

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
October 08, 2020

1. 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, Business Manager Chris Harris, Tech Manager Dee Dee Simpson-Glenn and Board Secretary Sherrie Sobol were also present. Legal Counsel Ryan Plotz and Anne Baptiste and District Engineer Nathan Stevens were present for a portion of the meeting.

2. FLAG SALUTE

President Woo led the flag salute.

3. ACCEPT AGENDA

Mr. Friedenbach stated staff would like to pull Item 8.1a the Mainline Extension Agreement. Also, staff would like to add an Agenda Item 9.3 Emergency Watershed Protection Program -discuss and possibly approve. Yesterday after a conference call with staff from the Natural Resource Conservation Service, Mr. Friedenbach became aware of potential funding opportunity from their Emergency Watershed Protection Program. This is time sensitive and must be acted on immediately if the District is to pursue funding. On motion by Director Rupp, seconded by Director Lindberg the Board voted 5-0 by roll call vote to add the agenda item as it meets the required criteria for adding an item to the agenda. On motion by Director Latt, seconded by Director Fuller, the Board voted 5-0 by roll call vote to accept the agenda as modified with the deletion of Item 8.1a and the addition of Item 9.3.

4. MINUTES

On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the minutes of the September 10, 2020 Board meeting and Special Board meeting of September 16, 2020.

5. PUBLIC COMMENT

No public comment was received.

6. CONSENT AGENDA

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

Director Lindberg expressed a big debt of gratitude to the firefighters at Ruth and the August Complex.

7. CORRESPONDENCE

7.1 US Department of Interior

Mr. Friedenbach stated the District received a letter from the US Department of the Interior regarding a proposed designation of the Lanphere and Ma-le'l Dunes as a National Natural Landmark (NNL). He submitted a public comment letter stating that the District is generally supportive of the NNL designation. The letter also pointed out the District has recorded easements across the proposed NNL and will need to use the easements to continue to perform recurring maintenance at some point in the future, conduct ground disturbing activities with heavy equipment to replace the aging infrastructure. The District will not relinquish any legal rights contained within the recorded easements or other previously reached agreements with the Bureau of Land Management. Mr. Friedenbach has since learned the public hearing to discuss this matter was cancelled, largely due to our letter. It is expected to be on the agenda again in December. He will again, express support while reiterating our rights. The Board discussed Resolution 64 that provided protection of fish resources in exchange for a grant of right-of-way from the Bureau of Land Management. It is from this document that the District's minimum flows are derived. Director Fuller thanked staff for the documents provided as she learned a lot.

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7.2 DWR IRWM Grant Post Performance Report

Mr. Friedenbach shared the third and final Post Performance Monitoring Report for the Collector 1 and 1A Lateral Replacement project and stated the laterals are performing well. The purpose of sharing this is to show that the District is in compliance with grant requirements.

7.3 Department of Parks and Recreation Quagga Grant 2019/20

The District applied for a Quagga and Zebra Mussel Infestation Prevention Grant from the Department of Parks and Recreation and was awarded the grant in May for \$24,000. \$3,700 is for Prevention Plan supplies purchased by Ruth Lake CSD, \$20,000 is for boulders to prevent unlawful access to the lake and \$300 is for administrative costs. A new resolution with the amount of funding awarded is required in order to receive the grant. Staff recommends approval of Resolution 2020-09: Quagga/Zebra Mussel Infestation Prevention Grant Program Application and Funding Agreement 2019/20. Director Lindberg suggested a wording change to Item 1 under Now Therefore Be It Resolved to clarify what is occurring. On motion by Director Lindberg, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the resolution as modified.

7.4 Division of Safety of Dams Critical Appurtenant Structure (CAS Failure) Inundation Modeling

Mr. Friedenbach stated the CAS Spillway failure only inundation maps were submitted the Division of Safety of Dams as required. As previously noted, there is now a third set of maps, which will likely complicate things, especially since if the spillway fails, the dam will most likely fail. Director Rupp asked if the CAS maps need to be included in the Emergency Action Plan (EAP) since they are a source of confusion if the dam fails. Mr. Friedenbach stated it is required that the CAS maps be included in the EAP and he agreed it will likely cause confusion. In the unlikely event of a dam failure, phone calls are made and District staff will indicate which maps to use given the situation.

8. CONTINUING BUSINESS

8.1 Water Resource Planning

Local Sales

Mr. Friedenbach stated a meeting with Nordic is planned for next week. He will report out at the November Board Meeting.

In regards to the Trinidad Rancheria, Item 8.1a: Mainline Extension Agreement was pulled from the agenda. District Counsel suggested a Memorandum of Understanding (MOU) would be the appropriate next step. He stated studying the feasibility of a mainline extension is appropriate with an MOU. If the project is deemed feasible, then a mainline agreement can be considered. The MOU would state that the feasibility studies would be paid for by funds deposited by the Rancheria for that purpose, without implication for whether a pipeline buildout would or would not actually occur in the future. The Mainline Agreement as currently drafted states we are doing the pipeline to Trinidad Rancheria. Mr. Friedenbach stated a draft MOU will be shared at the November meeting.

Transport

There is no update on the transport option.

Instream Flow

Mr. Friedenbach stated the committee and consultants met to discuss amending the Habitat Conservation Plan. A meeting is also scheduled with the State Water Resources Control Board to discuss the dedication of instream flow. Director Fuller stated it was a good meeting, they are on common ground and have lots of work ahead. President Woo concurred and stated the consultants feel they still have enough money from the grant to continue. This is positive news.

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

President Woo recused herself due to a perceived conflict and was sent to the waiting room. Vice-President Latt took over the meeting and the remainder of the Board entered into closed session at 1:01 pm. At 1:50 pm the Board reconvened to open session. Vice-President Latt reported out that no action was taken. Going forward, McNamara and Peepe/DTSC land discussions will be in open session with the exception of potential litigation.

9. NEW BUSINESS

9.1 Disaster Declaration at Ruth Lake -Resolution 2020-08

Mr. Friedenbach shared a “red-lined” version of the Resolution declaring an emergency at Ruth Lake due to the devastating wildfires. The District’s Headquarters buildings water supply system is a total loss, extensive revegetation will need to occur and there is concern regarding the potential of chemicals entering the lake via rain runoff from burn debris. He reviewed the suggested red-lined changes. Director Latt expressed clearly that he does not want District funds used to clean up any private lots. This is a strong concern of his and stated again, he does not want to assist private owners with any District funds. Legal Counsel Plotz stated the Public Contracts Code requires Board oversight. The Board has an obligation to ratify any actions taken.

On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to approve Resolution 2020-08. Director Rupp stated passing the Resolution has the potential to reduce District costs. Mr. Plotz stated that’s a good comment. The Resolution also allows for federal and state funding opportunities. Director Rupp stated it’s heartbreaking how much damage has occurred to both public and private property and the forest. His heart goes out those who have lost property. The Board echoed the sentiment. A member of the public inquired what is the obligation of a leaseholder to remove dead trees and what is the timeline. Mr. Plotz stated this a topic not on the agenda, and he should call the District to arrange a time for discussion as the response may vary on a case by case basis. Director Latt replied that the term case by case could be misleading. It implies the District does not have a uniform policy when there are specific obligations noted in the lease. He does not want the public to think the District is showing favoritism regarding clean up on a case by case basis. Mr. Plotz clarified that his point of case by case basis was there may be cases where it is in the District or Public’s best interest for the District to step in. At this point, it is unknown.

9.2 Reforestation & Debris Removal on District Property at Ruth Lake

The District owns roughly 3,000 acres of land around Ruth Lake. The original plan was to raise the dam height in order to serve the projected population growth of Humboldt County. The population growth did not occur and the District retained the land intended for reservoir expansion. This is why the District has a large amount of property at Ruth Lake. The August Complex Fire is still ongoing and many structures and trees are burned. Staff is concerned regarding possible contaminated run-off getting into Ruth Lake. Mr. Friedenbach stated staff is requesting \$100,000 in funding for debris removal and containment. Staff is also requesting additional \$100,000 for revegetation of District owned property around Ruth Lake to help lessen erosion to the lake. Staff will continue to pursue all disaster recovery reimbursement and funding options through state and federal programs to obtain as much reimbursement for expenditure of District funds as possible. Director Latt reiterated he does not want any gifting of public funds to occur. Director Rupp stated he agrees with Director Latt, but noted there may be situations where it is in the best interest of the District or public as noted previously by Legal Counsel Plotz to expend District funds for this purpose. Director Fuller concurred and stated it is imperative the District move quickly to prevent erosion and contamination. A member of the public stated he is anxious to clean his lease site and needs the District to provide guidance. He also

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inquired if structures that were not above the twenty-five-foot line will be grandfathered in again (Note: actual set back is elevation not less than 2,675 ft.).

Mr. Friedenbach stated the District will follow guidelines from CalOES and Trinity County OES for debris removal. In regards to grandfathering in previous structures, that is a policy decision the Board will need to make at a later date. Director Latt stated he appreciates lease holders attending the meeting and looking for guidance. He also added that any improvements to lease sites are the responsibility of the lease holder. Also, the District did not introduce any hazardous waste to the lease sites, therefore, it is the responsibility of the lease holder to remove any such debris.

On motion by Director Latt, seconded by Director Rupp, the Board voted 4-0 by roll call vote to approve the additional funding requests totaling \$200,000. Director Lindberg abstained since he was having computer technical difficulties and did not hear much of the discussion.

9.3 Emergency Watershed Protection Program -Natural Resources Conservation Services (NRCS)

Mr. Friedenbach stated this is the item that was added this morning that requires immediate action. Yesterday, he and Ms. Ryan participated in a phone call with staff members of Natural Resources Conservation Service. One program available through NRCS is the Emergency Watershed Protection Program (EWP). The program is designed to help reduce imminent hazards to life and property. The EWP can pay up to 75 percent of the cost of emergency measures. Typical work includes removing debris from stream channels, culverts and bridge abutments; reshaping and protecting eroding banks; correcting damaged drainage facilities; or reseeding a damaged area. All projects undertaken through the EWP are done in conjunction with a sponsor, such as the District. Mr. Friedenbach added he just received the sponsor template at 7pm last night. He shared the proposed letter to NRCS requesting assistance under the EWP as a sponsor. Director Lindberg stated this is a good opportunity and the District should move quickly. Director Fuller concurred it sounds like a good fit for our needs. Mr. Friedenbach noted the District would pay costs up front and then get reimbursed less the District's portion of the required 25 percent match.

On motion by Director Lindberg, seconded by Director Fuller, the Board voted 5-0 by roll call vote to be a sponsor and to submit the request to participate in the EWP. Director Rupp suggested President Woo send a letter to the USFS requesting they begin the revegetation process quickly.

10. REPORTS (from Staff)

10.1 Engineering

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

Mr. Stevens reported the retaining wall is done and the contractors are working on backfilling, then will winterize the site. Work will be completed after the rainy season. He should have a new schedule by the end of the week and will use that to request a grant extension, especially since PG&E has not yet approved the 12 kV switchgear.

GHD contract

Mr. Friedenbach stated as the Board is aware, Mr. Stevens has been providing monthly updates on projects. Due primarily to the Covid-19 pandemic and its effect on the business operations of many participants in the 12kV project, the construction period is continuing to extend well beyond the original three-month period anticipated in the grant application. It is now anticipated the project should be completed by the end of summer 2021 barring any unanticipated delays. GHD has provided a proposed contract amendment in the amount of \$151,000 after providing a credit write-off of \$21,000 for services already performed. Staff has reviewed and discussed the request in detail with GHD staff and principals and conclude the amendment is reasonable. This project is

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the heart and soul of our pumping operations at Essex and is very complex. Staff will request additional grant funding to cover the additional costs. Staff recommends approval of the contract amendment with GHD in the amount of \$151,000.

Director Rupp stated over all the years in dealing with Winzler & Kelly, now GHD, this is the first time he feels the District was not well served by our engineers. After reviewing the memorandum from GHD he questioned whether or not GHD is capable of dealing with PG&E and has the capacity to design the project. Mr. Stevens stated he hears the concerns and confirmed that GHD does have the ability to design the project and feels a good design was put forth with input from the District. The project design allows for future capital projects and will last a long time. He acknowledged that some of the items were not initially included in the design and as a result, are not charging for the \$21,000 effort put forth to include them. In regards to coordinating with PG&E, GHD brought in their electrical professional. Colburn Electric is the subcontractor and they are qualified to do the job. He is confident in the ability of Colburn Electric. After additional discussion, Mr. Stevens added he appreciates hearing the feedback and will learn from it and takes ownership for not including future items in the original plan. Directors Rupp and Latt stated they appreciate Mr. Stevens transparency, integrity and candor. Director Latt added he still has an issue with the amount of increase requested. Director Fuller stated the discussion was very helpful. President Woo stated the contract showed an assumption of three months to complete, and the project has now gone on for nine months. She appreciates the relationship the District has with GHD. Director Rupp added that Winzler & Kelly/GHD has brought millions of dollars to the District via grants.

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-1 by roll call vote to approve the contract amendment in the amount of \$151,000. Director Latt voted no.

Mr. Stevens stated he appreciates the discussion. He is not in the business of trying to get additional money when it's not needed. He is a community member and does not want to see his water rates increase due to excess costs. He has the best interests of the District in mind.

- b) Collector Mainline Redundancy Hazard Mitigation Grant (\$790,570 District Match)
Mr. Stevens stated he anticipates Phase I funding should be available this fall.
- c) Reservoir Structural Retrofit Hazard Mitigation Grant (\$914,250 District Match)
Mr. Stevens shared that they are getting ready to move forward on a preliminary design.
- d) TRF Generator Hazard Mitigation Grant (\$460,431 District Match)
Mr. Stevens stated he previously reported the project was moved off the waitlist. He has since learned there was a miscommunication and the project remains on the waitlist for funding.
- e) Appeal of FEMA Funding Denial for Collector 4 Emergency Restoration Work
Mr. Friedenbach stated he reached out to Ms. Hicks of FEMA and has not received a response yet. He also contacted another person at FEMA regarding the appeal and again no response. He will follow up again.
- f) R.W. Matthews Dam Spillway Retrofit Scoping Project BRIC Grant
Mr. Friedenbach stated FEMA introduced a new grant program this past summer called BRIC (Building Resilient Infrastructure and Communities). This basically replaced the Pre-Disaster Mitigation Program (PDM). With the introduction of the BRIC program this summer, and the requests from both FEMA and DSOD for the completion of several of the engineering

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investigative analysis, staff directed GHD to "re-package" our previous PDM NOI into a BRIC NOI. Several of the items included in the PDM NOI were excluded from the BRIC NOI. The BRIC NOI total project amount is \$3,704,640 with a District match of \$926,160. Mr. Friedenbach reviewed the proposed projects included. The District's BRIC NOI has been approved. Therefore, we have been invited to submit a grant application. As discussed, both FERC and DSOD are now requesting that the District perform seismic and spillway failure analyses. Consequently, staff strongly recommends that the Board authorize submission of a grant application under the BRIC program. If successful, this grant funding will pay for 75% of the costs of these analyses. Although the District will have a significant 25% match requirement, staff proposes to fund the match as follows: 1/3 from REMAT Reserves; 1/3 from General Reserves; and 1/3 from our rates/project budget. The grant application is due December 18, 2020. It usually takes 6 to 12 months for an application to be approved. Therefore, if approved, we would begin our match funding during our FY21/22 fiscal year. Staff requests the Board authorize submission of a grant application in the amount of \$3,704,640 with a District match of \$926,160 under the Federal BRIC program to fund various R.W. Matthews Dam related engineering and technical studies.

After a brief discussion, on motion by Director Lindberg, seconded by Director Rupp, the Board voted 5-0 by roll call vote to authorize staff to submit a BRIC grant application in the amount of \$3,704,640.

- g) Status report re: other engineering work in progress
Nothing to report.

10.2 Financial

Financial Report

Ms. Harris provided the September 2020 financial report. She noted the bank balance appears high, however, just over one million has been moved to an interest-bearing account. Also, encumbered funds make up a large portion of the account balance. She highlighted other areas of the report and inquired if there were any questions. No questions were received. Director Rupp reviewed the bills and stated there were no discrepancies. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve the September 2020 financial statement and vendor expense detail in the amount of \$239,992.67.

Interest Apportionment March 2020

Ms. Harris shared the County Interest Apportionment Rate report for balances January – March 2020. The report is way behind schedule and per the letter it is because "this office can only apportion interest once the Auditor's office closes the books each quarter; hence the delay." It is because of this delay the District can't move it funds, as there is not an accurate accounting at this time.

10.3 Operations

Mr. Davidsen provided the September Operational Report. On September 6 the fires at Ruth began spreading rapidly. The next day the hydro plant was shut down for two days for a planned PSPS event. The Ruth Hydro Operator evacuated headquarters due to the fire on the 8th and began staying at the Hydro Plant. On September 28 the fires flared up again and all of Ruth was evacuated and the Hydro Plant was evacuated and shut down since the electrical lines were burnt. Training included first aid/CPR, and a 10- hour OSHA safety training. Safety meeting topics included PPE and blood borne pathogens. Scott Gilbreath, the district engineer with the State Water Quality Control Board, Division of Drinking Water called to see how the District was doing with the fires. The call was

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very much appreciated.

In regards to the fire, he stated his crew are currently placing wattle insulation at burned out lease lots where contaminants could flow into the lake. Twenty five percent of the watershed is above the lake and most of all if is affected by the fires. He shared several photos of fire damage to headquarters and the lease lots. Mr. Davidsen said he has been communicating with Mr. Gilbreath about water quality concerns. Mr. Gilbreath is not overly concerned regarding VOC's (volatile organic compounds) in water as these should dissipate by the time the water reaches our diversion point at Essex. Aeration eliminates the majority of VOC's and the District's water travels seventy-five miles from Ruth to Essex and then is drawn up through aquifers. Mr. Davidsen stated he will still continue extra testing to be diligent.

President Woo stated she appreciates all that Mr. Davidsen and his staff do. They go above and beyond as always, no matter the situation. She asked Mr. Davidsen to please convey the Board's appreciation to all his staff. Director Latt concurred and requested Mr. Davidsen let them know they are heroes.

11. MANAGEMENT

Ruth Fire

Mr. Friedenbach stated he included this item here in case any additional discussion regarding the fire was needed. Ms. Canale, Ruth Lake CSD General Manager stated she is still evacuated as are four of their five board members. Both their September and October board meetings had to be cancelled. The Barlow campground saw a lot of damage but the Marina and Ruth Rec campgrounds did fairly well. Director Rupp commented he hoped their Board of Directors homes survived. Mr. Davidsen stated he believes one of the reasons headquarters was saved because the structure was wetted down and the sprinklers were left on when Mr. Raschein evacuated. He believes this is a major factor why the District structures survived those around did not. Mr. Canale stated he too believes his home was saved because the structure and surrounding grounds were wetted down and his family assisted with fire suppression around his home.

12. DIRECTOR REPORTS & DISCUSSION

12.1 General -comments or reports from Directors

Director Fuller stated that the biologist for the Blue Lake Rancheria found a large amount of New Zealand Mud Snails in the Mad River. This is very concerning.

President Woo was an Equity Alliance Panel at Humboldt Area Foundation. It was a good event, she learned a lot and represented the District.

Director Latt stated he believes it is not appropriate for staff to forward comments from members of the public to directors between meetings of the District Board. Staff should direct members of the public to the District website containing individual director email addresses so that members of the public can do so themselves, as always. That way we avoid the appearance of the District showing favoritism to certain public comments.

12.2 ACWA

Director Rupp stated the Fall Conference will be virtual this year December 2-3.

12.3 ACWA – JPIA

Open Enrollment

Mr. Friedenbach stated Open Enrollment is coming up. Although the Directors don't have medical through the District, they do have dental and vision. If they have any changes needed, now is the time to start thinking about it. Information is available on the District intranet.

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Director Rupp stated the JPIA portion of the Fall Conference will be on November 30. He reported out on the Employee Benefits meeting. There will be no increase to dental and vision premiums. For those on a PPO health plan, there will be no premium increase. For those on the HMO plan, they will see a six percent increase in premiums. Those enrolled in the HSA program can now contribute an additional \$1,000 if the employee is over 55.

12.4 **Organizations on which HBMWD Serves: RCEA, RREDC**

RCEA

President Woo reported RCEA met in September. The agenda is available for reference. She stated things are going well at RCEA. The community advisory committee's most recent members are two young adults. She is happy to see younger adults interested as they may become future board members and be more involved.

RREDC

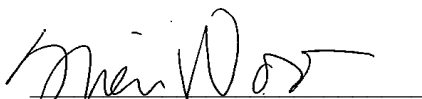
Director Latt reported out on his attendance at the RREDC meeting. Gregg Foster mentioned that emergency business loans are available through RREDC and he shared that flights to Denver have resumed service on Saturday and Sunday, one departure per day. Director Rupp added that Mr. Foster has done a great job supporting the airport. Director Latt concurred.

Connie Stewart, Executive Director of Initiatives at Humboldt State University was the guest speaker and she provided a broadband update. She shared that T-Mobile was close to deploying 5G at the Humboldt County Fairgrounds in Ferndale. The Trans Pacific line will be deployed with the terminus in Arcata. Humboldt State University and College of the Redwoods are positioning themselves to make the most of the connectivity. Her takeaway was that regional bandwidth will be increasing substantially in Humboldt County in the near future. As a result, the County may see more people relocating here to work and live since they will be able to work remotely with the increased bandwidth. With the potential increase in population, housing should be looked at. Director Rupp stated that from a housing perspective there is about a month and a half of inventory available which is low.

ADJOURNMENT

The meeting adjourned at 3:23 pm.

Attest:



Sheri Woo, President



J. Bruce Rupp, Secretary/Treasurer