his District work to Ryan Plotz, the newest partner at the firm. He stated he has much confidence in Mr. Plotz and will still be available to advise and assist him if needed. The Board asked several questions regarding the transition and stated they were sad to see him go. Mr. Brisso thanked the Board and stating he is not fully retiring, just not being involved as much in the day to day work and focusing more on mediation. After Mr. Brisso left, the Board continued discussion. Director Latt stated the firm has an excellent history of performance for the District. Director Hecathorn noted that Mr. Brisso will still be around as back up and she was comfortable staying with the firm. The Board concurred and agreed to continue the relationship with the firm, in particular Mr. Plotz.

Letter from DWR re: Notification of Fee Increase

DWR sent a letter regarding notification of fee increases effective July 1, 2019. The rates include a base rate plus a charge based on the height of the dam. Mr. Friedenbach stated the District advocated for consideration of dam revenue generation as an additional fee metric, not dam height as a basis for fees but it did not gain traction. Five years ago, the District paid roughly \$18,000 and last year \$29,000. With the new increase, the fees this year will be approximately \$45,000.

Letter from FERC re: Owner's Dam Safety Program Organizational Chart

Mr. Friedenbach shared the April 5, 2019 letter from FERC responding to our letter submitted to FERC on March 24, 2017. He, as District General Manager, is the designated Chief Dam Safety Coordinator and as such, FERC is requesting a resume from him. He noted that although it took FERC two years to respond, they now want a response within thirty days. The response will be provided within the thirty days.

Thank you letter from League of Women Voters

The League of Women Voters sent a nice handwritten thank you note for the presentation provided by Mr. Friedenbach. President Woo stated Mr. Friedenbach did very good job and the attendance at the meeting was good too.

H. CONTINUING BUSINESS

Water Resource Planning

Local Sales

Mr. Friedenbach attended a Nordic Aquafarms public forum at Humboldt State University hosted by the Fisheries department. He stated the presentation was good and about fifty people were in attendance. Nordic Aquafarms is planning on scheduling more town-hall type meetings. He also shared a letter from the County to the Governor's office requesting stated assistance for the aquaculture project. Mr. Friedenbach stated staff will also be meeting with representatives from Enviva tomorrow regarding potential water service if they decide to open a facility on the Samoa Peninsula. Enviva is a manufacturer of wood pellets.



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Mr. Friedenbach stated the District teamed up with the City of Blue to provide reusable water bottles to the students of Blue Lake Elementary for Earth Day. The water bottles have the District's name and Tap the Mad printed on the them. He provided each of the Directors with a bottle. Staff will also be receiving water bottles. Funds for the bottles are from the public education project budget.

Transport

The transport committee is scheduled to meet next week to discuss the concept of transport with staff from Redway CSD.

Instream Flow

President Woo provided a presentation the Humboldt Bay Symposium. Director Fuller added that many people approached her and thanked the District/ President Woo for the great presentation. Mr. Friedenbach concurred. Progress continues with the instream flow grant. Staff is still working on setting up a meeting with State Water Board staff to discuss our project. David Aladjem, President Woo and he will attend in person with State Water Board staff and others will participate via video.

Cannabis Grows affecting Mad River Watershed

Mr. Friedenbach attended the opening of the Bureau of Cannabis Control at 930 Sixth Street. He met Bureau Chief Lori Ajax, Assistant Chief Alex Traverso, and toured the facility.

District Fees at Ruth Lake

Last month, staff introduced the concept of adjusting District fees charged for various services/items in and around Ruth Lake. Since the cabin remodel is nearly complete, staff reviewed the fee charged for use of the cabin. Mr. Friedenbach provided background on past fee charges and proposed a new fee of \$40 per night. The proposed rate was discussed at employee meetings at Essex and Eureka and was acknowledged as reasonable. Staff also proposes the cabin be available for use by current employees or directors. This would be an employee benefit and not available to the public or former employees or directors. On motion by Director Latt, seconded by Director Hecathorn, the Board voted 4-0 to increase the rental rate to \$40 per night effective immediately for use by only current employees and directors, provided it is not needed for District business.

I. NEW BUSINESS

Joint Board Meeting with Ruth Lake CSD

The Board discussed possible meeting dates in June and July for a joint board meeting with Ruth Lake CSD. The two dates that worked for the Board were June 28 and July 19. Staff will share the information with the Ruth Lake CSD Board for their meeting on April 25th.

Prevention Plan for Quagga and Zebra Mussels at Ruth Lake

Mr. Friedenbach shared the updated Prevention Plan. He informed the Board that requirements for the Quagga grant have changed and now include a CDFW approved Prevention Plan for Quagga and Zebra mussels. Staff has been consulting with the Northern California CDFW Invasive Species Specialist in regards to updates to our plan necessary for approval. On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 4-0 to approve the updates to the Prevention Plan for Quagga and Zebra Mussels at Ruth Lake.

Resolution 2019-06 Quagga Grant Application

Mr. Friedenbach stated the District will apply for another quagga grant from the Department of Boating and Waterways. One of the requirements is a resolution authorizing the application and funding agreement if the grant is awarded. Director Hecathorn read the resolution, The Board voted



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4-0 by roll call vote to approve Resolution 2019-06 for the Quagga/Zebra Infestation Prevention Grant Program Application and Funding Agreement 2018-19.

J. **REPORTS (from Staff)**

1. **Engineering**

Collector 2 Cable Car Landslide

Mr. Kaspari stated the contractor started demo of the cable car building and cleanup of the landslide. Repair work was delayed due to rain. He anticipates about two weeks to finish repairs. The District is seeking to be reimbursed from disaster funds, if a National Disaster is declared for California for the winter storms.

Collector 4 bank erosion

Mr. Kaspari shared photos of the erosion and exposed pipe and photos of the same after emergency repair was done. Additional work will be done in the summer under the LTSAA.

Matthews Dam Left Abutment Landslide

Mr. Kaspari shared photos of the area after the recent storms. This is a shallow landslide and the dam is not in danger. The landslide is more of a maintenance headache.

Surge Tower Replacement (\$239,900 District Match)

The District received a signed contract back from Figas Construction. CalOES has also finalized the grant by approving Phase 2. The project must be completed by September when the grant expires. That deadline is expected to be met.

12kV Switchgear Replacement (\$441,750 District Match)

Mr. Kaspari stated they are moving forward with the project design and have requested a grant extension.

Collector Mainline Redundancy Hazard Mitigation Grants (\$763,000 District Match)

No updates.

Reservoir Structural Retrofit Hazard Mitigation Grant Application (\$914,250 District Match)

No updates.

Single Line Industrial Slough Crossing Hazard Mitigation Grant Application (\$679,750 District Match)

No updates.

Matthews Dam Spillway Analysis Hazard Mitigation Grant Application (\$1,666,667 District Match)

No updates.

Essex Emergency Chlorine Scrubber Hazard Mitigation Grant NOI (\$335,000)

Mr. Kaspari stated the grant application is due April 18. They will be ready to submit the application by the deadline.

Mad River Crossing – ASCE Project of the Year Submittal

Mr. Kaspari shared that the submitted for nomination the Humboldt Bay Municipal Water District, Mad River Crossing Pipeline Replacement. project to the ASCE North Coast Branch for



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the Project of the Year award. The banquet will be May 1st and he's not sure if the winner will be announced prior to that or not. He noted that it is up against some really good projects. He will also submit the project to the ASCE San Francisco section as well.

Lazzar Development 27th Street

Mr. Friedenbach stated the easement was drafted by legal counsel and initially, Mr. Lazzar stated it looked good. He is now thinking about selling the property or just putting one house on it. At this point, staff is waiting to see what Mr. Lazzar decides to do with the property.

2. **Financial**

Financial Report

Ms. Harris provided the March financial report and reviewed the new format. The new format is easier to understand and is all formatted in the same direction. Director Fuller reviewed the bills and stated all was tidy and in order. On motion by Director Fuller, seconded by Director Hecathorn, the Board voted 4-0 to approve the March 2019 financial statement and vendor detail report in the amount of \$566,999.39.

FY June 30, 2018 Audit Report

Ms. Harris stated the audit report is for the fiscal year ending June 30, 2018. There was no audit committee meeting as one of the members was unavailable. President Woo did meet with the auditor, Michael O'Connor yesterday to take care of required paperwork and other audit procedures. This is the third year Mr. O'Connor of R.J. Ricciardi conducted the audit for the District. Mr. O'Connor thanked the Board for opportunity to provide the audit. As noted, he met with President Woo to review the audit with her. He stated the District received an unmodified opinion which is the best opinion that can be received. He highlighted various aspects of the report and stated that in regards to fraud/internal controls, there are no recommendations for improvement. The District is doing a good job, keep it up. On motion by Director Latt, seconded by Director Hecathorn, the Board voted 4-0 to accept the audit report and to request a quote for service for the next three years from R. J. Ricciardi.

Audit Committee Alternate

Mr. Friedenbach inquired if the Board would want to consider an alternate for the Audit Committee. As noted earlier, the committee was not able to meet due to scheduling conflicts. This was the first time, in recent memory, that the committee was not able to meet. However, it seems prudent to have an alternate. The committee meets at least one to two times per year. Director Hecathorn volunteered to be an alternate since she has a background in finances. On motion by Director Latt, seconded by Director Fuller, the Board voted 4-0 to appoint Director Hecathorn as an alternate to the Audit Committee.

Letter from County Treasurer summarizing interest earned report for quarter ending December 2018

Ms. Harris shared the report from County Treasurer John Bartholomew. She noted his sense of humor as he notes that LAIF is did better at 2.4% than the County at 1.69% for the quarter ending December 2018.

3. **Operations**

Mr. Davidsen provided the March Operational Report. Two staff from Essex are cross-training at Ruth on hydro plant operations, Essex safety training included rigging safety and asbestos/silica exposure and three staff attended a weeklong Rockwell SCADA software class. The Rockwell



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attendees stated it was a very good training with lots of value. A new O&M Tech was hired and is scheduled to start work on May 1st. The Ruth Cabin is done and the contractor was very good and knowledgeable and he is pleased with the work.

Surplus of 2008 Ford Explorer Unit 1

Mr. Davidsen requested the Board surplus the 2008 Ford Explorer. It currently has 128,000 miles and has been replaced with the new vehicle in accordance with the District's CIP schedule. On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 4-0 to declare the 2008 Ford Explorer-Unit 1 as surplus.

K. MANAGEMENT

Thank you card from Food for People

Mr. Friedenbach shared the thank you note from Food for People. He said he was glad they were able to use the MRE's.

NCRP Prop 84 Grant

Mr. Friedenbach stated he submitted the grant application for the Collector 2 Ranney Rehabilitation project. The NCRP received a total of thirty-six projects. He is on the technical peer review committee and they will be reviewing the projects later this week. He will recuse himself when the District project is discussed.

CSDA request for support letter for ACA1 creating new constitutional vote threshold of 55% for both general obligation bonds and special taxes related to public infrastructure

Mr. Friedenbach stated the CSDA is requesting a letter of support for ACA 1. The proposal would amend the California Constitution to the lower the vote required from two-thirds to 55% for general obligation bonds and special taxes. He inquired if the District should send a letter of support. Director Hecathorn expressed her concerns. She believes Californians are taxed enough already and is opposed. Director Latt stated he hears her concerns. He noted that if it does pass the legislature with two-thirds vote, it still needs to go before the public for vote in 2020. No motion to support was made.

Ruth Lake CSD Agenda

Mr. Friedenbach stated the April 11 meeting was rescheduled to April 25 due to lack of a quorum. He plans on attending the meeting.

Resolution 2019-05 naming Ruth Cabin

President Woo and Mr. Friedenbach acknowledged all the time and work Mr. Davidsen invested in the Ruth Cabin remodel and thanked him for the work. Director Hecathorn read Resolution 2019-05 Recognizing and Honoring the Service of Dale H. Davidsen and Dedicating the Ruth Cabin in his Honor. The Board voted 4-0 by roll call vote to approve Resolution 2019-05. President Woo presented Mr. Davidsen with a framed copy of the Resolution and sign engraved with Davidsen Cabin to be placed at the cabin. Mr. Davidsen was very appreciative and thanked the Board.

L. DIRECTOR REPORTS & DISCUSSION

1. General -comments or reports from Directors

Director Latt stated it has come to his attention that someone in Manila wants the District to oppose the removal of ammophila. The individual was invited to the board meeting but did not show up.



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2. **ACWA – JPIA**

Statement of Qualifications for J. Bruce Rupp for Executive Committee

Director Latt was glad to see the letter that was sent to the Board members of agencies in the ACWA/JPIA. He stated he was not previously aware of Director Rupp ‘s military service and the resume is impressive.

Letter from Mesa Water District requesting consideration of vote for Fred R. Bockmiller to Executive Committee

Director Rupp will be voting at the Spring Conference.

Letter from Scott Quady for election to California Water Insurance Fund Board of Directors-
This is a new Board and Director Rupp will be voting at the Spring Conference.

Various articles from JPIA Perspectives March/April 2019

Mr. Friedenbach stated the articles are for informational purposes. He noted the photo of Director Rupp at the Executive Committee Strategic Planning Session.

3. **ACWA**

March regulatory update

Mr. Friedenbach stated this is for informational purposes. There was no discussion.

4. **Organizations on which HBMWD Serves: RCEA, RREDC ***

RCEA

President Woo reported out on the RCEA meeting. She stated they are moving forward with the off-shore wind energy project. Some people are opposed and believe there is not enough space on grid for both on and off-shore wind energy. She stated there is enough space on the grid for both projects. RCEA previously had a goal of 100% clean energy by 2030. That timeline has been moved up to 2025. She also noted that some disagree on what “clean energy” is. Some feel that biomass is not clean energy.

RREDC

Director Latt reported out on the RREDC meeting. He stated Matthew Marshall of RCEA was the guest speaker and presented an update on energy projects. Director Latt stated that Mr. Marshall did a good job.

ADJOURNMENT

The meeting adjourned at 2:29 pm.

Attest:

Sheri Woo, President

Barbara Hecathorn, Assistant Secretary/Treasurer