



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
December 8th, 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.

1. ROLL CALL

President Woo called the meeting to order at 9:03 AM. Director Rupp conducted the roll call. Directors Fuller, Lindberg, Rupp, and Woo were present. Director Latt was absent. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, and Board Secretary Angela Smart were present. District Engineer, Nathan Stevens was present for a portion of the meeting.

2. FLAG SALUTE

President Woo led the flag salute.

3. OATH OF OFFICE

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

4. ACCEPT AGENDA

10.1 was continued until the January Board Meeting.

10.4 was deleted from the December Agenda.

The agenda was accepted with these edits on motion by Director Lindberg, seconded by Director Rupp with a Board vote of 4-0.

5. MINUTES

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-0 to approve the November 10th, 2022, Regular Meeting Minutes with the edits requested.

6. PUBLIC COMMENT

No comment was received.

7. CONSENT AGENDA

The Board approved the Consent Agenda on motion by Director Rupp, seconded by Director Lindberg, and voted 4-0 in approval.

8. CORRESPONDENCE

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

GM Friedenbach received a reply from Alan Olson (US Forest Service) regarding the District’s objection letter related to the USFS Mad River August Complex Restoration Project. In the reply, Mr. Olson stated that he had convened a team to review the objections received. He stated that “While there is some nexus between the project’s stated purpose of ‘increasing protection for watersheds’ and the objector’s concerns, fire-related impacts to Ruth Lake are not part of the project’s stated purpose”. He declared the administrative review was concluded with a decision of “no further action”.

8.2 Letter from DWR RE: UWMP requirements met

The District received a letter confirming the Department of Water Resources (DWR) reviewed the 2020 Urban Water Development Management Plan (UWMP) and all requirements have been addressed.



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c. *HBMWD letter to DTSC RE: groundwater report*

GM Friedenbach presented a draft letter to Nicole Yuen at DTSC regarding the test results of the October Groundwater Monitoring report. Discussed were the results contained in the table of the Groundwater Monitoring report showing inconsistencies between the results of both August '22 and February '21 testing. Also discussed was a suggestion for the placement of monitoring wells to delineate the extent of contamination and migration off-site. Ultimately culminating in the closing statement: "With dioxins detected in surface water flowing into Hall Creek and Mad River, identifying the full extent of contamination off-site is critical.

9.3 *CALFIRE Fire Fuels Reduction & Defensible Space Project*

The District published the RFP for the project on October 14th and received five responses from companies qualified to perform the project. Although there were less expensive bids on individual phases, the bid received from Greentek Services for the overall cost of the project was 20% lower than the other bids. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve contracting Greentek Services to complete the Fire Fuels Reduction & Defensible Space Project and directed staff to complete the necessary documents to implement the project.

10. NEW BUSINESS

10.1 *CLOSED SESSION- this will be the last item on the agenda -continued to January meeting*

As noted above, this item was removed from the agenda and continued to the January 2023 Board Meeting.

10.2 *Employee Handbook Revision – Holiday Worked Pay*

Operations staff requested that the "Holiday Worked Pay" be applicable on the actual calendar day instead of the currently observed preceding Friday or following Monday. Staff recommended the board approve this policy change.

On motion by Director Lindberg, seconded by Director Fuller, the Board approved the adoption of the revised Employee Handbook 4001.2 Holiday Policy by a vote of 4-0.

10.3 *Resolution 2022-10 Recognizing and Honoring Bill Wardrip*

William (Bill) Wardrip is retiring from the District after 20 years and 4 months of distinguished service. Director Rupp read the resolution. On motion of Director Rupp, seconded by Director Lindberg, Resolution 2022-10 recognizing his service was adopted by the Board, by a vote of 4-0.

11. REPORTS (from Staff)

11.1 *Legal*

a. *Waiver of Conflicts of Interest*

GM Friedenbach received correspondence from the law firm Downey Brand requesting the District sign a waiver of Conflict of Interest. The firm also represents the County of Humboldt and is concerned about potential conflicts regarding the Samoa peninsula pipeline maintenance project.

California law prohibits simultaneous representation of clients in adverse action, even if the representation is not related. Downey Brand listed theoretical issues that may arise:

- A) Duty of Loyalty
- B) Client Communication and the Duty of Confidentiality
- C) Other Foreseeable and Adverse Consequences.

They have also outlined the typical procedure when faced with similar situations of constructing an ethical wall, which will ensure that teams for either party will not communicate regarding the representations.

On motion of Director Fuller, seconded by Director Lindberg, staff was directed to sign the waiver of Conflicts of Interest by a Board vote of 4-0.



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f. Status report re: other engineering work in progress

GM Friedenbach informed the Board that the NCRP Prop 1 round #2 funding was applied for and received in the amount of \$712,500, out of the \$950k requested. The District's application stated that the project was scalable to facilitate funding to other NCRP applicants.

This funding will allow the District to put the Collector 2 rehabilitation project out for bid in December. The District originally applied for NCRP Prop 1 round #1 funding and received \$600k.

11.3 Financial

a. November 2022 Financial Statement & Vendor Detail Report

Ms. Harris advised the Board that the current general account is \$3.8 million, with various investments at \$7.9 million. Funds allocated to specific projects (advanced charges) are currently \$5.7 million. General reserves are at \$2 million.

On a motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-0 to accept the November 2022 Financial statement and Vendor detail in the amount of \$713,758.29.

b. Caselle Accounts Receivable Module

In December 2017 the Board approved an upgrade of the District's financial software. Based on the success of the transition to Caselle Software and due to upcoming employee retirement, staff is asking for the addition of the Accounts Receivable module to the Caselle Software Suite. Staff has negotiated a one-time cost of \$5,000 for acquisition, set-up, installation, and training.

The Board approved the purchase of the Caselle module on motion by Director Rupp, seconded by Director Fuller, and voted 4-0.

11.4 Operations

a. Monthly report on projects and operations

Mr. Davidsen provided the November 2022 Operational Report. Ruth Hydro produced 148,400 KWh in November. Ruth Lake recorded 4.07" in rain for November. The lake level was 2640.88 feet on November 30th. The lake discharge averaged 16 cfs, with a high of 44 cfs on November 11th. The river at Winzler Control Center had an average flow of 126 cfs with a high of 336 cfs on November 9th.

November 8th Essex conducted the FERC-required Annual EAP Call Down drill. Local agencies, district personnel, and consultants all participated and all went well.

b. Surplus equipment request - 2006 Ford F-550 single cab and AT37G Manlift

The District replaced Unit 4 in the FY 22-23 budget due to emissions compliance. Mr. Davidsen requested to surplus Unit 4, a 2006 Ford F-550 single cab with a utility bed and Altec AT37G manlift.

On motion by Director Lindberg, seconded by Director Fuller, the Board voted 4-0 to approve the surplus of this vehicle.

12. MANAGEMENT

a. ACWA Fall Conference

GM Friedenbach included the agenda for both the ACWA JPIA Fall Conference. JPIA was Monday-Tuesday and ACWA was Tuesday-Thursday. Monday was administrative with Committee & Board of Directors meetings.



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13.2 ACWA

Director Rupp reported out about his participation in the ACWA conference. The Board also got an opportunity to view the new promotion of outreach Taskforce promoting the importance of infrastructure by the name of Quench, those videos are available on the ACWA website and a selection was played for the Board on the projector screen.

13.3 ACWA – JPIA

ACWA-JPIA Fall Conference - report out

Director Rupp spoke about the property insurance sub-committee meeting he attended He spoke about insurance being a hard market, expensive, and incredibly active year with disasters. That paired with the stock market underperforming leads to a struggle in the insurance industry.

Director Rupp said that it's probable that we will see up to a 20% rate increase in property insurance premiums happen soon.

Workers' compensation is likely to stay the same, but it may affect employee benefit costs as utilization rates are starting to go up again.

JPIA President's Special Recognition Award Certificate

Every year ACWA JPIA presents an award to districts that stay below 20% in losses annually. The District has, in the past, won all three in Liability, Property, and Workers' Compensation programs. This past year the District received recognition for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums" in the Liability Program for the period 10/01/2018 – 09/30/2021.

JPIA Executive Committee Meeting Agenda 11-14-22

Director Rupp spoke briefly about the changes in leadership since Jerry Gladbach passed in July. Melanie McDonald is the new president and David Drake is the new vice president. CEO Andy Sells will be retiring at the end of 2023.

13.4 Organizations on which HBMWD Serves

RCEA Board of Directors Draft Meeting Agenda 11-17-22

Director Fuller attended the Board Meeting in President Woo's place. Director Fuller reported that the meeting was relatively short. Fuller mentioned that the focus of the meeting was their improved financial outlook compared with recent concerns.

President Woo read an email she received from ED Marshall advising of the results of the bidding auction for BOEM offshore wind project, which netted over \$750 million in high bids in two days and was won by five companies. Two of the five are: RWE, a German-based international energy company, and California North Floating LLC, a Denmark-based company. ED Marshall expressed sadness that RCEA would no longer be working with Aker/Redwood Coast Offshore Wind, LLC, as they were the sixth bidder.

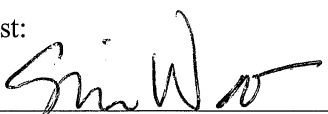
RREDC Special Meeting of 11-28-22 Cancellation

The meeting was canceled.

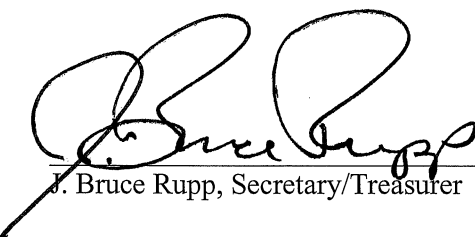
ADJOURNMENT

The meeting adjourned at 2:41

Attest:



Sheri Woo, President



J. Bruce Rupp, Secretary/Treasurer