

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



**Minutes for Regular Meeting of the Board of Directors
October 14, 2021**

1. ROLL CALL

President Woo called the meeting to order at 9:00 a.m. Director Rupp conducted the roll call. Directors Fuller, Latt, Lindberg, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, Tech Manager Dee Dee Simpson, and Board Secretary Fiona Wilson were present. Nathan Stevens of GHD was present for a portion of the meeting.

2. FLAG SALUTE

President Woo led the flag salute.

3. ACCEPT AGENDA

President Woo requested the word "lease" be removed from Item 9.4 as it is private property. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to accept the agenda as amended.

4. PUBLIC COMMENT

Richard Marks provided one public comment. He complimented the District's meeting forum, Zoom etiquette, and punctuality, and stated that the District sets the standard for public meetings.

5. MINUTES

Minutes of the September 9, 2021 Regular Meeting

On page one of the minutes under Correspondence 7.1, it was noted that agreement was incorrectly spelled. Staff will make the correction. On page five of the minutes under Reports 10.1.d, it was noted that "install and new vault" should be corrected to "install a new vault." Staff will make the correction. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve the minutes as amended.

6. CONSENT AGENDA

6.1 Media articles of local/water interest

On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the Consent Agenda.

7. CORRESPONDENCE

7.1 Letter of Support for Northern California Lidar-NCRP Application

On September 9, the Board committed \$20,000 in local match funds for NCRP's lidar project, contingent upon the inclusion of lidar data for the entire the Mad River Watershed. The District letter of support was sent to USGS. NCRP has submitted their grant application and the project is moving forward.

7.2 Letter from Congressman Huffman regarding wildfires

Congressman Huffman responded to the District's letter of support for the Wildfire Emergency Act (H.R. 3534) by outlining other fire-related bills he has sponsored.

7.3 Letter from DSOD re: Spillway Inspection and Maintenance Repairs

The DSOD designated October 31, 2021 as the date by which inspections and repairs should be completed,

and reminded dam owners to maintain spillways throughout the flood season. The District completed inspections in June. Crack repairs, caulking, and spillway maintenance is ahead of schedule and in compliance with DSOD recommendations for fall. General Manager Friedenbach complimented the Superintendent and Maintenance staff for their high standards of maintenance at our R. W. Matthews dam facility.

8. CONTINUING BUSINESS

8.1 Water Resource Planning -General Manager Friedenbach provided a status report on water use options under consideration below.

a. Local Sales

i. Nordic Aquafarms

Nordic Aquafarms is moving forward with permitting and will have public meetings in November.

ii. Trinidad Rancheria Mainline Extension

Rancheria counsel reviewed the agreement and provided feedback on October 12, but with insufficient time for review, staff recommended meeting with District and Rancheria counsel before bringing a draft to the Board in November. The Board agreed to this recommendation.

Trinidad City Council met on October 12 to discuss participation in the mainline extension. They decided to pursue development of Luffenholtz watershed, repair leaks in their distribution grid, and explore rainwater storage options instead of joining the project. They will consider joining the Rancheria Mainline Extension once it has been constructed.

The Board discussed Trinidad City Council's decision. One issue was whether the 6-inch water line from the preliminary design could meet the demands of the Rancheria and City. Trinidad hired GHD/City of Trinidad engineer Steve Allen to perform a hydraulic analysis of whether a 6-inch line could meet those demands and determined that it would suffice. Mr. Friedenbach recommended working with the Rancheria to discuss the design with them. Other discussion items included uncertainty about future supply constraints/availability, future users' fair share of costs and responsibilities, and what would happen if the line was underutilized. Staff will research McKinleyville's exit from our system during the 1960s and 70s.

The discussion concluded with Director Woo opening the item for public comment. Trinidad City Manager Eli Naffah provided information regarding the Council's position and public comments. The council voted 3-2 against the project. Mr. Naffah acknowledged that supply may be limited upon completion of the project and that there will be no guarantee of future availability. He confirmed that the City would be willing to pay their fair share if they decide to opt-in and are able to participate at a later date.

Rancheria CEO Jacque Hostler-Carmesin acknowledged Trinidad's position, and encouraged future collaboration with the City. The Rancheria is hoping for an 8-inch line, but that will be determined by engineers. No action was taken.

iii. Letter to Trinidad water customers from neighbors and fellow customers

No action was taken.

b. Transport

The Transport Committee met on October 7 to discuss an inquiry from a water broker. The Committee response to the inquiry was consistent with the Water Use Plan. The Transport

Committee will meet with Congressman Huffman regarding infrastructure bills and possible State and Federal funding sources.

c. Instream Flow

i. Humboldt Bay Symposium

Director Fuller presented the District's Instream Flow Dedication at the Humboldt Bay Symposium on September 29. Director Fuller will send the PowerPoint and information from the symposium to the District, and will request a video recording for public outreach.

8.2 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 remote potential conflict. She is employed by SHN Consulting Engineers which performs work at the McNamara and Peepe site. The Board entered into closed session at 9:40 a.m. The Board returned to open session at 10:34 a.m. Vice-President Latt reported that the Board gave direction to staff to retain special counsel up to the amount of \$5,000 in regard to the DTSC issue at McNamara and Peepe.

8.3 Ruth Lake Emergency Declaration

Staff met with CAL FIRE to discuss District priorities for fuel reduction and defensible space around structures and access roads. If an access road is heavily vegetated, CAL FIRE will not go down that road so some reduction may be more than 150' from structures. CAL FIRE has been collaborating with the USFS, and has a "curtain burner" that can burn piles from salvage logging at high temperatures with very little smoke. CAL FIRE has offered use of the burner to the District, and USFS has offered staff to operate it for a couple of weeks. District staff will identify piles of concern to address.

All lease lots have removed debris and passed soils testing. Hazardous trees will be removed next, moving the District into the last phase of hazard removal. Removal of woody debris on the lakeshore will happen next, and will be funded by \$133,000 of FEMA disaster relief funds. A boat for removal of woody debris has been ordered and a 50% deposit has been paid; however, there is no ETA for delivery. The District has made arrangements for other boats, and will continue debris removal and maintenance on the lake side of the dam. Problem trees have been surveyed and identified and woody debris will be moved to four or five locations on the East side of the lake for processing.

8.4 27th Street Proposed Development

The District received an updated map of Phil Lazzar's proposed development, with District pipelines indicated by dashed lines. Currently, the district maintains a 30' easement to access and maintain lines. Mr. Lazzar is willing to add 12.5' on either side of the easement to create a 55' easement, but is resistant to memorializing it in writing.

The Board discussed the development. Upcoming zoning changes will allow for high-density development, so there is potential for development of the northern portion of the parcel and for new roads or utilities to cross District lines. The City interprets the District's easement as 30' only, which the District disputes. A concern was raised that due to the development's proximity to the easement, there is a high likelihood that heavy equipment will drive over District lines during development.

The Board directed staff to approach the City regarding a Condition of Approval to avoid property loss. Once the official project application has been filed with the City, the District will respond to the referral, and appeal or adjudicate if necessary.

8.5 NCRA license agreement amendment

On September 13, the NCRA Board of Directors took action approving the District's request for an

amendment to the license agreement. The amendment includes an area needed for the installation of Feeder 5. The abandonment issue is still in consideration at the Surface Transportation Board (STB), and the District is waiting for STB's ruling. It has not been determined whether NCRA has a fee title to this property or whether the District could recoup license fees. Staff will research the history of the Annie and Mary Trail to try determining which properties NCRA has a fee title to, and which are NCRA's easement.

9. NEW BUSINESS

9.1 AB 361 and Resolution 2021-19 Making Findings Pursuant to Government Code Section 54953, As Amended by Assembly Bill 361, and Authorizing the Continued Use of Virtual Meetings

On September 16, 2021, Governor Newsom authorized the continued use of virtual meetings. The District is required to reaffirm the circumstances that qualify this act every 30 days. The January, April, and July meetings in 2022 will fall outside that 30-day requirement and require special meetings to approve. The Board discussed the challenges of attending virtual meetings, as well as the challenges of enforcing mask mandates at in-person meetings. President Woo opened the item for public comment.

Richard Marks provided public comment that the District will have issues policing meetings.

On motion by Director Lindberg, seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve the continued use of virtual meetings and approve Resolution 2021-19.

9.2 Mad River Alliance Film request

The District was approached to participate in a documentary film about the Mad River, entitled *Baduwa't*. Dave Feral introduced the documentary and reviewed the PowerPoint slides included in the agenda packet. The film is scheduled to be released in 2023. The film is named after the Wiyot name for the Mad River, and is intended to improve land management, explore the Mad River watershed as a climate change refuge, and possibly designate the Mad River as a Wild and Scenic River.

The Board discussed the District's participation in the documentary, and were supportive of the project as long as participation does not jeopardize the District's reputation, finances, or operations. The Board requested more information on what Wild and Scenic River designation would yield or entail. Mr. Feral will send information on water rights and regulations for Wild and Scenic Rivers.

Mr. Friedenbach notified Mr. Feral that the FAA has restricted airspace over the dam and vicinity, and Homeland Security has restrictions on photography of the dam. Images or graphics of the dam cannot be included in the film unless they have been provided by the District. He expressed concerns about the impact the film may have on operations, water rights, instream flow, and the District's latitude to determine how much to release and when. The District already faces limitations, regulations, and restrictions that cannot be impacted further by participation in the film. Mr. Friedenbach recommended that the District retains editorial rights to anything said by District directors or staff, since information taken out of context, or edited to draw conclusions could harm the District.

The film producers stated that they intend to focus on how the District shaped the watershed historically, and that they are not interested in creating controversy. Mr. Feral stated that he is in agreement with Mr. Friedenbach and wants to work with the District on how it is portrayed in the film.

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve District participation in the *Baduwa't* film, contingent on the producers' cooperation allowing the District to retain editorial rights. President Woo will liaise with the film producers at a later date.

9.3 Status of Peninsula CSD

This item was tabled to a future date as there was no one present representing the CSD.

9.4 Boldway real property lot line

Mr. Friedenbach read the letter from civil engineer Dennis Ryan that proposed a lot line adjustment in exchange for an easement. Staff recommended that the Board not agree to the lot line adjustment as it would set a precedent for encroachment onto District property. President Woo opened the item for public comment.

Mr. Ryan commented that Mr. Boldway did not create the encroachment and he was assured by the sellers of the property that the improvements made were not on District property. Mr. Boldway commented that the encroachment was unintentional. He was not aware of the encroachment upon purchase and agreed to pay all costs for a real estate transaction. He would like to come to an agreement and pay full price for the property as well as offer the District access.

The Board discussed options of developing a small lease lot or selling the property for its full value. Mr. Friedenbach recommended agendaing the item for next month and Mr. Boldway will return with a proposal for sale vs. a lot line adjustment.

9.5 CLOSED SESSION: THREAT TO PUBLIC SERVICES OR FACILITIES - Gov. Code 54957 - discussion with legal counsel Ryan Plotz

The Board entered into closed session at 3:31. The Board returned to open session at 3:39 p.m. President Woo stated there is nothing to report.

10. REPORTS (from Staff)

10.1 Engineering Nathan Stevens, District Engineer provided updates on the projects listed below.

a. 12kV Switchgear Replacement (\$755,832 District Match)

i. GHD Credit for Change Order #5 (Test Switches)

The credit for the Change Order has posted.

ii. Feeder #5

The original design included installation of a new connector to avoid replacing 700 ft of line. The new plan is to install new cables and ground wire provided by the District. Last month's meeting discussed a possible \$50,000 budget for this project, but cost of the revised design should be less than the \$50,000. (See Agenda Item 10.2 b)

iii. Contractor Pay Request #10

The contractor is having issues receiving the IPA building and switchgear from Louisiana. ETA was scheduled for July 26, but has been delayed. Staff are working with the contractor to expedite the project schedule but the project is on hiatus with project completion projected for mid-February.

b. Appeal of FEMA Funding Denial for Collector 4 Emergency Restoration Work

The District has requested Congressman Huffman's support with FEMA and anticipates an update next month.

c. R.W. Matthews Dam & Spillway seismic Stability Analysis and Design HMGP Advance Assistance Project

The District is waiting for a determination on the grant application to be made in the upcoming months.

d. Status report re: other engineering work in progress

Nothing to report.

10.2 Financial Chris Harris, Business Manager provided updates on the items listed below.

a. **Financial Report**

Ms. Harris presented the September financial report. The balance for US Bank PARS Investment Account Earnings was corrected from \$251,439 to \$263,000. General Fund Reserves are \$3.1 million. Q1 Revenues were on target at 24%. Q1 Expenditures were on target except for Air Medical Insurance, which was at 85% due to July renewals. Additionally, CalPERS Expenses was high at 57% because unfunded liability was paid in July to avoid additional interest charges. Project Expenditures were lower than usual due to wildfires, road closures, and delayed supply chains. Director Rupp reviewed the September bills. On motion by Director Rupp, seconded by Director Fuller, the Board voted unanimously by roll call to approve the September financial report and vendor statement in the amount of \$227,525.15.

b. **Feeder 5 Project and Sump Pump Project for TRF**

On motion by Director Rupp, seconded by Director Lindberg, the Board voted unanimously by roll call to allocate \$50k from reserves for the purchase and installation of new wire for the Feeder 5 Project. Staff will analyze if this project can be covered through the project budget reallocation process in the spring.

On motion by Director Rupp, seconded by Director Lindberg, the Board voted unanimously by roll call to allocate \$7k from reserves for the purchase of a new lab sample sump pump and piping for TRF Sump Pump #2 Project. Staff will analyze if this project can be covered through the project budget reallocation process in the spring.

c. **CUPCAA**

Staff recommended that the Board approve the resolution to adopt the California Uniform Public Construction Cost Accounting Act (CUPCAA). Adoption of the CUPCAA would streamline the bidding process and increase bidding thresholds. The Board discussed the benefits of adopting the CUPCAA. One public comment was received from Richard Marks in support of the Resolution. On motion by Director Rupp, seconded by Director Lindberg, the Board voted unanimously by roll call to adopt Resolution 2021-20.

10.3 Operations

Mr. Davidsen provided the September Operations report. Rainfall and rising lake levels may result in very turbid water this year. Staff prepared TRF filters for startup, and the TRF has been in recirculation mode since September 22. Ruth Hydro was shut down three times for maintenance and once for PG&E. Maintenance staff completed a log boom inspection, minor spillway repairs, PLC replacement, and right-of-way maintenance at Manila. Staff discussed Workers' Comp claims, accident prevention, bloodborne pathogens, and rigging safety at the safety meeting.

11. MANAGEMENT GM Friedenbach provided updates on the items listed below.

11.1 **CalPERS**

The GM and the Board discussed CalPERS' ROI for FY 2020-21 and subsequent reduction to the discount rate for member contributions. The discount rate has been reduced to 6.8%, increasing the District's unfunded liability. The Board discussed PARS contributions and options for financing of OPEB and unfunded liability. Professional Services for New Capital Debt has been included in the Project Budget, so a proposal will be anticipated.

11.2 **Wildfire Prevention and Forest Health Grants**

GM Friedenbach discussed funding available at the State and Federal level for wildfire resilience and watershed restoration on District and USFS property.

- a. Ruth Lake/Mad River Watershed Reforestation Project
The District will reforest 2,200 acres of the Mad River headwaters with grant funding.

11.3 ACWA Energy Committee

AQWA submitted a comment letter to the California Air Resources Board (CARB) on their Draft Regulatory Language on Public Fleet Requirements. The letter described the implications the proposed rule would have on special districts. The Senate has passed infrastructure legislation that includes funding for dam safety and hydropower. The District will pursue these funds once available.

11.4 ACWA Leadership-to-Leadership

Drought conditions have been challenging for other Districts. The District does not face the same conservation challenges as other districts. The District's surplus demonstrates that there is not a one-size-fits all rule for all districts.

11.5 2021 Water Efficiency Workshop: Humboldt County Drought Task Force

GM Friedenbach reported that the Task Force highlighted storage and catchment efforts on the Mattole River.

11.6 Eureka Chamber of Commerce nomination for 2022 board election

GM Friedenbach notified the Board that the Board can nominate someone since the District is a member of the Chamber of Commerce. No action was taken.

11.7 CSDA Bylaws amendments

The Board reviewed the staff memo and CSDA Bylaw Amendments, and discussed delegating voting authority to GM Friedenbach. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to delegate voting authority to GM Friedenbach.

12. DIRECTOR REPORTS & DISCUSSION

12.1 General -comments or reports from Directors

The regularly scheduled November Board meeting falls on Veterans' Day, so the meeting was rescheduled for Friday, November 12, 2021.

Director Lindberg announced that up-to-date fire damage can be viewed on Google Earth.

12.2 ACWA

a. Board Meeting September 24, 2021

Director Rupp provided a memo that was included in the packet.

b. Headwaters Committee

Nothing to report.

c. ACWA Region 1 Board Election results

Director Rupp was elected Chair and will assume office on January 1, 2022.

d. Nomination/Election of president and vice-president

On motion by Director Latt, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to delegate voting authority to Director Rupp.

12.3 ACWA – JPIA

Executive Committee meeting

Director Rupp provided updates on Committee succession planning and a new vacancy. The Committee's next meeting will be in early November.

12.4 Organizations on which HBMWD Serves

a. RCEA

President Woo reviewed the minutes for the September 23 meeting.

b. RREDC

Humboldt County Economic Development Director Scott Adair provided information on the Samoa Peninsula Enhanced Infrastructure Finance District. The project is a redevelopment scheme that would allow taxes from new development to go back to the areas from which they're drawn for projects like sewage treatment, roads, and brownfield restoration. There will be three public hearings held in the coming months. The Board discussed potential impacts to District revenues under Ordinance 16. Staff will invite Scott Adair to present to the District at the November 12 Board Meeting.

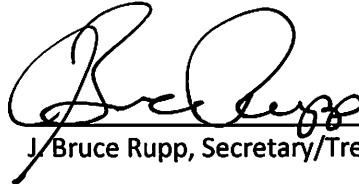
ADJOURNMENT

The meeting adjourned at 3:40 p.m.

Attest:



Sheri Woo, President



J. Bruce Rupp, Secretary/Treasurer