

**Humboldt Bay Municipal Water District
828 7th Street, Eureka**



**Minutes for Regular Meeting of the Board of Directors
January 13, 2022
Meeting Start Time: 9:00 am**

DUE TO COVID-19 THE DISTRICT WILL BE HOLDING THE MEETING VIA ZOOM

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.

Time Set Items:	8.2	McNamara & Peepe Site	9:15 am
	8.3	Closed Session – Anticipated Litigation (DTSC)	2:00 pm
	8.1a	WRP – Local Sales	10:00 am
	9.4	Closed Session – Anticipated Litigation (VDI)	3:00 pm
	10.1	Engineering	11:00 am

1. ROLL CALL

President Woo called the meeting to order at 8:59 am. Director Fuller conducted the roll call. Directors Fuller, Latt, Lindberg, and Woo were present. Director Rupp was not present for the meeting. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, and Board Secretary Fiona Wilson were present. Nathan Stevens of GHD, District Council Ryan Plotz, and Jacque Hostler-Carmesin of the Trinidad Rancheria were present for a portion of the meeting. Members of the public Elaine Weinreb, Jennifer Kalt, and David Hankin were present for a portion of the meeting.

2. FLAG SALUTE

President Woo led the flag salute.

3. ACCEPT AGENDA

On motion by Director Latt, seconded by Director Lindberg, the Board voted 4-0 by roll call vote to accept the agenda. Director Rupp was not present for the vote.

4. PUBLIC COMMENT

There was no public comment.

5. MINUTES

5.1 Minutes of the December 9, 2021 Regular Meeting

In the last sentence of Section 9.1, the Board requested to change “precincts” to “divisions.” Staff will make the change. On motion by Director Fuller, seconded by Director Latt, the Board voted 4-0 by roll call vote to approve the minutes as amended. Director Rupp was not present for the vote.

5.2 Minutes of the December 21, 2021 Special Meeting

On motion by Director Fuller, seconded by Director Latt, the Board voted 4-0 by roll call vote to approve the minutes. Director Rupp was not present for the vote.

6. CONSENT AGENDA

6.1 Media articles of local/water interest (Articles A – N)

On motion by Director Lindberg, seconded by Director Fuller, the board voted 4-0 to approve the consent agenda. Director Rupp was not present for the vote.

7. CORRESPONDENCE

7.1 EAP Annual Letter to FERC

The District's EAP requires annual face-to-face meetings with Humboldt and Trinity counties and in-house testing of the EAP phone tree. The District has completed these tasks and notified FERC.

7.2 2021 Quagga Inspection Summary

The District received the annual report from Ruth Lake CSD on the District's Quagga prevention plan. Since the August Complex fire in 2020, Ruth Lake CSD has had issues with the access gates. Gates were left open for most of the 2021 season and watercraft may have accessed the lake without inspection. The Board discussed the CSD's decision to leave the gates open rather than locking them. The Board directed staff to draft a letter to the Ruth Lake CSD requesting that the CSD lock malfunctioning gates. Staff will draft a letter to the CSD President for President Woo to sign, expressing the District's concerns, requesting that the gates remain locked when inoperable, and requesting confirmation that the CSD agrees to comply.

7.3 Water Meter/Infrastructure Letter to Harbor District

GM Friedenbach sent a follow-up letter to the Harbor District regarding metering of lots that have been subdivided and sold by the Harbor District. GM Friedenbach will meet with Humboldt County Planning & Building, the Harbor District, and North Winds Management, LLC on January 14 to discuss utilities for the proposed development and infrastructure for future development. GM Friedenbach will propose that the Harbor District develop separate water service and install meters for the parcels they sell, so those parcels can receive water from the District.

8. CONTINUING BUSINESS

8.1 Water Resource Planning - status report on water use options under consideration*

a. Local Sales (**Time Set 10:00 am**)

i. Nordic Aquafarms

Nordic Aquafarms is moving forward with the EIR and the comment period ends February 8. GM Friedenbach will draft a letter that conveys the District's support for the project and appreciation of brownfield cleanup.

ii. Trinidad Rancheria Mainline Extension agreement

The draft agreement has been finalized, approved by Tribal Council, and included in the Board packet. Rancheria CEO Jacque Hostler-Carmesin and District Counsel Ryan Plotz were present for comment on the agenda item.

District Counsel Plotz reviewed the material terms of the agreement with the Board, page by page. He pointed out that the Tribe's land that will be serviced by the extension is not one contiguous property and includes land on the West and East sides of Highway 101. The Tribe is working with their engineers to determine whether a second master meter will need to be installed for the east side. Exhibit 1 will contain agreed upon technical specs once they are ready.

Once the Board approves the agreement, it is conditioned on the Tribe obtaining all regulatory approvals, including County, State Water Resources Control Board, Bureau of Indian Affairs, and LAFCo. The Tribe will need LAFCo's approval for either an out-of-district service agreement, or to annex into the District's service area. The will-serve agreement will be signed once construction is complete, with rates set according to Proposition 218. Rancheria CEO Hostler-Carmesin thanked the District for everyone's cooperation and efforts.

The Board requested two changes to the draft language. The preface of the first sentence of Section 16 describing a "government-to-government relationship" will be

removed, and the first sentence of Section 7 will be corrected to say “beyond (downstream from).” The District will work with Tribal legal counsel to make the requested changes before the finalized agreement is brought to the Board for approval in February.

b. Transport

The public comment period for the Sites Reservoir project was extended. There is an article under Consent regarding the project. The Sites is a potential transport option as it is a shorter distance than that which was included in the District’s transport engineering study.

c. Instream Flow

The Committee’s proposed table of flow releases was included in the Board packet. Next step is to meet with NMFS to review rate of flow from the hydro plant. The grant is behind schedule with the Wildlife Conservation Board, so the Committee will meet to revise the schedule for the grant and request an extension.

8.2 McNamara & Peepe Site

President Woo recused herself due to a remote potential conflict. In December 2021, DTSC issued an amended scope of work to SHN for their tasks, to include two rounds of groundwater sampling, two rounds of surface water sampling at seven locations, subsurface investigation via two groundwater wells, and sampling of eight soil borings in the area of the cap. The water and soil samples will be analyzed for dioxins, PCP, and TCP. Prima Environmental will conduct a bench-scale study to investigate degradation and evaluate remediation options. The two rounds of groundwater sampling are scheduled for March 13 and October 31, 2022, and both rounds of surface water sampling will be completed by December 31, 2022. Jennifer Kalt of Humboldt Baykeeper provided public comment, expressing disappointment that the timeframe doesn’t address the urgency of the situation. She thanked the Board for being so dogged in pursuing remediation.

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

President Woo recused herself due to a conflict of interest. The Board entered into closed session at 2:00 pm, and returned to open session at 2:35 pm. Staff was directed to send a letter to DTSC regarding the inadequacy of the timeline.

8.4 Resolution 2022-01 - Extension of AB 361

The District is required to reaffirm the circumstances that qualify this act every 30 days. On motion by Director Lindberg, seconded by Director Latt, the Board voted 4-0 by roll call vote to approve the Resolution. Director Rupp was not present for the vote.

8.5 Ruth Lake Emergency Declaration

Most of the salvage logging is done but there are still slash piles to burn. The District’s burn permit is good through 2022. Morris Logging is burning the slash piles, which should be completed by April 1, weather permitting. Erosion control under the USDA grant from October 2020 is unlikely to be completed before the grant expires due to inclement weather. Straw wattles captured some of the contamination, and erosion control currently in place includes the slash and chips that were created by salvage logging. Most of the slash piles are comprised of small log piles. Staff are monitoring grant opportunities for funding to dredge erosion from headwaters and increase reservoir capacity. GM Friedenbach will notify NRCS that the erosion control strategy was not able to be implemented.

9. **NEW BUSINESS**

9.1 Status of Peninsula CSD

No representative was present and this item will be removed from the agenda until further action is possible. Peninsula CSD will need to meet with the Board once they are ready to take over the retail water system as a municipality. The issue that may come to the Board is whether the District should ask

for reimbursement for work completed on the distribution grid. Staff will address this with the District's municipal customers and determine if LAFCo will need to be involved.

9.2 Board Officer & Committee Assignments

Officer and committee assignments were discussed and no changes were made. Staff will correct the spelling of Directors' names on the list of committee assignments. Director Latt commended President Woo on her performance. On motion by Director Latt, seconded by Director Lindberg, the Board voted 4-0 by roll call to keep committee assignments as-is. Director Rupp was not present for the vote.

9.3 Ordinance 24 – Informal Bidding Procedures Under the CUPCAA

Business Manager Harris introduced the Ordinance to provide informal bidding procedures under the California Uniform Public Construction Cost Accounting Act (CUPCAA). If no bids are received for a project, the District can enter into a contract. The Ordinance will return to Board in February for a public hearing.

9.4 CLOSED SESSION - Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9.

Director Latt recused himself due to a conflict of interest. The Board entered into closed session at 3:00 pm, and returned to open session at 3:21 pm with nothing to report.

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

The Board entered into closed session at 3:22 pm, and returned to open session at 4:16 pm with nothing to report.

9.6 CLOSED SESSION – Threat to Public Services or Facilities: Critical Infrastructure discussion pursuant to Gov. Code 54957

The Board entered into closed session at 2:37 pm, and returned to open session at 3:00 pm with nothing to report.

10. REPORTS (from STAFF)

10.1 Engineering

Nathan Stevens of GHD provided updates on the following items.

a. 12kV Switchgear Relocation

i. Sequoia Construction December Pay Request

Test switches have been installed, tests have been sent to PG&E, and the District is getting ready to start pulling cable.

ii. Change Order #7

The quote for the change order started at \$24,000 and is now \$13,000. A grant deadline extension request has been sent to CalOES and the District is awaiting a response. A grant budget revision request was sent and the District is addressing CalOES's requests for the revision. The District continues to coordinate with PG&E and a pole will be set on February 8, 2022. On motion by Director Latt, seconded by Director Fuller, the Board voted 4-0 to approve the change order. Director Rupp was not present for the vote.

b. Collector 2 Rehabilitation Project

The project is out for bid and proposals are due on January 21, 2022. Proposals will come to the Board in February.

c. TRF Generator Project

GM Friedenbach received notification from CalOES that the project was forwarded to FEMA for approval which bodes well based on FEMA's approval

history. In the meantime, the District is dovetailing this project to the Tesla battery project at the TRF.

d. Status report re: other engineering work in progress

GHD is assisting District staff with Division boundaries.

10.2 Financial

a. December 2021 Financial Statement & Vendor Detail Report

Business Manager Harris provided the December 2021 financial report. There may be an increase in overtime expenses over the next month due to staffing shortages. President Woo reviewed the December bills. On motion by Director Latt, seconded by Director Fuller, the Board voted 4-0 by roll call vote to approve the Financial Report and payment of bills in the amount of \$1,451,135.86. Director Rupp was not present for the vote.

b. CPI analysis and COLA request

Business Manager Harris presented an analysis of CPI impacts on District staff and COLA request. The CPI has increased by approximately 7% over the past year and the COLA request was for 4.7%. GM Friedenbach commended Harris on the research and presentation. Superintendent Davidsen has heard staff discuss the increased cost of living. Director Latt would not approve consideration of the COLA in Director Rupp's absence. He stated that consumer savings are at record highs. Director Fuller requested tabling the item until February. She observed that the job market is more competitive these days and that overtime and risk management costs are likely to increase. She expressed concern about short-staffing and burnout, and wants to explore ways to best support staff.

President Woo discussed extending the temporary essential service pay and expressed concerns about burnout and retention, staff safety, and competing for talent. She expressed the desire to support staff and observed that the pandemic may go on for a while. She was in favor of tabling the item until February. Staff will bring the item back to the Board in February with additional information, including analysis of household savings, housing costs, the cost of extending Covid pay through the end of the fiscal year, and salary increases over the past five years.

10.3 Operations

a. Monthly report on projects and operations

Superintendent Davidsen provided the December operations report. The spillway continues to flow. High turbidity resulted in 40 filter backwashes. Essex staff participated in an 8-hour Hazwoper refresher training. Staff assisted the City of Blue Lake with vandalism to their reservoir. The new Maintenance Mechanic started and is getting oriented. Leaks on Wyatt Ln. and Glendale Dr. were repaired. The hydro plant was offline twice due to storms. Maintenance installed the new meter and manifold for the Town of Samoa. The Board requested clarification on the chart for hydro production at Ruth Lake. Staff will update the header of the chart.

11. MANAGEMENT

11.1 Board bill review schedule

Staff will email the rotation schedule to the directors. Director Rupp will review the January bills.

11.2 Yellow-legged frog status

GM Friedenbach presented the draft letter to the U.S. Fish and Wildlife Service regarding the status of the Foothill Yellow-Legged Frog. Staff will implement Board feedback before sending it.

11.3 Digital 299 Broadband Project

The deadline for public comment on the NEPA/CEQA document is February 2, 2022.

12. DIRECTOR REPORTS & DISCUSSION

12.1 General - comments or reports from Directors

President Woo was interviewed for the Baduwa't documentary on the Mad River. The filmmakers created a short trailer to use to apply for grant funding to complete the documentary.

12.2 ACWA

GM Friedenbach participated in an ACWA CUWA webinar that addressed what other Districts are doing in regards to the drought. The general consensus is that there is no one-size-fits-all strategy for water conservation. Nonetheless, the District would be subject to state conservation orders.

12.3 ACWA - JPIA

12.4 Organizations on which HBMWD Serves

a. RCEA News and Updates

President Woo provided an update on the December report. The Harbor District issued an RFP for the Heavy Lift Terminal. RCEA put out a solicitation for Resource Adequacy (RA) and did not receive any solicitations that could meet the RA requirements imposed by the CPUC.

b. RREDC

Director Latt reported that RREDC did not meet in December. However, they relocated from the Prosperity Center on E Street to the Healy Building on 2nd Street.

ADJOURNMENT

The meeting was adjourned at 4:17 pm.

AYES: Directors Woo, Fuller, Latt, and Lindberg

NOES:

ABSENT:

ABSTAIN: Director Rupp

ATTEST:



Sheri Woo, President



Bruce Rupp, Secretary/Treasurer