

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 7th Street, Eureka



Minutes for Meeting of Board of Directors February 13, 2020

A. ROLL CALL

President Woo called the meeting to order at 9:01 am. Director Rupp conducted the roll call. Directors Fuller, Latt, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris and Board Secretary Sherrie Sobol were present. Supervisor Chris Merz was present for a portion of the meeting. Mr. Pat Kaspari, Nathan Stevens, John Winzler and Iver Skavdal of GHD were also present for a portion of the meeting.

B. FLAG SALUTE

President Woo led the flag salute.

C. ACCEPT AGENDA

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

D. MINUTES

On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 to approve the Minutes of the January 9, 2020 Regular Meeting.

E. PUBLIC COMMENT

No public comment was received.

F. CONSENT AGENDA

President Woo requested page 12, the article about PFAS be pulled. She inquired if the District had done any testing for PFAS. Mr. Davidsen stated yes, the District conducted a PFAS test in 2013 as part of the UCMR Part 3 round of testing and the results were non-detect. The District will be conducting testing again given new regulations, standards and testing method. Samples will be taken from surface water and Collector 1.

On motion by Director Fuller, seconded by Director Rupp, the Board voted 4-0 to approve the Consent Agenda.

G. CORRESPONDENCE

Letter from District to Trinity County re: Vivid Green

The District notified Trinity County that it is working with Vivid Green on a lot line adjustment since Vivid Green inadvertently encroached on District property. Trinity County then notified Vivid Green that a five-hundred-foot setback from the nearest neighbor is required. Since the setback is only one-hundred fifty feet, they need to apply for a variance. Mr. Friedenbach shared the draft letter prepared by Vivid Green's attorney. District counsel has some concerns with the letter as written and is preparing a version acceptable for the District. The letter will also clearly state the one-hundred-fifty foot variance. The final letter will be shared at the March meeting.

Letter from District to Municipal Customers re: information about domestic water use per Ordinance 16 requirements

Mr. Friedenbach shared the annual letter to the Municipal Customers transmitting information on their domestic water use per Ordinance 16 contracts. The information helps the Municipalities see prior year demands versus their peak rate allocation and their respective five-year moving averages. These computations are used to allocate District costs to the Municipal Customers in accordance with Ordinance 16.

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LAFCo Candidate letter from Debra Lake

Ms. Debra Lake is running for Special District seat on the Humboldt County LAFCo Board of Directors and submitted a letter requesting the District's vote. On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 to endorse candidate Debra Lake.

Letter from FEMA re: Disaster 2019 reimbursement

Mr. Friedenbach shared the eligibility determination memo from FEMA. They denied the request for emergency repairs at Collector 4. He stated he will appeal the decision and work with GHD staff who have appealed successfully on previous FEMA denials.

H. CONTINUING BUSINESS

Water Resource Planning

Local Sales-Mr. Friedenbach stated District staff met with Nordic Aquafarms regarding their water quality parameters. Nordic shared their turbidity threshold requirements and discussed various operating options with the District to achieve acceptable levels. It was a good, productive meeting. On February 19th there will be a multi-agency meeting with Nordic and Mr. Davidsen and Ms. Harris will be attending since he will be at a training event. Mr. Friedenbach also suggested the Board consider reactivating the Ad Hoc Committee for Negotiating the District's Wholesale Industrial Contract at the March meeting.

ESS continues to work on preparation of the grant application to the US Economic Development Agency to seek funding for the rehabilitation of Station 6. The Board inquired about grant expenses. Mr. Friedenbach stated it's costing \$16,000 to apply via ESS and ReMAT funds were used to cover the expense. Directors reiterated that costs should not be subsidized by the rate payers and Nordic (and any other industrial user) should cover the bulk of the costs. Mr. Friedenbach agreed and stated this will be part of the negotiations. Director Rupp also suggested the District apply to the Headwaters Fund for a grant to cover expenses of applying for larger grants such as the ESS costs.

The Samoa Peninsula Stakeholder Group finalized the Workgroup Agreement. This will be discussed under New Business.

Transport- No updates

Instream Flow-Mr. Friedenbach stated they are continuing to make progress with the tasks in WCB grant. They met in January and will meet again later this month. He also shared that some grant reimbursement requests were received.

Cannabis affecting Mad River Watershed

Mr. Friedenbach stated the District has been contacted by concerned citizens at Warren Creek Road regarding a planned cannabis grow. He and Director Fuller will be meeting with them later this month. The item is scheduled to go before the Planning Commission on March 5. Given the timing, he would like to include this item on the agenda for the Special Meeting on February 26. He would like the Board to make recommendations for comments to the Planning Commission regarding permit conditions. The Board concurred.

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Board Vacancy

The Special Meeting to interview candidates and appoint a new Director is on February 26, 2020. The Board would like to allow an hour per candidate. President Woo suggested the first application received be the first applicant to be interviewed. The Board concurred and requested staff notify the candidates of their interview times.

CLOSED SESSION: Public Employee Performance Evaluation for General Manager (pursuant to Section 54957(b)(1))

The Board entered into Closed Session at 2:55 pm. They returned to Open Session at 3:15 pm. President Woo stated there was no reportable action.

CLOSED SESSION: Conference with Legal Counsel – Anticipated Litigation Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (Brogart)

Director Woo recused herself due to a remote conflict and left the premises. The Board entered into Closed Session at 3:16 pm. They returned to Open Session at 3:28 pm. Vice-President Latt stated there was no reportable action.

I. NEW BUSINESS

Safety Program

Mr. Friedenbach provided background and highlighted the components of the District's Safety Program. The District pays \$200 incentive to each current full-time employee that has been employed for at least six months and meets criteria to be eligible for the award. The District awards a grand prize (additional \$300) for a total of \$500 based on a drawing of all eligible employees. The winner this year is Chris Merz. President Woo presented Mr. Merz with his certificate and grand prize check. The Board reiterated its support for the District's safety program and commended District staff at all levels for their safety culture and commitment to safe work practices.

TRF consideration to rename the facility

Mr. Friedenbach stated the Turbidity Reduction Facility (TRF) was dedicated in honor of the service of Director Lloyd L. Hecathorn in 2003. Lloyd served on the Board for 22.5 years. Barbara Hecathorn, Lloyd's wife, attended meetings regularly and accompanied him to ACWA Conferences. She was well versed in water and District activities when she joined the Board in 2005. She served on the Board for 14 years, having recently retired in December 2019. Together, Lloyd and Barbara served the District as Directors for a combined total of 36.5 years. Staff recommends the Board rededicate the TRF as the Lloyd L. and Barbara Hecathorn Turbidity Reduction Facility. The Board thought this was a great idea. Staff will bring back a resolution for consideration and possible approval next month.

Foothill Yellow-Legged Frog listing

Mr. Friedenbach shared the news article from California Department of Fish and Wildlife (CDFW) stating the Commission decided that listing the North Coast clade of Foothill Yellow-Legged Frogs was not warranted at this time. The Commission is scheduled to adopt findings for the decision at its February 21, 2020 meeting. This is important to the District, especially in regards to our activities under the LTSAA.

State Dams Safety Report

The R.W. Matthews Dam is designated a high-risk dam. This determination is made by potential downstream impacts to life and property in the unlikely event the dam were to fail. The Division of Safety of Dams condition assessment of the R.W. Matthews Dam is satisfactory which is the highest rating. Director Rupp commended Mr. Davidsen and his staff for their excellent level of maintenance on the dam.

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Cyber Security

Mr. Matt Murrish of Network Management Systems provided a presentation on cyber security at the Eureka office. He discussed the various levels of security in place to prevent a cyber-attack. The system is also automatically backed up throughout the day. The Board asked several questions and thanked him for the presentation.

Samoa Peninsula Infrastructure Workgroup Agreement

Mr. Friedenbach shared the final Samoa Peninsula Infrastructure Workgroup Agreement with the Board. The workgroup consists of the District, Peninsula CSD, Humboldt County Economic Development, Samoa Fire Dept., California Center for Rural Policy, Manila CSD, the Harbor District, City of Eureka, and the City of Arcata. Staff recommends continued participation in the group per the agreement. Director Latt was supportive and requested Mr. Friedenbach inform the group of the steps the District has taken and costs expended to help bring development (such as Nordic Aquafarms) to the peninsula. He stated it is time for others to carry some of the costs. Director Rupp was also supportive of efforts to collaborate. He recommended receiving input from the end users (private property owners). On motion by Director Latt, seconded by Director Rupp, the Board voted 4-0 to approve joining the Samoa Peninsula Infrastructure Workgroup.

J. REPORTS (from Staff)

1. Engineering

GHD Succession Planning

Mr. Kaspari shared a GHD organization chart and stated he would be stepping down as District Engineer. He is in negotiations for a new position outside of GHD. He discussed succession planning and introduced Iver Skavdal Executive General Manager-United States, and John Winzler, Senior Engineer. Both Mr. Skavdal and Mr. Winzler stated they are available for District needs or concerns. Mr. Winzler stated he is very paternal of the District and will make sure the District gets the best engineering possible. As part of the succession plan, Nathan Stevens will be the new District Engineer. Mr. Stevens shared his work history with the District, beginning as GIS intern while still in college. Mr. Kaspari noted that Mr. Stevens knows more about the District than he did when he became District Engineer after succeeding Alex Culick. The Board did not express concerns regarding the transition.

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

Mr. Kaspari shared Change Order #1 in the amount of \$23,265. The purpose of the change order is to award Additive Bid Item A-1 since the District decided that higher security fencing and gates are desired for the site. As previously noted, the bids came in higher than anticipated. A request for additional funding from CalOES/FEMA in the amount of \$1,256,328 was requested and it looks like the additional funding may be granted.

Domestic Line Cathodic Protection Report

This Technical Engineering report was requested to determine if the anode bed needs to be replaced as scheduled in the District's CIP. Mr. Kaspari discussed the report. To replace all the beds will cost an estimated \$355,000. If the rectifiers also need to be replaced, the cost increases to \$405,000. The cathodically protected pipes are in good condition currently; however, the appurtenances attached to those pipes are corroding. Mr. Kaspari recommended against "piecemealing" the project. Staff recommends that the project move forward since there is heavy corrosion on the appurtenances and we need to take a long-term perspective regarding protection of the integrity of our piping infrastructure. The Board requested a cost benefit analysis considering the cost to replace the pipes versus replacing the cathodic protection system. Mr. Kaspari said that could be done and presented to the Board. Mr. Friedenbach stated the District could do advance charges for up to three years and complete the project in one construction year.

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Collector Mainline Redundancy Hazard Mitigation Grant (\$790,570 District Match)

Mr. Kaspari stated there has been no communication since December 2019.

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

FEMA archeologists were out at the site working on NEPA in January.

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

Nothing to report.

Status report re: other engineering work in progress

Mr. Friedenbach and Director Rupp stated Mr. Stevens did a great job presenting the Mad River Crossing project at the American Society of Civil Engineers meeting. Mr. Friedenbach noted that included in the board packet is a report by co-written by Mr. Stevens that will be presented at the No-Dig Show in Colorado this April.

2. Financial

Financial Report

Ms. Harris provided the January 2020 financial report. She discussed the new format for the Statements of Funds Balances which the Board appreciated. She highlighted some items, including those that were over budget and explained why they are overbudget. Director Latt reviewed the bills and stated there were no issues. On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 to approve the January 2020 financial report and vendor detail in the amount of \$338,251.44.

LAIF Interest Rates and Statement for January

Ms. Harris shared the January LAIF statement received from the California State Treasurer. She noted it is easily accessible and current. As a comparison, she noted she just received the December 2019 statement from the County regarding District accounts on deposit with the County and it was incomplete and inaccurate.

CalTrust Account Statement/Balances

Ms. Harris shared the CalTrust summary of investments. She noted it is easy to read, current and accurate.

3. Operations

Mr. Davidsen provided the January Operational report. He and staff conducted several more interviews for the electrician position. He made an offer and it was accepted. An offer was also made for the part-time hydro operator at Ruth and accepted as well. Training this month included cross connection control training and SCBA training. The SB 198 Safety meeting was held as was their monthly safety meeting. Topics covered included WIIP, AQMD permits and the Dam Safety plan. Staff continues to work with RCEA and Lincus on the WISE energy efficiency project.

Ruth Headquarters Remodel

As previously noted, Mr. Davidsen met with a contractor to discuss the remodel of Headquarters. Mr. Davidsen stated he still does not have an estimate. Mr. Friedenbach stated May Maintenance is coming up and staff will need to stay at the bunkhouse. Given this, Mr. Raschein will have to move into Headquarters as is, then move out again when it is time to do the remodel. As soon as staff receives a cost estimate, they will bring it to the Board. In the meantime, staff is requesting approval to go out for bid on the remodel. Director Latt stated he became aware of the cost efficiency of modular homes and requested staff look into them. On motion by Director Rupp, seconded by Director

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Latt, the Board approved staff recommendation for remodel including investigating modular homes as an option.

K. MANAGEMENT

CSDA

Board Vacancy

Mr. Friedenbach stated the CSDA has an opening on the Board and inquired if any of the Directors were interested. There was no interest.

Local Training-Understanding the Brown Act

Mr. Friedenbach stated the workshop is coming up on May 28 at McKinleyville CSD. He encouraged Directors to attend.

Humboldt County Operational Area Hazard Mitigation Plan 2019

Mr. Friedenbach stated the Humboldt County Operational Area Hazard Mitigation Plan will be going to the Humboldt County Board of Supervisors for adoption. Once the County approves it, our Board will need to adopt our annex and the County Plan. It is important that we are a partner in the plan so we can receive hazard mitigation grant funding from FEMA.

Urban Stream Restoration Program

Mr. Friedenbach stated he included this as an informational item. The Mad River Alliance/City of Blue Lake received a grant to restore a portion of Powers Creek. Powers Creek feeds into the Mad River.

Basecamp Software

Mr. Friedenbach stated he looked into the software as a possible tool to assist with Quagga inspections. Basecamp is designed more as a project management program. There are other software programs available for Quagga inspections, but they are costly. Staff will re-visit this topic with RLCS staff.

Agenda platform by Diligent

Mr. Friedenbach discussed the Diligent agenda platform system. Staff is training on how to use the program and the plan is to go electronic in April. He shared a brief instructional video for the Board and stated they would receive training on how to use the program as well.

L. DIRECTOR REPORTS & DISCUSSION

1. General -comments or reports from Directors

Director Latt stated it was brought to his attention that an attorney has been rumor mongering on the internet that our water is contaminated. The attorney claims he had the water tested as proof. He wanted the Board and staff to be aware of this. President Woo stated she was following this and Humboldt Baykeeper basically shut him down with real facts. Director Rupp stated the District has a Facebook page and should use it. This is a good example of how the District could have provided actual facts as well to dispel the rumors.

Director Rupp stated he was going to be interviewed by Lost Coast Outpost tomorrow. He would be discussing Water Resource Planning. He also attended an ACWA Region 1 meeting. They put together a work plan and committed to meeting by phone. The next meeting will be at the Spring Conference.

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2. ACWA

Spring Conference May 4-8, 2020

On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 to approve attendance by Board members and by staff as deemed appropriate by the General Manager.

Committee Chair and Vice Chair Positions Announced

Director Rupp is the Vice Chair of the Finance Committee. Director Rupp stated he is also on the Membership Committee.

ACWA Comment letter re: Proposed Urban Water Conservation Reporting Regulation

Mr. Friedenbach stated the letter from ACWA is informational only. ACWA is stating that the "one size fits all" regulations are not effective. This is something the District has been saying as well.

3. ACWA – JPIA

Mr. Friedenbach shared some of the upcoming live JPIA webinars. He stated the courses would be beneficial to all, especially the newly appointed Director.

Director Rupp reported out on the Executive Committee meeting. They now have a full committee after appointing a Rancho Cucamonga director. The retrospective insurance premium adjustments will be coming out soon and the District's refund is \$16,000.

4. Organizations on which HBMWD Serves: RCEA, RREDC

RCEA

President Woo stated she and Mr. Friedenbach had a discussion on whether or not the District should continue to participate in RCEA. This will be a topic at a future meeting for discussion.

RREDC

Director Latt reported out on the RREDC meeting. He noted this is the first meeting since October 2019. Randall Weaver a labor market consultant for the EDD was the speaker. The unemployment level is very low at 3.6%. The median age for Humboldt County is 38 and population growth is expected to decline in the next ten years.

The meeting adjourned at 3:29 pm.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer