



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

December 13, 2018

A. ROLL CALL

President Woo called the meeting to order at 9:00 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 present. Pat Kaspari and John Winzler of GHD were present for a portion of the meeting. Legal Counsel Leslie Walker participated in a portion of the meeting via telephone.

B. FLAG SALUTE

President Woo led the flag salute.

C. ACCEPT AGENDA

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

D. MINUTES

On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to approve the minutes of the October 31, 2018 Special Board Meeting and the November 8, 2018 Regular Board Meeting.

E. PUBLIC COMMENT

No public comment was received.

F. CONSENT AGENDA

Director Rupp stated it appears that the portion of the Dunes Climate Ready Vulnerability and Adaptation Study: Phase 2 Preliminary Beach -Dune Transect Profile dated October 2018 is only the portion that relates to our pipeline and it appears that our pipeline is not affected much. Mr. Friedenbach confirmed this was correct. He only included this section since our participation in the grant was for the purpose of getting scientific data regarding morphology of dune as related to our pipeline. On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 5-0 to approve the Consent Agenda.

G. CORRESPONDENCE

Ruth Lake CSD Agenda and Minutes for October 11, 2018 and Minutes for September 13, 2018

Director Rupp discussed the fact that RLCSD changed their meeting date to the third Thursday so one of their board members can periodically attend our meeting. Mr. Friedenbach stated that he will also be attending the RLCSD meetings periodically as well. Director Rupp also stated he was pleased that the RLCSD is pursuing law enforcement on the lake.

Letter to Board of Supervisors re: CHERT

President Woo stated she wrote the letter to show that the District is still interested in the matter and to show support. She added the District should ask for copies of the report.

Letter from DWR re: Validated Water Loss Audit Report (2017 audit)

Mr. Friedenbach stated the letter had a typo. It referred to the 2016 audit and should be 2017 audit. DWR reviewed the District's Validated Water Loss Audit Report and determined that it addressed the code requirements. Director Rupp and the Board congratulated Ms. Harris on a job well done.



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H. **CONTINUING BUSINESS**

Water Resource Planning - re: water-use options under consideration (local sales, transport, and in-stream flow dedication)

Local Sales

Mr. Friedenbach stated the District has been involved in discussions regarding a possible industrial customer on the peninsula. They have narrowed down their potential location to three sites, one of which is the peninsula. The District has offered both untreated surface water and Ranney water.

Transport

Director Rupp and Mr. Friedenbach met with Jim Watson of Sites Reservoir at the ACWA Fall Conference and reminded him the District has available water. Director Rupp stated Mr. Watson is looking at costs of \$600/af for water. Our cost is at \$1,800/af so we are still not competitive. Director Rupp added that he is concerned that the memory of the community will lapse and transport may not have support in the future. The Board discussed the importance of maintaining the public's education in regards to the community approved three top-tier options: local sales, transport, and instream flow.

Instream Flow

The District is making progress with the tasks in the WCB instream flow grant.

Cannabis Grows affecting Mad River Watershed

News articles

Mr. Friedenbach shared several news articles regarding cannabis in Humboldt County as informational updates.

Mad River Policy Committee: policy on zoning or other land use changes affecting the Mad River Watershed

The Mad River Policy Committee, with the assistance of legal counsel Leslie Walker, drafted a policy regarding Participation/Response to Zoning and Other Land Use Issues Affecting the Mad River Watershed. The policy was shared with the Board at the September meeting and changes were suggested. The policy has been updated and is in the new Policy and Procedure format. Staff recommends approval of the policy. Mr. Friedenbach also shared the template used for responding to comment requests from the County Planning Department regarding conditional use and special permits affecting the Mad River Watershed. Director Hecathorn requested that HBMWD be added above the Policy and Procedure heading. On motion by Director Fuller, seconded by Director Latt, the Board voted 4-0 to approve the policy and procedure. Director Rupp was not present for the vote.

Humboldt County Planning Commission Resolution 18-87 Zoning Text Amendments and Zone Reclassifications to Implement the General Plan

Legal counsel Leslie Walker participated in the discussion via phone to help formulate a strategy for the next zoning meeting. She recapped the events of the December 4th Board of Supervisors meeting. The Board of Supervisors pulled two parcels to separately consider the zoning, one was the Mercer Fraser parcel at Essex. Ms. Walker informed the Board of Supervisors that the item was not properly noticed and therefore no changes could be made at that time and that the parcel required additional environmental review. The Board of Supervisors agreed to properly notice the item and bring it back in January 2019. Ms. Walker stated this allows time for the District to provide an updated comment letter. The Board and Ms. Walker discussed what key points should be included in the letter. Mr. Friedenbach stated the Board of Supervisors stated they will take up the zoning issue at their January 15, 2019 meeting. Our next regular Board Meeting is January 10, 2019 and the County needs to have our letter by the January 10 to be included in the Board of Supervisors meeting packet. He suggested



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a Special Meeting be held so that a comment letter can be submitted by January 10th. The Board concurred and agreed to schedule a Special Meeting for January 7, 2019 at 5:30 pm.

Blue Lake/Fieldbrook Community Development Plan

Mr. Friedenbach stated that President Woo, Director Fuller and he attended the Fieldbrook-Blue Lake Community Development Planning meeting. He inquired how engaged in the process does the Board want staff to be. He suggested attending meetings as needed to provide input on water supply and water quality. The Board concurred.

Steelhead Days participation and support

Last year, the District participated in the Steelhead Days Expo. Mr. Friedenbach stated he reached out to the Mad River Alliance regarding participating again this year with a focus on instream flow. The Mad River Alliance offered in-kind support on the WCB instream flow grant and Mr. Friedenbach would like the Board to consider participation in the Expo Day as well as a financial contribution of \$500. Director Rupp stated the focus on instream flow would be okay, but all three Water Resource Planning options should be provided. He also stated he supported the contribution since the work and data provided by the Mad River Alliance is beneficial to the Mad River. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 participate in the Steelhead Days Expo and provided support of \$500 since it is beneficial to the Mad River and in alignment with our District's Mission.

I. NEW BUSINESS

Oath of Office– Swearing in of Directors Fuller and Rupp

President Woo conducted the Oath of Office swearing in for Directors Fuller and Rupp.

NCRP Prop 1 Round 1 IRWM Implementation Project

Mr. Friedenbach stated the proposal solicitation period is open until March 8, 2019. He suggested submitting the Collector 2 total rehabilitation project. This includes the laterals, pumps and motors, electrical system including transformer and painting. The Board discussed funding strategies and the best way to submit the proposal. On motion by Director Rupp, seconded by Director Hecathorn the Board voted 5-0 to approve the project concept and submittal.

Grants-Quagga and Forestry Management

Mr. Friedenbach stated he would like to apply for the new cycle of Quagga grants but only for supplies and dedicated phone modems to run the gates with key cards. He would also like to submit a forestry grant for developing a timber management plan. The board concurred.

Public Access via District Property

Mr. Friedenbach shared the letter to the Board from Mr. Michael LeGrand requesting public recreational access to the Mad River via District property. Superintendent Davidsen provided background on why the gate was initially installed on Glendale Drive near Collector 5. Staff recommended that if Board is interested in allowing public access, staff be directed to draft an ordinance in accordance with California Code Section 71660. Director Rupp stated the District should not get into the recreation business but he did not have issues with public access provided the District's assets are protected. Director Latt added that liability is minimal and the public is already using the access. The Board approved staff drafting an ordinance and suggested that Mr. LeGrand and other interested parties be notified when the proposed ordinance comes to the Board.



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J. **REPORTS (from Staff)**

1. **Engineering**

Blue Lake-FG CSD Water Line Replacement over Mad River (funded by Prop 84 NCIRWMP grant and FEMA Hazard Mitigation Grant)

Mr. Kaspari stated the project is complete. The Notice of Completion has been filed and the final request for payment received. CalOES granted the District a time extension through February 7, 2019. This gives staff more time to finalize any necessary paperwork. The Prop.84 portion of the grant has been completely submitted. Director Rupp inquired if the final submittal was largely due to Regulatory Analyst Samantha Ryan. Mr. Friedenbach confirmed that Ms. Ryan was instrumental in the submittal. The Board requested Mr. Friedenbach convey their thanks for a job well done.

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

Mr. Kaspari shared some plans and specs for the project. He shared the timeline if the Board approves releasing the project for bid. The bid will likely go out January 11, 2019 with a due date of the February 11 or 12 and awarded at the March meeting. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the project going out for bid.

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

The design for the 12kV project should be finished in the spring. It will go out for bid next fiscal year to avoid a large financial impact with the other projects that are ongoing.

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

Nothing to report.

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

CalOES requested additional information. The information was provided and the District is waiting for the response from CalOES.

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

The application has been submitted and we are awaiting a response.

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

Application has been submitted but have not yet heard anything.

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

The NOI was approved. A full application is due by April 18, 2019.

Axel Property Development

Mr. Friedenbach stated the City of Arcata recently received grant funding to extend the Annie and Mary Trail adjacent to the Axel property. The Annie and Mary committee asked if the District would like to participate on their committee. Mr. Friedenbach accepted the invite given that our pipeline is in the trail development area as previously noted in prior discussions regarding the Axel properties. The Board concurred it was a good idea to participate.



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Lazzar Development 27th

Last month, Mr. Lazzar requested the District not use the Paik Nicely agreement as a starting point for his easement agreement but rather use the template for the Moss agreement. The Board concurred and requested legal counsel (Mr. Brisso) to draft the document. Mr. Friedenbach stated the Lazzar agreement was just received this morning and that is why the Directors do not have a copy. He noted that the Moss agreement was two pages and the Lazzar agreement is eight pages. Director Rupp inquired why the increase in pages. Mr. Friedenbach stated he did not have a lengthy discussion since Mr. Brisso was leaving town. Mr. Lazzar stated he is presuming the document is a first step and they will work out the final agreement. Mr. Friedenbach confirmed this. Mr. Lazzar stated he has not had an opportunity to thoroughly review the document since he was just received. He understands the need for an easement to access the pipeline but feels the District's request for a 55-foot easement is excessive. Mr. Friedenbach stated there are several components to the easement. The first is the thirty-foot floating easement that the property owner can request be a fixed. The easement language also states the District has additional ingress/egress rights for repair of the pipelines. This wasn't an issue when the property was cow pasture. The District is willing to modify the original easement rights to allow for development in exchange for a defined, wider width than the original thirty foot to allow for access of heavy equipment to address a failure or necessary repair. The rest of the property around Mr. Lazzar's parcel is developed and the District needs this access to reach the Lazzar property. Director Rupp stated there is clearly a need for additional discussion with Mr. Lazzar. Mr. Lazzar stated it appears the District is requesting a fifty-five-foot easement instead of the original thirty. He feels like he's having to give away extra easement land and is not being compensated for it. He understands and supports the District having access but feels this is excessive. Director Latt stated he has not seen the agreement yet and feels it's premature to get into an adversarial discussion. He stated that Mr. Lazzar knew or should have known about the easement when purchasing the property. To characterize this as a taking of land is wrong. It is not a taking and he explained the factors in determining the space needed for access on a case by case basis. The vested right the District has enjoyed since the land was a pasture can be reduced and limited to the amount needed for repairs, and is not a taking, but an accommodation in working with the developer. The floating easement which is yet to be fixed is not a taking. Mr. Lazzar has a right to know why fifty-five feet is needed if that is the case so the discussion can be interactive, however, it must be based on facts and legalities. Director Rupp stated we look at operational necessity; consistency of policy from parcel to parcel; and equity as much as possible. Other than operational need, we have no other motivation. He agrees with the rest of the Board that further discussion with staff and the attorney need to occur.

2. **Financial**

Financial Report

Ms. Harris provided the November 2018 financial report. She highlighted the bunkhouse remodel and the fact that we are waiting for \$1.5 million in grant funding reimbursement on other projects. Director Rupp inquired if funds were available in the event of emergency. Ms. Harris confirmed there was and stated she and Ms. Moyle (Accounting Specialist) keep a close eye on funds and communicate daily. She also shared that she received notification from the Division of Safety of Dams that our fees will be increasing by approximately \$20,000. Mr. Friedenbach stated the fees are based on dam height. He spoke with Senator McGuire about this and stated the fees should be based on revenue, not just dam height. President Woo added this is a dis-incentive to produce hydro power. Director Rupp reviewed the bills and stated all was in order. He did note that there was a check issued for water rights in the amount of \$42,000. Director Latt commented that



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legal fees for November and December will skyrocket compared to past history. It is all valid, but he wanted to call attention to it just to be aware. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the November financial statement & vendor detail report in the amount of \$333,130.80.

Additional Project Budget Item

Mr. Davidsen explained that there is a problem with the current oiler for the collector pumps. New, positive feed oilers cost around \$7,500. This additional project item will not increase the budget given other current year project savings. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 approve the additional budget item.

3. Operations

Mr. Davidsen provided the November Operational Report. Two staff members took and passed their Treatment Certification exams for the T-3 and T-4 level. Staff completed the annual Emergency Action Plan notification flowchart drill via phone and radio. Operations staff started up the turbidity reduction facility for the season. The Safety Meeting topics included spill prevention and SDS& Right to Know. The bunkhouse remodel is moving along and Mr. Davidsen discussed the change orders for the project. Mr. Friedenbach added that Mr. Davidsen is doing an excellent job overseeing the bunkhouse remodel. He reviewed the graphs and the Board did not have any questions.

K. MANAGEMENT

1. CSDA

Mr. Friedenbach reported out the meeting of the local chapter of the CSDA. Elections were held and only the Vice-President position changed. Mr. Matthew Marshall is now the VP.

2. ACWA

Mr. Friedenbach reported out on his attendance at the ACWA Fall Conference. He and Director Rupp attended. Mr. Friedenbach discussed some of the sessions he attended and stated that the maintenance staff received the H.R. LaBounty Award and a check for \$250.00. Director Rupp stated it's always a pleasure to have the District represented and receive an award at ACWA and expressed his appreciation. He called out the fact that other agencies that also received awards had individual names listed. The District's award showed the Maintenance staff. This just highlights the level of teamwork at the District.

3. Other

Mr. Friedenbach stated there is a conflict with Board meeting dates in May and September of 2019. He would like to discuss new meeting dates for those months at the January meeting.

L. DIRECTOR REPORTS & DISCUSSION

1. General -comments or reports from Directors

Director Rupp commented on the proposed text messaging tax that is scheduled to be voted on later this month. He stated there is too much taxation.

2. ACWA – JPIA

Leadership Essentials for the Water Industry Program 2017/18 graduate list

Mr. Friedenbach stated that Mario Palmero, Operations Supervisor and Larry Raschein, Assistant Operations Supervisor are both listed as graduates. This program is very successful now has a waiting list for the class.



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H.R. LaBounty Safety Awards Program

As previously noted, the maintenance team submitted a nomination form and won an H.R. LaBounty Safety Award and \$250.

3. ACWA

2018 Region 1 Outreach Award

Throughout the year, ACWA asks its members to take action on important legislative and regulatory issues, helping create a coalition to directly affect the outcome of numerous decisions and advance the association’s legislative and regulatory agenda. The Outreach Awards recognize the most active member agency in each region, as well as an overall winner and those in special categories. The District was presented with the Region 1 Outreach Award. Mr. Friedenbach suggested a press release regarding the award. The Board concurred.

Director report out on Fall Conference

Director Rupp reported out on his attendance at the fall conference. He attended a JPIA Executive Board meeting and they recommended utilizing a captive insurance agency in Utah which was approved. This provides an investment and insurance advantage. He also attended an Employee Benefits Committee meeting. They are going with a new pharmacy provider and the change will result in a projected savings of \$6,000,000 over a three- year period. He is the vice-chair of the Finance Committee and they recommended a budget for ACWA for 2019 was balanced and had a 3% dues increase. He also attended the Membership Committee which reported an increase in ACWA membership. He attended the Region 1 meeting and made a presentation on JPIA. At the meeting, he was encouraged to apply for the vacancy on the Region 1 board. He and Mr. Friedenbach both attended the dinner for outgoing ACWA president Tim Quinn. It was a very nice event that took place on the USS Midway.

Resolution 2018-07 Placing in Nomination J. Bruce Rupp as a Board Member of the ACWA Region 1 Board

Director Rupp read Resolution 2018-07 placing him in nomination as board member of the ACWA Region 1 Board. The Board voted 5-0 by roll call vote place him in nomination for the Region 1 Board.

Outreach Ambassadors

Mr. Friedenbach shared the “thank you” from ACWA to its outreach ambassadors.

4. Organizations on which HBMWD Serves: RCEA, RREDC

RCEA

President Woo stated RCEA is quite busy. They are working on public-private partnership that may be part of the off-shore wind energy program. BOEM accepted the RCEA wind energy application and RCEA is going through a staff reorganization and are creating a Manager of Human Resources and Workforce Development position. She also stated she will be stepping down as president of RCEA but would like to remain on their board.

RREDC

Director Latt stated Susan Seaman, the program director of Arcata Economic Development Corporation (AEDC) and also the Eureka Mayor-Elect talked about Workforce Weekend. AEDC received a grant and is proposing a new approach to recruitment. Workforce Weekend is described as part Match.com, part job fair. The program has an online catalog of organizational



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profiles for businesses interested in seeking employees, an application that is more aptitude rather than skill driven, and weekend interviews.

Natalynne DeLapp, community liaison for Terra-Gen also spoke at the meeting. Terra-Gen has the Humboldt Wind Project out at Grizzly Peak. They scouted over one hundred locations before deciding on Humboldt County.

ADJOURNMENT

The meeting adjourned at 3:27 p.m.

A handwritten signature in blue ink, appearing to read "Sheri Woo".

Sheri Woo, President

A handwritten signature in blue ink, appearing to read "J. Bruce Rupp".

J. Bruce Rupp, Secretary/Treasurer