



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



Minutes for Meeting of Board of Directors  
September 19, 2019

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A. **ROLL CALL**

President Woo called the meeting to order at 9:30 am. Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Latt, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris and Board Secretary Sherrie Sobol were also present. Legal Counsel Ryan Plotz and District Engineer Pat Kaspari were present for a portion of the meeting. Director Hecathorn left the meeting at 11:50 am, prior to the 12:10 pm lunch break and returned after lunch.

B. **FLAG SALUTE**

President Woo led the flag salute.

C. **ACCEPT AGENDA**

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

D. **MINUTES**

On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 5-0 to approve the Minutes of August 8, 2019 Regular Meeting, August 27, 2019 Special Meeting, and the September 10, 2019 Special Meeting,

E. **PUBLIC COMMENT**

No public comment was received.

F. **CONSENT AGENDA**

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

G. **CORRESPONDENCE**

Letter from DWR re: 2019 Pre-Season Flood Coordination Meetings

Mr. Davidsen attended the Flood Coordination meeting and stated it was a good meeting. DWR staff discussed new forecasting tools and flood control barriers. There was also good agency attendance as well.

Letters from CalOES re: Spillway Retrofit, Mad River Slough Single Line Crossing and Chlorine Scrubber Projects

Mr. Friedenbach stated the three projects were denied. Staff plans to submit the Spillway Retrofit project under a national Pre-Disaster Mitigation grant program.

Letter from Cal OES re: Emergency Action Plan (EAP) Review

Cal OES stated the EAP was missing items. This is a result of new requirements and the District will respond and include the new requirements.

Annie & Mary Trail

The City of Arcata selected the route for its stretch of the Annie and Mary Trail. It is a 3.3 mile stretch that will start at Sunset Avenue and end at the District's Park 1. Mr. Friedenbach stated he will seek one-hundred percent grant funding to improve the parking area and add cement picnic tables at Park 1.



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#### North Coast Resource Partnership (NCRP)

The next meeting will be a local one taking place at the Bear River Rancheria in Loleta. One of our projects that was partially funded through them was the Mad River Crossing project. The Collector 2 Rehabilitation project was recently approved by the NCRP and will now move on to the State for final funding approval.

#### H. CONTINUING BUSINESS

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

##### Local Sales-Nordic Aquafarms

Mr. Friedenbach reported that staff participated with Humboldt County's Economic Development Department in a presentation to the Humboldt County Board of Supervisors regarding potential grant funding or financing options needed for the industrial system capital upgrades. He shared some of the options discussed. Director Rupp expressed reservations regarding funding from a JPA.

Mr. Friedenbach also shared photos of the clarifier facility at the former Simpson pulp mill site, now Security National. It is still standing but is in rough shape.

Mr. Friedenbach stated Nordic Aquafarms will be meeting later this month to decide on their course of action. There is no update from Enviva.

##### Transport-Letter to five Region 5 agencies

Mr. Friedenbach shared the letter he sent to five member agencies of ACWA's Region 5 since their September event was titled Water Supply & Reliability: Agencies Working Together for Bay Area Regional Reliability. The District has previously met with these agencies and the letter was a reminder that we have water availability here on the north coast.

Also, Mr. Friedenbach stated he received an email from Brown and Caldwell regarding the transport option. They are participating in a workshop with Bay Area agencies to assess various opportunities for transfers/exchanges. Staff will notify the Board if it materializes into a possible viable project.

##### Instream Flow-Permanent or temporary dedication

David Aladjem, water rights attorney participated in the discussion via telephone. President Woo inquired if the District was planning on a permanent or temporary instream application. She stated she just assumed permanent until it was brought up by the State Water Resources Control Board (SWRCB). She asked Mr. Aladjem what the pros and cons were and the Board discussed them. Mr. Aladjem stated the main advantage to permanent is the SWRCB would almost certainly approve it. If filing today, the estimated wait process for approval is five to seven years; since the SWRCB is excited about this project, it could possibly be fast-tracked and only take four to five years. A member of the public commented that he would wishes it would be temporary and suggested perhaps he could bring Supervisor Bohn to the next meeting. Director Rupp clarified this dedication would not change our current practice. All this does is protect our 20 MGD of water. Current practices would remain and additional drawn down of the lake is not generally required. Director Latt concurred and stated it is the best of both worlds as it protects our water rights and we can still divert at Essex. Director Fuller added that instream flow committee has been working closely with resource agencies and they have been supportive of the process. President Woo reminded all that this Instream Flow Dedication process is grant funded and the District is not using ratepayer dollars. Mr. Friedenbach reminded all present that the instream flow dedication was one of the components and a result of the Water Resource Planning



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public process that was undertaken by the District to determine what the District should pursue to preserve control of our water rights when the last pulp mill closed. On motion by Director Fuller, seconded by Director Latt, the Board voted 5-0 to apply for a permanent instream flow dedication. Mr. Aladjem stated he appreciates the thoughtful and transparent way the Board has handled this.

2. Cannabis affecting Mad River Watershed

President Woo recused herself prior to any discussion regarding the application for APN 516-111-064.00 and left the room. She stated that Streamline Planning (which merged with SHN) did some work for the owners and she felt it best to recuse in the event of any perceived conflict.

**CLOSED SESSION:** Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (two cases)

The Board entered into closed session at 1:42 pm and returned to open session at 3:00 pm. President Woo returned to the Board Room. Director Latt stated there was nothing to report, no action taken.

Mr. Friedenbach stated he has also been in contact with Emerald Family Farms who will also be building nearby. They spoke with the District prior to starting their project. They have taken a proactive approach and seem genuinely concerned about water quality and have agreed to soil and groundwater sampling.

3. PG&E Bankruptcy

Mr. Friedenbach shared the article stating PG&E pledges to all Power Purchase Agreements. This is good news for the District if approved by the bankruptcy court.

4. Samoa Peninsula Vault Art

President Woo and Mr. Friedenbach both attended the artist's reception and art show to celebrate the new murals on the Samoa Peninsula vaults. President Woo stated Mr. Friedenbach did a good job providing an impromptu discussion on the District's pipeline and water system.

Mr. Friedenbach thought it would be nice for the Board to prepare a resolution for each artist to not only validate their art but also provide them with something to include in their portfolio. The Board concurred.

5. Humboldt County Public Hearing Notice RE: Amendment to Zoning Maps

Mr. Friedenbach stated he misread the announcement. This is for areas outside of the Blue Lake and Fieldbrook-Glendale. He will follow up with the zoning plans for Blue Lake and Fieldbrook-Glendale.

6. Ordinance 22

Mr. Friedenbach stated the Board requested the item be brought back in six months for review. He recommended a few changes, such as allowing horses. He proposed to bring back a red-lined version of the suggested changes to the October meeting and if the Board concurred, publish the Ordinance in the paper and approve at the November meeting after a public hearing. The Board concurred.



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#### I. NEW BUSINESS

##### Draft Humboldt County Local Hazard Mitigation Plan, HBMWD Annex

Mr. Friedenbach stated the County's plan update process is nearly complete. As part of the process, planning partners prepare a "jurisdictional annex" for inclusion in the overall plan. Mr. Friedenbach shared the District's draft the District's Hazard Mitigation Action Plan Matrix that lists potential mitigation projects for the District. Several others are still in the process. The current expected timeline for adoption is to be the first quarter of 2020.

##### Lincus Inc, Energy Engineering Consultants: WISE Program

Mike Avcollie of Redwood Coast Energy Authority (RCEA) stated they have identified a program through PG&E- the Water Infrastructure System Efficiency (WISE) program, to reduce energy costs. WISE uses a consultant firm called Lincus, Inc. RCEA has been working with Lincus, Inc. and District staff to assess water system optimization measures. Lincus investigated the optimization of water pumped and related energy use across multiple wells within the District. They recommended implementing pump sequencing to more efficiently meet system demands. An engineer from Lincus participated in the discussion via phone and explained that this opportunity involves installing sensors that are tied into the SCADA system showing pumping efficiency of the all wells. The sequencing of pumps will vary based on the energy intensity of the pumps. This should result in energy cost savings of approximately \$33,892 annually. He noted that this includes the TRF running in the winter months. After the PG&E incentive is utilized, costs for equipment will be approximately \$76,761. This amount would be offset by savings in 2.3 years. He also stated the project is pre-approved at PG&E. The Board inquired about the average lifespan of the equipment which is nine years. Mr. Avcollie recommended the Board approve the project, determine financing options and have Lincus and/or RCEA help develop funding application as required, and if the project is contracted out, have Lincus develop the scope of work and request for proposal documents as required. The Board asked several questions and President Woo inquired if staff concurred with the recommendations, which they did. Mr. Davidsen stated yes, this is a good project overall and within staff's purview to do. Mr. Friedenbach stated yes, this makes sense from a financial standpoint and recommended the Board approve the project as an unfunded capital project initially paid for from general reserves and to be funded through the annual budget reallocation process in the spring. On motion by Director Latt, seconded by Director Fuller the Board voted 5-0 to approve staff's concurring recommendation.

##### Transfer of Infrastructure to Samoa CSD

Mr. Craig Spjut addressed the Board and stated he was not able to stay for the afternoon discussion however, has some concerns. First, he did not know where Old Navy Base Road was. Mr. Friedenbach stated this was a typo and should have stated New Navy Base Road. Mr. Spjut said the District spent way too much money on the new pipeline and stated paragraph two does not make sense as he disputed the pipeline locations. He stated the total construction costs were just over three million dollars but the contractor only charged \$630,316.96. Where is the rest of the money? He also stated the credit for the bell restraints seemed extremely low. The numbers just don't make sense to him.

When the Board discussed the topic in the afternoon, Mr. Friedenbach stated he met with Mr. Nicolini of Peninsula CSD regarding the transfer of infrastructure and he is aware the District is potentially requesting \$133,731.49 for the infrastructure. Mr. Friedenbach recommended a subcommittee for negotiations with Peninsula CSD. Directors Latt and Woo volunteered to serve on the committee. Mr. Friedenbach noted the comments made in the morning were misinformed and misdirected. The \$630, 316.96 referenced by Mr. Spjut is for the portion of the project that went to the Bay Street neighborhood as noted in the letter.



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Earthquake Preparedness Public Outreach

Mr. Friedenbach stated he was approached by Mr. Brian Papstein of Eureka Broadcasting participate in an earthquake preparedness project as it relates to water. He discussed this at the Municipal Customer meeting and they were on board with idea. He also suggested each muni participate with their own PSA. The Board thought this was a good idea and was very supportive.

EAP Table Top and Functional Exercise

Mr. Friedenbach shared the agenda from the EAP Table Top and Functional Exercise. The event took place last Thursday and went very well. Feedback received included comments such as “vastly improved” and “best yet”. Mr. Friedenbach stated the event was put together by Chris Harris and Samantha Ryan with support from Dee Dee Simpson-Glenn and Becky Moyle. Staff should be commended for the great job they did. The Board asked Mr. Friedenbach to please convey their appreciation for the time and effort put into making the event a success.

FERC Annual dam inspection

Mr. Sam Lee was the inspector and he stated the R. W. Matthews Dam was one of his favorites to inspect. The District received a good review on safety and dam operations.

Vivid Green LLC encroachment

Mr. Friedenbach shared that Trinity County approved permits for Vivid Green to begin construction on their project. Vivid Green began construction and was then served a cease and desist order by Trinity County as Trinity County discovered they approved permits to build partially on District property. Dustin Owens, attorney for Vivid Green provided additional background and stated as soon as this was discovered, his clients reached out to Trinity County and the District. Vivid Green would like to request a Lot Line Adjustment and are willing to pay fair market value or do a land swap. Mr. Owens stated his clients are willing to include covenants, restrictions, etc. to preserve water quality. His clients apologized and stated it was not their intention to ever encroach on District property. They hired a surveyor and went through the proper steps with Trinity County and believed everything was good. Director Rupp stated there was no need to apologize, they are victims just like the District.

**CLOSED SESSION:** Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (two cases)

The Board entered into closed session with District Legal Counsel at 9:52 a.m. They returned to open session at 10:16 a.m. and stated there was nothing to report out. The Board directed staff to draw up a short-term lease with the goal of a Lot Line Adjustment and to take reasonable steps to ensure water quality is protected. It is anticipated the Lot Line Adjustment will take several months. Vivid Green representatives thanked the Board.

J. **REPORTS (from Staff)**

1. **Engineering**

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

Mr. Kaspari stated the project is completed and the Notice of Completion was filed.



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

The 60% design was submitted and reviewed. One hundred percent design should be ready by early October with the project ready to go out for bid in November. He is concerned about the expected increase in bid costs due to metal tariffs and communicated these concerns with CalOES.

#### Collector 4 Emergency Work: Consider and possibly approve Emergency Repair Contract

Mr. Friedenbach stated this s project is emergency work and the District did not have to time to go out to bid on the project. The District went to our on-call emergency contractor. Normally, this work done on a time and material contract however, FEMA stated a fixed price was needed to be considered for reimbursement. GRS provided a price of \$283,250. There is no guarantee that FEMA will reimburse the costs. It is possible that FEMA will deny the claim. Ms. Harris stated the funds are available for budget reallocation in May. On motion by Director Latt, seconded by Director Fuller, the Board voted 4-0 to approve the Emergency Repair Contract with GRS. Director Hecathorn was absent.

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

Mr. Kaspari stated this project is slowly moving forward. It is at least a year out before work will begin.

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

The kick-off meeting with the FEMA environmental staff was held and seemed to go well.

#### Single Line Industrial Slough Crossing Hazard Mitigation Grant Application (\$679,750 District Match); Matthews Dam Spillway Analysis Hazard Mitigation Grant Application (\$1,666,667 District Match); and Essex Emergency Chlorine Scrubber Hazard Mitigation Grant (\$335,000)

Mr. Kaspari stated these three projects grant applications were all denied. He contacted CalOES to do a project debrief and find out why they were denied. He was informed the projects themselves were good projects, however, this funding round gave preferences to fund projects that were wildfire related.

#### TRF Generator Hazard Mitigation Grant (\$460,431 District Match)

Mr. Kaspari stated he has no update.

#### 2019 ASCE San Francisco Section Awards-Project of the Year

The District's Mad River Crossing Project not only won the local section American Society of Civil Engineers (ASCE) award but also received the Water Project of the Year award from the San Francisco Branch of the ASCE. Unfortunately, the awards night was the same day as the District's EAP Tabletop and Functional Exercise and no one from the District could attend. A GHD staff member in San Francisco was able to be there to the receive the award which Mr. Kaspari presented to the District.

#### Status report re: other engineering work in progress

Nothing to report.

## **2. Financial**

Ms. Harris provided the August Financial report. She noted the ReMat funds do not include revenue from July and August. Also, the revenue for the City of Eureka is for July and August combined. The July payment was late due to staffing transitions. Director Fuller reviewed bills and stated all was in order. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the August Financial Statement and vendor detail report in the amount of \$442,753.09.



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**3. Operations**

Mr. Davidsen provided the August Operational report. He attended a PG&E Public Safety-Power Shutoff meeting. This meeting was related to power being shut off to help prevent wildfires. PG&E stated once the lines are shut off, they will not be energized again until they have been manually inspected. They will have hundreds of staff on standby. On August 14<sup>th</sup>, maintenance staff replace the Collector 4 isolation valve and it went very well. The State Water Resources Control Board engineer, Scott Gilbreath was onsite for the annual inspection. He was here for two full days, and it was the longest most thorough inspection the District has had. Mr. Gilbreath had no recommendations. Mr. Davidsen also reported that Mr. Raschein started training for his new position as the Ruth Hydro Operator/Ruth Representative and all is going well.

**K. MANAGEMENT**

CSDA

Mr. Friedenbach shared the election results for the CSDA Board for the 2020-2022 term. Greg Orsini of McKinleyville CSD was elected to the Northern Network.

Water Professionals Week

Mr. Friedenbach stated next month will be the third annual California Water Professionals Appreciation Week. A resolution was prepared to acknowledge the employees. Director Rupp read the resolution. On motion by Director Fuller, seconded by Director Latt, the Board voted 5-0 by roll call vote to approve Resolution 2019-10 Acknowledging and Supporting the 3<sup>rd</sup> Annual California Water Professionals Appreciation Week.

CUEMA conference

Mr. Friedenbach reported out on his attendance at the CUEMA conference. He noted that they had the same speaker as at the ACWA conference. He thanked the Board for the opportunity to attend and further his education as general manager, however, he feels there is not enough value to keep attending this conference and there is more value received at the ACWA conferences.

**L. DIRECTOR REPORTS & DISCUSSION**

General -comments or reports from Directors

Director Rupp reported he met with Supervisor Bass and Stephen Parr regarding issues raised by Mr. Parr. Mr. Parr has been expressing concerns on social media regarding the cost of water. He reached out to Supervisor Bass who organized the meeting. He noted he still owes Mr. Parr some information and requested staff assistance with gathering data.

ACWA

ACWA Region 1 Board Ballot

The Board asked Director Rupp for his opinion on the ballot since he is involved in ACWA. He stated he believed our Board should support Dennis Mayo since we are on the North Coast and of course, he would like the Board to support him. He stated he has nothing against Mr. Sherwood, but feels we should support Mr. Mayo. After a brief discussion, on motion by Director Latt, seconded by Director Fuller, the Board voted 5-0 to not concur with the Region 1 Nominating Committee's slate and instead vote for Dennis Mayo for Chair, Brad Sherwood for Vice-Chair and the following for Board Members: Bruce Rupp, Tamara Alaniz, Jennifer Burke, Alan Gardner and Dennis Mayo.

Director Rupp stated he would like to serve on the ACWA Finance Committee and the Membership Committee. The Board was very supportive of this and thanked him.



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ACWA-JPIA

Director Rupp stated he is now serving as the Vice-Chair for the Liability Committee. He reported out on the meeting. The premiums will be increasing however the billing will not reflect the full increase since they have funds to offset some of the costs.

He also shared that there is an Investment Committee and suggested it might be worth looking at options available such as Cal Trust. Staff stated they would look into it.

Organizations on which HBMWD Serves: RCEA, RREDC


President Woo reported out on the RCEA meeting. She noted that she and Michael Winkler are the only Directors that consistently attend the public engagement meetings. Director Rupp stated he would like the Board to receive a presentation on the public engagement process/outcomes so far.

Director Latt reported out on the RREDC meeting. They met at the Blue Lake Rancheria and toured the solar microgrid. He noted that Jana Ganion provided a fascinating tour.

**ADJOURNMENT**

The meeting adjourned at 4:40 pm.

Attest:

  
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Sheri Woo, President

  
\_\_\_\_\_  
J. Bruce Rupp, Secretary/Treasurer