



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
September 8, 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 9:01 AM. 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, and Interim Board Secretary Angela Smart were present. Legal Counsel Ryan Plotz, District Engineer Nathan Stevens, City of Arcata Director of Community Development David Loya, and Lease Lot 43 Holder Anthony Ponnay were present for a portion of the meeting. Director Latt excused himself at 1:45 PM and was absent for the remainder of the meeting.

B. FLAG SALUTE

President Woo led the flag salute.

C. ACCEPT AGENDA

Director Woo suggested that item 11.6: Ponnay Lease Lot 43, Location Survey, be taken up at 11:30 AM to accommodate Mr. Ponnay's schedule and allow him to speak with the Board. On motion by Director Latt, seconded by Director Lindberg, the Board voted 5-0 to accept the agenda as modified to include the time set.

D. MINUTES

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to approve the Minutes of the August 11, 2022 Regular Meeting.

E. PUBLIC COMMENT

No public comment was received.

F. CONSENT AGENDA

Director Rupp requested Item 6.1a "Sediment Discharge in Mad River Tributary Leads to \$301K Fine for Cannabis Cultivator" be pulled. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to approve the Consent Agenda without item 6.1 a.

Director Rupp inquired about enforcing monetary fines and cleaning contaminated areas. Staff was directed to follow up on both of these areas. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to approve Consent Agenda item 6.1 a.

G. CORRESPONDENCE

Letter to Humboldt County, RE: Eureka Ready Mix: Gravel Mining

Mr. Friedenbach wrote an agency referral response letter to the Planning/Building Department regarding the Eureka Ready Mix Application to extend their gravel mining permit an additional ten years. The District has historically expressed concern regarding mining impacts on the river at Essex, specifically the depth of gravel at our collectors, and especially the entrance to station 6. There are also concerns regarding water filtration and classification level issues. Our source water is classified as groundwater, not under the direct influence of surface water. Maintaining that classification is important to the District.



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Mr. Friedenbach shared that he spoke with Desmond Johnston of the Humboldt County Planning and Building Department and suggested a permit condition could be monitoring the stream bed downstream. Mr. Johnston asked for suggestions from the District to guide what that might look like.

The Board suggested staff look further to locate gravel extraction involvements from a historical perspective and correspondence. The Board also discussed CHERT involvement, stating involvement opportunities might be available. Staff will research.

Notice of Executed Grant Agreement for Quagga Grant #C22Q0803

Mr. Friedenbach provided a status report regarding the revision of grant funds from the Department of Boating and Waterways to now include gate relocation funding resulting in an additional \$14,800.00. This brings the total grant funding to \$65,306.61 for relocation of the gate at Ruth Recreation Campground. The Board expressed their appreciation of staff for the revision success.

H. CONTINUING BUSINESS

Water Resource Planning

Local Sales

The County Planning Commission meetings on July 28 and August 4 resulted in the Planning Commission approving Nordic Aquafarm's Coastal Development Permit.

An appeal by a third party was filed to the Board of Supervisors against the decision. The appeal will be heard on September 28. In the Appeal documents, there is a reference to the HBMWD's HCP, suggesting there are species in the Mad River are not included in the HCP, and that Nordic should include them in their CEQA process for their Project. Mr. Friedenbach has spoken to CEQA legal counsel. The District is the lead agency for CEQA on the HCP and the species, and no one can usurp that CEQA role from the District.

The Directors stated that Nordic would need to respond to the allegations in the appeal. The District is listed in consequences but not necessarily in the issue. The issue they are bringing up is a CEQA issue. Staff will work with the County and Nordic to stay alert for any reason a response involving the District would be required.

Trinidad Rancheria Mainline Extension

An agency referral notice was forwarded to the District from McKinleyville Community Services Department (MCSD) regarding the Little River Trail Project. CalTrans is currently planning a project called the Little River Project. The Project plans to connect Scenic Drive in Trinidad across Little River on the bridge on Hwy 101 to Clam Beach. Mr. Friedenbach met with CalTrans staff upon initiation of the Project and proposed attaching a water line to the bridge/trail project, similar to MCSD's attached waterline on the Mad River 101 bridge as a future project. Mr. Friedenbach suggested submitting a comment letter with the intent to have the waterline included in the Project. The project is currently at 30% design completion so including the proposed action is possible. The Board concurred.

Transport

The topic of water transport will be discussed at the meeting with Governor Newsom's representatives on September 13.



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Instream Flow

Staff is working with GHD to incorporate changes as recommended by the District's water rights attorney. The information will be brought to the Board for review at the October meeting.

McNamara & Peepe

President Woo recused herself, citing conflict of interest, and left the room.

Royal Gold submitted a conditional use permit to the County. The County has not issued an official statement in response to our concerns and pulled the permit application from the Planning Commission meeting. Mr. Friedenbach was contacted by Steve Lazar of the Planning Department, who proposed a face-to-face meeting regarding comments. The meeting with Mr. Lazar is scheduled for September 20th. Director Fuller agreed to attend along with Mr. Friedenbach. Mr. Friedenbach is hopeful that an official response will be issued after the meeting with Mr. Lazar.

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

President Woo recused herself due to a conflict of interest and left the room. No public comment was received prior to entering the closed session. Closed session lasted from 3:15 to 3:22. The Board returned to open session and Vice-President Latt reported the Board directed staff to send a letter to the U.S. EPA requesting U.S. EPA action to address uncontrolled offsite migration of dioxin toward our public domestic use source water.

I. NEW BUSINESS

City of Arcata; Redevelopment Agency Dissolution Property Compensation Agreement

District staff previously met with David Loya and the City of Arcata staff for an introductory meeting regarding a proposed Property Compensation Agreement. Mr. Friedenbach introduced Mr. Loya who was present to discuss and answer questions regarding the compensation agreement which consists of forgoing property tax revenue related to the Happy Valley property. Before consideration of the compensation agreement that might forgo that revenue, Mr. Friedenbach suggested communicating with Municipal customers about the City of Arcata proposal before proceeding. Members of the Board expressed a desire to have Mr. Loya and his department confer more directly and clearly in future communications regarding potential impacts to HBMWD infrastructure by any proposed development within the City of Arcata.

Staff identified the District's transmission lines located within or adjacent to the Happy Valley property, off West End Road. Detailed negotiations may be required to ensure that development does not encroach into our recorded easements, similar to the District's experience with the Axel property. Mr. Friedenbach also identified a potential opportunity for the Happy Valley property. District staff had preliminary discussions with Nordic Aquafarms regarding the capabilities of our industrial water system and the need for clarifiers. If this entire property were purchased by the District, it could be the future site for clarifiers.

The Board agreed to table this discussion until further research is conducted and Mr. Loya agreed to return to speak with the Board after he had spoken with other tax entities regarding their acceptance of a similar Property Compensation Agreement.

J. REPORTS (from Staff)

1. Engineering

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



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Mr. Stevens stated that items remain on the project punch list. He continues to work closely with the Prime and Sub Contractors to resolve all outstanding issues. The District is withholding the retainage until the punch list items are complete.

Essex Onsite Sodium Hypochlorite Generation System

Currently, the District purchases bulk chlorine gas. The vision is to incorporate a safer and more readily available hypochlorite generation system. Purchasing salt instead of gas and the system converts salt to chlorine, eliminating the need to store large quantities of lethal gas. A Request For Proposal (RFP) for the project was issued and responses are due on Thursday, September 15, 2022, at noon. The RFP is just for equipment procurement.

Set date for Special Board Meeting

The Board set a special meeting for Thursday, September 22, @ 5:15 PM to discuss and possibly award a contract for the Onsite Hypochlorite Generation System.

Collector 2 Laterals Rehabilitation Project

In round one of the North Coast Resource Partnership (NCRP) Proposition 1 Integrated Regional Water Management (IRWM) Project Implementation Funding, the District requested \$600k in grant funds for the Collector 2 Lateral Rehabilitation project estimated to cost \$1.3 million. Last year the District requested RFP's for the project. Mercer Fraser was the only respondent with a project proposal of \$4.5 million. The District rejected the RFP and has been searching for additional funding.

NCRP has issued Round 2 of the Proposition 1 IRWM Project funding. Only \$8 million is available this round. We will be requesting approximately \$1 million of additional funding.

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

Mr. Stevens responded to an RFI (request for information) in April. The CalOES staff is hopeful that the environmental review process will close soon. However, she did advise that she anticipates projects will not be approved for several months, possibly towards the end of this year.

Matthews Dam Advance Assistance Seismic Stability Project

The project is also coming to a close in the review process but still seems to be months from an approval determination.

Status report re: other engineering work in progress

Nothing new to report.

2. Financial

August 2022 Financial Statement & Vendor Detail Report

Ms. Harris advised the Board that the current general account is \$3.6 million, with various investments at \$7.9 million. Funds allocated to specific projects (advanced charges) are currently \$5.6 million. General reserves are at \$1.8 million. In the August financials, the retail revenue amounts were not included due to COVID-related staffing absences but the amounts will be included next month. Ms. Harris stated that the majority of expenses are on budget.

The District is experiencing billing delays with PG&E due to the account and meter switchover from the old 12kV to the new one. Staff is still waiting to receive the revised PG&E bills for July and August. The majority of project activity is related to encumbered funds, which are projects held over due to supply chain issues.



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On a motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to accept the August 2022 Financial statement and Vendor detail in the amount of \$490,827.80.

3. Operations

Monthly report on Projects and Operations

Mr. Davidsen provided the August 2022 Operational Report. The lake level for August was 3.84 feet higher than last year. He reported two shutdowns at Ruth Hydro. A PG&E planned event, and a scheduled transformer replacement by maintenance resulted in a total production loss of 18,616 and a net production of 132,000 KWh.

On August 15, 3 Essex staff attended First aid & CPR training. The DW Reservoir inspection was completed on August 17. FERC inspection was completed on August 18. The Tesla battery bank, Collector 1 interior painting, and Line Shed 8 are some of the ongoing projects. The TRF TESLA battery bank project is complete. The main office solar project is awaiting a new roof.

Request to Surplus; three transformers and one Switchgear

Mr. Davidsen requested the Board surplus 2 Spokane transformers and 1 Westinghouse transformer, and 1 Westinghouse Interrupter Switchgear. On motion by Director Rupp, seconded by Director Lindberg; the Board voted 5-0 to surplus the items requested.

K. MANAGEMENT

Draft agenda External Affairs – Governor Newsom

Mr. Friedenbach shared the proposed draft agenda for the meeting on September 13 with Governor Newsom's Northern California Regional Coordinator of External Affairs and asked the Board for input. The Board discussed the proposed draft agenda and made suggestions regarding the topic order due to the limited amount of time for the meeting. Staff offered to elaborate on some of the topics to provide more detail to the Governor's staff.

CLOSED SESSION-PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Executive Assistant and Board Secretary (pursuant to Section 54957(b)(1). Open Session report

The Board went into closed session at approximately 2:10 pm. No public comment was received prior to the closed session. They returned to the open session at approximately 2:45 PM and Legal Counsel Ryan Plotz stated no reportable action was taken.

ACWA – Accepting Legislative proposals

Mr. Friedenbach relayed that ACWA is accepting legislative proposals until September 30th. No suggestions were offered by the Directors.

Joint Board meeting at Ruth

Mr. Friedenbach shared the draft revised agenda for the joint board meeting with Ruth Lake CSD. The Directors concurred with the revised agenda.

Resolution No. 2022-09 Water Professionals Appreciation Week

Staff noted two changes to the Resolution, one to add an employee and one to adjust the population served by the District. Director Rupp read Resolution 2022-09 Acknowledging and Supporting the 6th Annual California Water Professionals Appreciation Week.

The Board expressed appreciation and gratitude for our essential workers. The Resolution was adopted by the Board by a 4-0 roll call vote. Director Latt had to leave early and was absent.



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Ponnay Lease Lot 43, Location Survey

Mr. Friedenbach discussed the survey options for Anthony Ponnay's Lease Lot 43 at Ruth Lake. Mr. Friedenbach noted that original lease lot surveys did not include formal legal descriptions for points of reference. It appears that the septic tank and associated leach field as well as the driveway to the lease lot is outside of the lease lot 43 footprint. Mr. Ponnay would like to establish a new footprint to the east in cooperation with the District and is open to talking about options.

Mr. Friedenbach outlined three options for the Board to consider. After a brief discussion, the Board preferred Option 2 which included moving the lease lot footprint location in an easterly direction which would be surveyed and lot corners would be marked with iron rods. Acknowledgment from Ponnay that any future improvements must remain within surveyed lease lot footprint is also required. As an exception, Mr. Friedenbach recommended the District enter into an agreement allowing the location and use of the existing septic tank and associated leach field with the Ponnay's.

On a motion by Director Fuller, Seconded by Director Lindberg, the Board voted 4-0 to approve Option 2 as noted in the staff report. Director Latt was absent.

L. DIRECTOR REPORTS & DISCUSSION

General - comments or reports from Directors

FOP (Friends of the Pleistocene) expressed their appreciation for the use of Park 1. Director Lindberg attended this function and reports that Jennifer Curtis, a geomorphologist with the USGS California Water Science Center, was a presenter. She spoke on a summary of her paper on Watershed Processes As Amplifiers of Climate Change and the Impact on The Future of Fine Sediment Delivery in the Humboldt Bay Eel River Region. She predicts the persistence of large variability, inter-annual precipitation, and an increase in peak flows from her climatic modeling. Predictions indicate we can expect more significant storms and more extreme dry and wet years based on this model. The study includes Mid-Century and End-of-Century projections. Mid-Century projections indicate a 9% increase in stream flow in the Eel, a 26% increase in the peak flow days, and a 53% increase in suspended sediment. End-of-Century projections indicate a 17% increase in stream flow in the Eel, a 37% increase in peak flow days, and a 99% increase in suspended sediment. Director Lindberg encourages forward-thinking about these aspects because these numbers are a good indication of what could occur in the Mad River basin. Mr. Davidsen mentioned how clean the park was upon FOP departure and how no issues were reported by District staff during the event.

Director Rupp reported that he sits on the Foundation Formation Committee for ACWA. That purpose is to set up a foundation for diversity, equity, and inclusiveness. As part of that, he attended several presentations by other Water Districts regarding promoting diversity in their workforce and it prompted him to think that we should ensure that our DISTRICT Policy manual includes encouraging diversity in the workplace THROUGH SPECIFIC AFFIRMATIVE ACTIONS. Staff will BRING THIS ISSUE BACK TO THE BOARD FOR DISCUSSION AND DECISION. review their policy regarding diversity and update as necessary.

Director Fuller shared river condition information for the Mad River. She was absent from the August meeting because she was conducting Summer Steelhead surveys from Swinging Bridge, 5 miles down to the Green Diamond property. the survey results show the lowest number of Summer Steelhead recorded. The results may be partly connected to climate instability that has been occurring recently. She speculated that perhaps the late rains allowed the fish to get into places they aren't usually and prevented them from being surveyed. She also thought that late rains might have had a positive influence on the local algae in the lower river.



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M. ACWA

Director report out

Director Rupp attended the finance committee meeting with a discussion focusing on this year's budget and projections about next year's budget. The Committee recommended a 6% salary increase for the staff, given the inflation rate. In comparison to what the District is doing, it seems reasonable. However, it will result in an increase of about 4% in dues. If the District stays within the typical \$6-7 million range, we can expect that our O&M portion of the dues should not increase.

Director Rupp reported out on the Region 1 Board meeting. He attended a presentation by the Outreach Chairman concerning the use of social media to communicate to the community about current issues at our water district events. He encouraged expanding our social media presence to connect to our community.

A potential Region 1 Issues Collaboration Forum is being discussed. There are plans to initiate a trial of interest in sharing experiences and information. The Forum may expand to Operations and Maintenance and other areas in the future. Mr. Friedenbach suggested a facilitator to keep the momentum rolling in a positive direction of engagement.

2022 Member Satisfaction Survey

Director Rupp discussed the Membership Committee Survey. Overall, members view their membership in ACWA as providing good value.

N. ACWA – JPIA

Director report out, if any

Director Rupp is attending a meeting on September 28 & 29. The election of new officers is expected to be a prime discussion point, including a Chair & Vice-chair.

O. ORGANIZATIONS ON WHICH HBMWD

RCEA

President Woo reported continued uncertainty in energy prices, yet RCEA is soldiering on and replenishing reserves. President Woo also mentioned that extended consideration was given to contracts and agreements that were listed under the consent on the agenda, she wanted to ensure that counsel reviewed the information presented. The Board expressed recognition regarding President Woo's time spent in service on the RCEA Board. She mentioned Frank Wilson of Rio Dell has also served diligently with her.

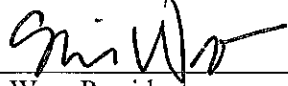
RREDC

No comment. Director Latt was absent for this portion.

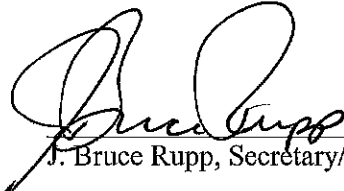
ADJOURNMENT

The meeting adjourned at 3:46 pm.

Attest:



Sheri Woo, President



J. Bruce Rupp, Secretary/Treasure