



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
November 10th, 2022

District Mission

Reliably deliver high-quality drinking water to the communities and customers we serve in the greater Humboldt Bay Area at a reasonable cost. Reliably deliver untreated water to our wholesale industrial customer(s) at a reasonable cost. Protect the long-term water supply and water quality interests of the District in the Mad River watershed.

A. ROLL CALL

President Woo 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, and Business Manager Chris Harris were also present. Legal Counsel Ryan Plotz, District Engineer Nathan Stevens, and Michael O’Conner (R.J. Ricciardi, Inc.) participated via Zoom. GM John Friedenbach was excused briefly to attend a meeting with the USDA Forest Service as described in Correspondence item #7.1.

B. FLAG SALUTE

President Woo led the flag salute.

C. ACCEPT AGENDA

Agenda was accepted as written on motion by Director Latt, seconded by Director Lindberg. The Board voted 5-0 to approve the agenda with the edits requested.

D. MINUTES

On motion by Director Latt, seconded by Director Rupp, the Board voted 5-0 to approve the Minutes of the October 8, 2022, Regular Meeting with edits requested.

E. PUBLIC COMMENT

No public comment was received.

F. CONSENT AGENDA

President Woo requested that staff ensures the source be prominent in all news articles. On a motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to approve the Consent Agenda.

G. CORRESPONDENCE

Letter from HBMWD: RE: Mad River August Complex Restoration Project #60286 to US Forest Service

The District sent a letter of objection to the US Forest Service’s project #60286. The proposed project area is comprised of 56,000 acres under Mad River in the Six Rivers National Forest and this restoration project only addresses about 14% of that area. Concerns about water quality, sediment erosion that can impact the lake, hazard trees getting past the boom, and potential damage to the Dam are why the Forest Service must increase the footprint and timing of this project. During the Board meeting, GM Friedenbach excused himself to participate in the Objection Hearing with the USDA Forest Service regarding the project to provide oral testimony. The determination from the hearing will be published at a later date.



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Email from Ruth Lake Leaseholders Association: RE: Liability Insurance Limits

An email was received from the Ruth Lake Leaseholders Association discussing the sublease agreement regarding an increase in insurance liability requirements for the upcoming 10-year renewal cycle. The Leaseholders Association stated they did not support an increase in requirement higher than the current \$500,000 insurance amount. Staff had previously suggested a possible increase to \$1 million in insurance coverage. Director Rupp contemplated that a larger policy limit may be too expensive in today's economy with the drastic rise in insurance rates. Concern was expressed that with inadequate insurance, the burden will fall on ratepayers if the District is sued. The Board agreed that the balance between the rising costs of insurance and the potential impact on the ratepayers needs to be explored further.

GM Friedenbach also sent an email to GM Canale at RLCSD requesting consideration for additional sublease changes and possible penalty provisions to consider as the Sublease term renews;

- Structure improvements without approval from RLCSD, HBMWD, or Trinity County
- Grading without approval by the 3 entities
- Water theft from the lake or Mad River Tributaries that feed into the lake.
- Subleasing of property (converting their property from recreational use to income-producing use).
- Any act that harms the water quality of Ruth Lake
- Unauthorized cutting of trees or removal of stumps.
- Non-compliance with Ruth Lake docks policies. (Dam damage possibility)

A suggestion of non-compliance with RLCSD policy could consequentially result in a fine to a possible termination of the lease.

A meeting between the Ruth Lake Committee for the District and RLCSD regarding these suggestions and further insurance concerns including being listed on policies as Additional Insured has been requested and will be scheduled.

Annie & Mary Trail Connectivity Project – Initial Study / MND comment period

Email GM Friedenbach received from the City of Arcata (CofA) regarding the Initial Study/Mitigated Negative Declaration prepared and circulated by the Environmental Services Department. GM Friedenbach attended a portion of the Parks and Recreation Committee Meeting on November 9th, 2022. A site visit took place on September 22nd, 2022. CofA was made aware of the conflict between the 12kV occupying the railroad right of way next to Essex, as that project was in process before the Trail Project was started. The challenges to creating a path around the project were taken back to their design team. The anticipated next step is the right-of-way acquisition. GM Friedenbach said that the District will be alerted when a possible easement/dedication request is made by the CofA. An appraisal would be required to value an easement and will be scheduled at the appropriate time. Consideration will also be given to the trail's impact on District bathroom facilities and garbage increase in Park 1.



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H. CONTINUING BUSINESS

Water Resource Planning

Local Sales

Nordic Aquafarms

A Lost Coast Outpost article released November 9th, 2022 reported a lawsuit was filed by an informal group *Citizens Protecting Humboldt Bay* against Humboldt County alleging that the Board of Supervisors violated the California Environmental Quality Act (CEQA). The article also states that five appeals have been filed with the California Coastal Commission regarding the project. This may delay Nordic's progress in acquiring the Conditional Use Permit process.

Trinidad Rancheria Mainline Extension

GM Friedenbach provided an update on the progress of the water line extension. The Rancheria submitted a letter to CalTrans requesting the placement of the water line on the 101 bridge crossing Little River. The District received an email from Don Allan, a resident of Westhaven, who opposed the water line being included in the Little River trail project. CalTrans' recommendation was to request attaching the pipeline to the bridge separate from the trail. Director Latt stated that our District is not forcing water on anybody and expressed that the District did a very thoughtful approach in inquiring to each potentially affected governmental entity, including Westhaven and the City of Trinidad, as to whether each was interested in participating, both indicating they weren't, although Westhaven Fire District indicated that they would want potentially to hook up to the pipeline for their fire protection if the pipeline was built. Director Latt stated that under federal law as a recognized federal tribe, the Trinidad Rancheria has a legal right to economic development and that their request arises directly from that right. The Directors expressed support and agreement with Director Latt's comments.

Transport:

GM Friedenbach included an article outlining the recent contribution of \$30M from the Biden Administration to the Sites Reservoir Project from the Bipartisan Infrastructure Law.

Instream Flow

GM Friedenbach introduced the draft narrative for the District's Petition for Change, dedicating a portion of our existing water rights to Instream Flow's beneficial use from Matthews Dam to Essex, about 70+ miles of river. This has been discussed with local regulators. GM Friedenbach presented the draft narrative to the Board for consideration and review. Staff will contact the Water Board regarding a formal petition submittal. The actual form required is modest but the District will also attach information including this narrative and studies.

President Woo gave an informative description of the information included in the draft narrative. Our water rights are outlined on page 1. Summed up by GM Friedenbach as the diversion of water for storage at Matthew's Dam and it is released and "rediverted" at Essex.

Director Latt suggested that the paragraph on page 4 regarding Cannabis cultivation distinguish between legal and illegal Cannabis production because there are farms within the watershed that are legal and regulated and the concern should clarify that the District is not against all Cannabis cultivation but rather the impact of the problematic, unregulated cultivation.

President Woo also advised that this will have a coordinated agreement with the District Habitat Conservation Plan (HCP). She also pointed out that the unique fashion of operation of the Dam is clearly outlined.



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McNamara & Peepe

President Woo recused herself due to a conflict of interest and left the room.

A site visit to the Glendale property, initiated by the EPA (Region 9) regarding the District's request to take over site clean-up in August took place on November 4th, 2022. GM Friedenbach and Director Fuller attended along with EPA staff, DTSC staff with SHN consultants, SWAPE, and Royal Gold staff. Also attending were Jen Kalt from Humboldt Baykeeper and John Driscoll from Congressman Huffman's office. DTSC stated they had \$200,000 in funding and possibly another \$2 million has been earmarked for the site.

GM Friedenbach reported that testing at Collectors 1-4 and soil sediment at the Turbidity Reduction Facility resulted in a Non-detect for Dioxin and PCP at all locations.

Jennifer Kalt from Baykeeper expressed her appreciation via Zoom for the site visit and all the work the District has done to ensure the Glendale site is being cleaned of toxic substances. This has been a priority concern for Baykeeper and she expressed excitement to see the progress.

Quagga Grant 2020-21: Final Report

The District received grant funding from the Quagga and Zebra Mussel Infestation Prevention Grant Program. The final step is to prepare a report on the project findings and progress will be submitted by November 20th deadline. This report was diligently prepared by Ms. Sobol, who worked with Ruth Lake CSD to gather all the required information.

GM Friedenbach mentioned that the District is retaining control over the acquisition and placement of the boulder and bollards that are included in this grant and the two subsequent grants. District staff has identified additional locations at the lake where illegal access is a concern and may warrant additional boulders or bollards.

Shoreline Debris Removal Update (FEMA Project)

FEMA provided \$97k for the August Wildfire Complex Disaster's Shoreline Debris Removal to prevent debris from reaching the log boom, which could potentially cause Dam damage and possible failure by blocking the spillway. This project was started this month. Ms. Harris provided an update to the Board on the progress being made. The collection of logs which are towed across the lake by boat to the eastern shoreline, then excavators haul logs to burn piles. Mr. Jager is supervising the team of contract workers acting to clear the debris.

Sample Contract for Fire Fuels Reduction & Defensible Space Project

The District was awarded \$500k by CalFire for fire fuels reduction, these funds will be used for property not impacted by the August Complex Wildfire. A sample contract for subcontractors to perform this work is included in the Board Packet and next month staff will provide a complete report, including the RFP and bid submittals. CalFire in their CEQA process divided up the area into phases. The District divided those phases into sub-phases so contractors can bid on individual sub-phases, which each have unique degrees of defensible space and/or ingress/egress improvements.

I. NEW BUSINESS

No new business items.



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J. **REPORTS (from Staff)**

Legal

CLOSED SESSION – Anticipated Litigation: Initiation of litigation under paragraph (4) of subdivision (d) of § 54956.9 (DTSC) President Woo recused herself from participation in the Closed session due to a conflict of interest. Closed session lasted from 11:30 AM to 12:02 PM. No public comment was received before entering the Closed session. Director Latt reported that Staff was directed to draft letters to DTSC regarding the October 22nd groundwater test results and the November 4th site visit.

CLOSED SESSION - Conference with Legal Counsel – – Anticipated Litigation: Initiation of litigation pursuant to paragraph (4) of subdivision (d) of § 54956.9 (Van Duzen) Case # CV2201489 Vice-President Latt recused himself from participation in Closed session due to a conflict of interest. Closed session lasted from 1:30 PM to 1:38 PM. No public comment was received before entering the Closed session. President Woo reported there was no reportable action.

Engineering

12kV Switchgear Relocation (\$858,332 District match)

Switchgear manufacturer Eaton provided a revised arc flash electrical study that is being reviewed. Mr. Stevens and staff have identified various additional corrections that need to be incorporated into a revised study due to system changes that are not a part of the 12kV project itself. Various electrical upgrades performed by Humboldt Bay staff were not included in the original arc flash study. Additionally, Mr. Stevens reported that the final piece of equipment for the 12kV project is anticipated to ship around the middle of November. Once that is received, the Notice of Completion will be issued in December or January.

Collector Mainline Redundancy Project

Mr. Stevens said that CalOES has not responded to the District's grant deadline extension request.

TRF Generator Project (\$517,819 District match)

Another RFI was received from CalOES. Response to that request is included in the Board Packet. The request was simple in nature, requesting clarification on the future Geotech borings. Pictures were sent that caused some confusion regarding the timing of the 3-acre conversion and how that dovetails with the future generator project.

Matthews Dam Advance Assistance Seismic Stability Project

The Seismic Stability Project at Ruth received an RFI that inquired if any cultural resource investigations or record search was completed regarding the project area. Jamie Roscoe from the Historic Preservation Commission was contacted. The response, included in the Board Packet, states that the dam is not a designated historic property. Mr. Stevens is hopeful that an award letter will be received for this project.



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Collector 2 Rehabilitation Project CEQA – Notice of Exemption

A Notice of Exemption will be filed with Humboldt County for the project to be listed as exempt from CEQA. The project qualifies under two different exemptions: A) It is a repair of an existing facility with negligible or no expansion of existing use, and under a different section of the CEQA exemptions; and, B) as a reconstruction of a facility located at the same site with the same purpose. These are the same CEQA exemptions utilized for the Collector 1 project. After opening and closing public comment, on motion by Director Rupp; Seconded by Director Lindberg the board approved the Notice of Categorical Exemption the for Collector 2 rehabilitation project. The Board voted 5-0 for approval.

Status report re: other engineering work in progress

Mr. Stevens said there was nothing to report this month.

Financial

Audit Committee Report out and recommendation

Director Rupp reported that he, Director Lindberg, and Ms. Harris met with Auditor Michael O’Conner on 11/08/2022. Director Rupp reported the audit received an “unqualified audit” meaning that the books are sound and reflect the actual situation. The audit committee recommends the Board accept the audit report for the fiscal year 2020/21.

FY 2020-21 Audit

Michael O’Conner, CPA (auditor) explained the audit report to the Directors. Board Packet item 10.3b. Ms. Harris brought attention to the Other Post Employment Benefits (OPEB) and Net Pension Liability, both unfunded liabilities. Ms. Harris noted that the decrease in the OPEB unfunded liability is attributable to the requirement that retirees 65 and older have to utilize a Medicare supplemental insurance plan resulting in a substantial reduction in the unfunded liability this year. Director Rupp pointed out that the overall cash position is very strong and positive. Mr. O’Conner brought attention to the revenue exceeding expenditures. The staff recommendation is to accept the audit report for the fiscal year 2020/21. On motion from Director Rupp; Seconded by Director Fuller the Board voted 5-0 to accept the Audit Report.

October 2022 Financial Statement & Vendor Detail Report

Ms. Harris advised the Board that the current general account is \$4.2 million, with various investments at \$7.8 million. Funds allocated to specific projects (advanced charges) are currently \$5.7 million. General reserves are at \$2.4 million.

On a motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to accept the October 2022 Financial statement and Vendor detail in the amount of \$340,386.75.

Operations

Monthly report on Projects and Operations

Mr. Davidsen provided the October 2022 Operational Report. Ruth Hydro produced 151.600 KWh in October. Ruth Lake recorded 0.04” in rain for October. The lake discharge averaged 46 cfs with a high of 48 cfs on October 22nd. The river at Winzler Control Center, for October, had an average flow of 47 cfs.



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Mr. Davidsen and Mr. Palmero attended the AWWA Fall Conference in Sacramento from October 24th to the 26th. Mr. Davidsen thanked the directors for supporting their attendance at the conference and relayed that it was very educational and informative.

K. MANAGEMENT

Current Reservoir Conditions: DWR

Mr. Friedenbach included the current reservoir conditions for reference. The document included in the Board Packet shows California reservoir levels during the week of October 24th.

NCRPL Vision for North Coast Resilience

North Coast Resource Partnership is looking for input on the Vision for North Coast Resilience from November 1st through the 21st. GM Friedenbach pointed out the link and offered to review any inclusion the Board would like to make.

GM Friedenbach also provided an update regarding the NCRP Proposition 1 IRWM Round 2 Grant for Collector 2 Lateral rehabilitation. Staff applied for the grant asking for \$900k, scalable to \$700k depending on available funds. He also informed the directors that the RFP for the project goes out for bid in the first part of December and Staff is anticipating multiple bids.

L. DIRECTOR REPORTS & DISCUSSION

"Highline Lake is officially 'infested' with invasive zebra mussels CPW confirms state's first known population"

Director Lindberg spoke briefly regarding the ease with which this invasive species has made its way to Colorado. Colorado Parks and Wildlife recently discovered a single adult zebra mussel in Highline Lake which potentially put everything downstream of Grand Junction at risk.

M. ACWA

Director report out

Director Rupp advised the Board that he will be attending an ACWA meeting in Sacramento on November 17th and 18th which will be the final steps in laying the groundwork for the operation of the foundation.

Coalition Letter to California Resources Board to "Commercially Available"

GM Friedenbach called attention to a memo sent to CARB (California Air Resources Board) calling for the formal definition of the term "Commercially Available" regarding fleet vehicle configurations and requirements as a realistic plan.

Comment Letter to California Air Resources Board RE: Local Government Fleet

ACWA submitted a comment letter regarding the Draft Regulatory Language for the Advanced Clean Fleets Regulation State and Local Government Agency Fleet Requirements with deadlines that are approaching quickly. Concern was expressed regarding the available inventory, the cost of that inventory, and the current affordability for government entities concerning the timeframes the current plan holds in place.

State Water Board Adopts Water Loss Regulation

GM Friedenbach brought attention to the State Water Board adopting regulations in which the standard indoor residential use projected at 47 GPCD by 2025 and 42 GPCD by 2030 is extremely low considering Arcata averages about 50 GPCD and they are the lowest consumers in Humboldt County. The Board questioned the current standard and penalty, and how to encourage the conservation mindset.



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Letter to ACWA Public Water Agency Members – ACWA's 2023 Membership Dues* — discuss
Director Rupp and GM Friedenbach agreed that this subject has been discussed in previous Board Meetings. Director Rupp is hopeful that the process of budgeting and setting ACWA membership dues determination amount will improve in the future.

N. ACWA – JPIA

Important Information about the 2022/23 ACWA JPIA Liability Program Renewal

Director Rupp reiterated that the Liability program will be increasing by 10% as discussed with the Board previously.

CWIF Board of Directors Meeting

CWIF declared dividends of 3 million dollars at the end of the fiscal year, which goes back into the JPIA to reduce the cost of insurance.

ORGANIZATIONS ON WHICH HBMWD SERVE

RCEA October News and Updates

President Woo advised the RCEA does a News and Update flyer every month which should be available on the website.

RCEA Board of Directors Draft Meeting Minutes 9/22/22

President Woo stated that biomass power was a big topic of discussion last month.

RREDC Special Meeting of Loan Committee Agenda 10/24/22


Director Latt spoke about the Executive Meeting with H.C.A.O.G's Executive Director, Beth Burks speaking about Regional Efforts Integrating Housing and Transportation. Ms. Burks spoke about the distribution of \$9 million that the County receives to transportation entities. They are creating a website that tracks the average current rent in the area, which is currently \$987 for 1 bedroom unit. The average hourly income is \$18.98/hour.

Director Latt also mentioned the Indianola undercrossing project starts next year.

ADJOURNMENT

The meeting adjourned at 3:22 pm.

Attest:



Sheri Woo, President



Bruce Rupp, Secretary/Treasurer