

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
November 12, 2020

1. 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, Tech Manager Dee Dee Simpson-Glenn and Board Secretary Sherrie Sobol were also present. Regulatory Analyst Samantha Ryan, 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 shared with the Board that he would like to make an addition to the agenda. He just became aware of the item earlier early this week after the agenda was published. Supervisor Bohn suggested the District request a letter of support from the Humboldt County Board of Supervisors for the August Complex Wildfire recovery efforts including FEMA Grant Funding request. The letter must be submitted to the Board of Supervisors by close of business today, thus the urgency and allowance under the Brown Act. The full Board concurred to add the item to the agenda. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to accept the agenda as amended.

4. PUBLIC COMMENT

No public comment was received.

5. MINUTES

Minutes of October 8, 2020 Regular Meeting

Director Latt stated he would like to modify the wording in Section 8.1 Water Resource Planning, Local Sales. He would like the sentence stating the "The MOU would state we are obligated to look at studies regarding a mainline to Trinidad Rancheria." removed and replaced with the following wording: 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. He also suggested new wording to his comments in Section 12.1. Director Rupp stated he was opposed to this second change as he believes the original minutes accurately reflect what happened and the revised do not. On motion by Director Latt, seconded by Director Lindberg, the Board voted 4-1 by roll call vote to approve the October 8, 2020 minutes as modified by Director Latt. Director Rupp voted no.

Minutes of October 28, 2020 Special Board Meeting

On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the minutes of the October 28, 2020 Special Board Meeting.

6. CONSENT AGENDA

President Woo pulled Item 6.2 page 1 and Director Rupp pulled Item 6.2 page 6.

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve the Consent Agenda less item 6.2.

6.2 Media articles of local/water interest

Director Rupp pulled the article titled "Norwegian company secures financing for industrial-scale salmon farm in rural Nevada". He noted the article stated they will use freshwater to farm salmon. This is clearly a different process than locally where Nordic will use salt water. Director Latt commented on the irony that the project is in Humboldt County, Nevada.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
November 12, 2020

President Woo pulled the item titled “Water Quality shouldn’t be impacted by nearby wildfires, says Water district manager”. She acknowledged and thanked staff for their efforts during the fire emergency.

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve Consent Item 6.2.

7. CORRESPONDENCE

7.1 District letter to DTSC re: McNamara & Peepe Site Remediation

President Woo recused herself from the discussion due to a perceived or potential conflict of interest. Vice-President Latt took charge of the meeting. Legal Counsel Anne Baptiste stated the September 24, 2020 letter from DTSC was ambiguous and contained some conflicting statements. The District’s letter is requesting clear information on the plan, noted the penny-pinching approach is detrimental to the site and well MW-5 needs to be included in their sampling. She highlighted the areas where the District needs clear answers and clarification. She stated the DTSC basically gave themselves plenty of wiggle room and the District is simply trying to narrow it down. Director Fuller stated it is a great letter and does a good job tracking our concerns. The Board concurred. Director Latt stated he appreciates that the letter is only three pages and zeros in on the District concerns. Director Lindberg stated it was helpful that all the letters in the series were attached. The Board discussed who should sign the letter and it was decided that Vice-President Latt would sign the letter. On motion by Director Lindberg, seconded by Director Rupp, the Board voted 4-0 by roll call vote to approve the letter with Director Latt’s signature. President Woo had recused herself.

7.2 District Letter to USFS re: Mad River Watershed at Ruth Lake

At the last Board Meeting, Director Rupp suggested staff send a letter to the US Forest Service regarding the Mad River Watershed at Ruth and the need to restore the watershed given damage from the August Complex Fire. Mr. Friedenbach shared the letter with some recommended additions focusing on timber salvage as the Forest Service has not previously conducted any forest recovery efforts from the 2015 fires in the Ruth Lake area. The headwaters are critical to the Mad River and we are prompting the forest service to action. Director Latt noted that former Director Laird was opposed to salvage logging as those trees are an important part of the ecosystem for bugs, birds, etc. and he too has concerns regarding large scale salvage logging. Director Rupp thanked Mr. Friedenbach for moving quickly on the letter. He stated he appreciated Director Latt’s comments as well. Director Fuller stated when she read the letter, she envisioned just removing the logs that were a threat to the log boom/dam. President Woo requested public comments and none were received. Mr. Friedenbach stated for him, he sees salvage logging as a safety issue. Removing dead trees before they become a threat to the log boom which could result in overtopping the dam is the priority. The concept of salvage logging also clears the way for revegetation and reforestation of the headwaters area. Director Rupp confirmed that these are dead trees that can still be marketed as timber vs leaving them to fall later and possibly do damage to structures or get into the lake and impact the log boom or dam creating a hazard. Mr. Friedenbach concurred. Director Rupp expounded on his reasons for salvage logging. Director Latt stated Director Rupp persuaded him and he agrees. It is in the best interest of the watershed to support reforestation. Director Rupp suggested a copy of the letter sent to Senator Huffman. The Board concurred on suggested changes and to copy Congressman Huffman on the letter.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
November 12, 2020

8. CONTINUING BUSINESS

8.1 Water Resource Planning

a) Local Sales

Mr. Friedenbach shared that Nordic Aquafarms hosted a virtual community public information meeting on November 10. He attended the meeting and reported out. A tsunami site specific study was completed for their project. Based on the study results, Nordic Aquafarms will be installing a back-up generator on their second floor to withstand potential waves. They have also modified the corners of their buildings to assist in damage prevention. They will begin CEQA studies with the County next month. Director Latt shared that the Times-Standard had an article stating that College of the Redwoods is starting an aquaculture program.

b) Transport

No update.

c) Instream Flow

Mr. Friedenbach stated the Instream flow committee met virtually with State Water Resources Control Board staff and presented our project narrative. President Woo reported out and stated it was a good meeting overall and they were able to show progress. She noted that the staff member who had been to Essex is leaving their current position at the Water Board, so some re-education will need to occur with their new staff. The District's Habitat Conservation Plan needs to be amended. The committee will meet with consultants Halligan and Kramer, then with National Marine Fisheries Service and Department of Fish and Wildlife. Mr. Friedenbach stated that our water rights attorney Mr. Aladjem is currently out on leave however, his colleague was a quick learner and able to provide valuable comments and input at the meeting.

8.2 Cannabis Impacts on the Mad River Watershed

Mr. Friedenbach shared the October 9, 2020 letter sent to the Board of Supervisors regarding Maple Creek Investments, LLC. The letter also notes the lack of response to our October 3, 2019 letter requesting to have the Mad River designated as a Critical Watershed as defined in the Humboldt County General Plan. Subsequent to sending our letter, John Ford from the Planning department and Supervisor Madrone conducted a "town hall" style meeting regarding the Maple Creek project. Our letter was brought up and Supervisor Madrone agreed to meet with Mr. Ford regarding the Critical Watershed designation.

Director Latt stated he forgot the Board previously flagged this. He received a call yesterday from a member of the Board of Supervisors asking if the Board authorized the October 9 letter. He responded no then went home and read the letter in the Board packet. He is absolutely opposed to the letter and is angry it was sent out. He now understands that it picks up from a previous letter. He went on to explain why he is angry. He feels the letter is misguided and is angry that it was sent without Board approval. He would like the Board to send a letter to the Board of Supervisors stating they were not consulted prior to the letter going out and he never wants to see another similar letter getting out.

Director Fuller stated the Board previously discussed and agreed on criteria for Board approval versus staff being authorized to send. In regards to cannabis, template paragraphs were reviewed and approved.

The Board discussed possible changes to the letter. Mr. Friedenbach requested clarification and asked if the new letter will express support for the project. After additional discussion, President Woo with Board concurrence directed staff to withdraw the District's objections based on water

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
November 12, 2020

usage but continue to express concern regarding cumulative impacts.

8.3 Disaster Declaration at Ruth Lake

Mr. Friedenbach provided an update. Staff requested assistance through the USDA-NRCS Emergency Watershed Protection Program and received a letter directing them to work with local office in Weaverville. Ms. Harris has been working on cost estimates for implementation of erosion control and staff will meet with NCRS staff at Ruth next week. Staff continues to coordinate with the US Forest Service BAER team. Supervisor Bohn suggested the District request a letter of support for disaster recovery from the Board of Supervisors. Mr. Friedenbach shared the draft letter and directors recommended some additions. Mr. Friedenbach thanked the Board for their input. Director Rupp stated he was contacted by Dave Saunderson who requested a meeting with him to discuss the Ruth Lake area. If anything comes of it, he will share with the Board at the December meeting.

8.4 Draft MOU with Trinidad Rancheria

Mr. Friedenbach shared the draft Memorandum of Understanding (MOU) between the District and the Cher-Ae Heights Indian Community of the Trinidad Rancheria with the Board. The MOU was prepared by District legal counsel. The Board expressed concerns regarding the funds of \$10,000 being enough to cover costs. Ms. Jacque Hostler stated the tribe supports the well-written MOU. She concurs there is a need for a clarifying paragraph regarding what happens when funds are exhausted. She stated the tribe can advance more money as needed. The \$10,000 is show of good faith effort. Three written public comments were received from Mr. Allan, Mr. Hankin and Supervisor Madrone (on Humboldt County Board of Supervisors letterhead) and read into record. All three objected to the Section 3 of the MOU, Items (a) Evaluating and defining all potential service areas to be served or Potentially served by the mainline extension; and (b) Evaluating the water demands for the Project and growth projections of potential service areas. The letters stated the Rancheria does not represent Westhaven or Trinidad and is beyond their scope. Director Rupp stated since the tribe is paying, we should only look at services for the tribe. It is not our job to provide water to those don't want it, but it is our job to provide water to those who do. If Westhaven and Trinidad desire access to our water it should be incumbent on them to pay for studies to determine their needs. He does not believe we should table this issue as one commenter suggested. Director Latt stated his recollection is that the Westhaven general manager made a verbal statement indicating they may be interested in water for fire protection. Ms. Hostler agreed the tribe should not expend their resources for Trinidad and Westhaven. She understands and supports the Board asking those entities if they are interested in an intertie but cannot spend tribal funds on it. Mr. Friedenbach stated he believes Section 3 items a and b should remain. Staff can send a letter to McKinleyville, Trinidad and Westhaven asking about their interest in connecting to a line. Any interested parties will enter into their own MOU and share costs. Mr. Plotz stated he agrees with the comments from Mr. Friedenbach regarding items a and b. Also, it is best to keep those in if the District wishes to increase its sphere of influence with LAFCo. The Board agreed on a few clarification revisions regarding additional funds if needed to the MOU and directed legal counsel to incorporate the changes.

The Board also discussed whether or not a response was needed to the Board of Supervisors. After discussion, the Board decided not to respond to the Board of Supervisors as they believed the letter was from Supervisor Madrone as an individual and not from the entire Board, even though it was on Board of Supervisors letterhead.

Ms. Hostler stated she needs to bring a District approved MOU to her Council meeting on the 20th. On motion by Director Lindberg, seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve the MOU as amended with clarifications and to send the final version to Ms. Hostler.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
November 12, 2020

8.5 Draft Employment Agreement and Position Description for Temporary Disaster Recovery staff position

Last month, the Board approved a new temporary staff position to assist with disaster recovery. Mr. Friedenbach shared the draft employment agreement and position description. He stated the last sentence in section 4d will be stricken as part-time employees do not receive holiday pay. If the Board approves the items he intends to hire Adam Jager. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to approve the Employment Agreement as modified and the Position Description.

9. NEW BUSINESS

9.1 Retail Rate Study

Ms. Ryan provided an overview of the retail rate study. She stated the industry standard is to conduct retail rate study every five years. Once the study is completed, retail rates are established by Board resolution. The District's most recent retail rate study was conducted in 2015. Retail rates were approved by Board resolution in 2016 setting the rates through June 30, 2021. She provided the timeline for the study with a proposed public hearing in April 2021 with new rates going into effect on July 1, 2021. She provided a presentation and discussed components of the retail rate study including: revenue requirement, cost of service and rate design. The Directors asked questions which Ms. Ryan responded to. Director Rupp stated Ms. Ryan did a good job, an impressive job on the presentation. Director Fuller concurred and stated Ms. Ryan presented an excellent introduction to the rate study. Ms. Harris agreed that Ms. Ryan did an excellent job. She also noted that GHD reviewed the work and there were no substantive changes. Another factor that is allowing for a more detailed rate study is the Caselle software. She thanked the Board again for the purchase of the software.

9.2 CalOES Grant Subaward

PG&E is requiring the District to upgrade the software interface from the 2 MW backup generator at Essex to the 12kV project. The cost is estimated at \$215,000. Mr. Friedenbach shared that he applied for a grant in that amount. We will have to cover the cost no matter what and a grant would pay 100%.

9.3 USFW Quagga Grant

The District recently applied for a federal grant in the amount of \$32,500 for a quagga mussel decontamination station. The grant is available to western states and not specific to California. This project had been denied by the California Boating and Waterways in their grant program.

9.4 NCRP Technical Assistance Grant

Mr. Friedenbach stated this grant was a last-minute opportunity to request technical assistance to improve forest health, fire resiliency and climate adaptability at Ruth Lake. He is hopeful we will get the grant. He noted that he did not have time to work on the grant and Ms. Simpson-Glenn and Ms. Sobol put the grant packet together and submitted it in one day. He stated that they did a very good job compiling and submitting the grant.

9.5 WIIPP Update

Mr. Friedenbach shared the revised Workplace Illness and Injury Prevention Plan (WIIPP). He noted

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
November 12, 2020

that the plan has been reviewed by our JPIA risk consultant and suggested updates were made. Staff recommends the Board approve the update WIIP. On motion by Director Lindberg, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the November 2020 updated WIIP.

10. REPORTS (from Staff)

10.1 Engineering

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

Mr. Stevens stated he received and approved pay requests six and seven. Their updated schedule was also received and he reviewed it with the Board. The retaining wall is completed and project winterized and done for now. The project will resume once the rainy season is over. Since the project is delayed, Change Order 2 was submitted. There is no monetary change associated with this change order, it is just for an amendment of the completion date from November 26, 2020 to July 30, 2021. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve Change Order 2. Mr. Stevens noted that an extension will need to be requested from CalOES. They are aware of this and it shouldn't be a problem.

b) Collector Mainline Redundancy Hazard Mitigation Grant (\$790,570 District Match)
No update.

c) Reservoir Structural Retrofit Hazard Mitigation Grant (\$914,250 District Match)
Mr. Stevens stated there is progress on the preliminary design and seismic calculations.

d) TRF Generator Hazard Mitigation Grant (\$460,431 District Match)
This project is still on the waitlist. Since it has been on the waitlist for so long, staff decided to repack the project and submit an NOI due on November 13, 2020 under a new disaster grant.

e) Appeal of FEMA Funding Denial for Collector 4 Emergency Restoration Work
Mr. Stevens stated that despite numerous follow ups, there is still no update on the status of the appeal.

f) R.W. Matthews Dam Spillway Retrofit Scoping Project BRIC Grant
Staff is currently working on the grant. It is due on December 3, 2020. After attending a webinar regarding this grant, Mr. Friedenbach shared that if the District increases their match above the required twenty-five percent match, the project can earn bonus points, moving it up in the ranking. He noted the "bonus point" remains the same for a twenty-six or forty percent match. Given this, he updated the District's match commitment letter to show a match of twenty-six percent. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to approve the new match commitment letter of twenty-six percent.

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

10.2 Financial

Ms. Harris provided the October 2020 financial statement & vendor detail report. She noted that a surplus vehicle was sold and highlighted a few other areas of the report. She noted that overtime is very high and this is due to the fires in the Ruth area. She shared that currently, the District has three active grants and six in various stages. Of the six, four are being handled in house. Director Rupp inquired if the District was reducing our costs to ratepayers by doing the grants in house. Ms. Harris confirmed this. Director Fuller reviewed the bills and stated all was in order. She noted

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
November 12, 2020

reviewing bills is always a good peek to see what's going on. She could tell a great deal of staff time has been going towards the fire emergency. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to accept the financial report and vendor statement in the amount of \$410,222.38.

10.3 Operations

Superintendent Davidsen provided the October operational report. The maintenance crew was out at Ruth quite a bit due to fire related activities. They finished the temporary repairs on the water system to headquarters and the cabin, replaced log boom hardware and installed straw wattles to help lessen erosion. The slide gate structure and plunge pool at the dam were also inspected. Mr. Davidsen attended the virtual AWWA Fall conference and was able to participate in several technical sessions. The quarterly SB 198 safety meeting was conducted as well. President Woo asked Mr. Davidsen to please pass on big thank you to all his staff. They have really done well during fire emergency on top of COVID-19 and everything else going on.

11. MANAGEMENT

CSDA 2019-2020 Legislative Statistics

Mr. Friedenbach included the legislative statistics to show that CSDA is lobbying for Special Districts.

12. DIRECTOR REPORTS & DISCUSSION

12.1 General -comments or reports from Directors

Director Rupp shared that he has been invited to participate in the Watershed Alliance, a group of districts with burnt watersheds. Both he and Mr. Friedenbach will participate.

Director Lindberg inquired if the District should be concerned about the New Zealand Mud Snails. Will they affect our untreated water supply? Mr. Davidsen also expressed some concern about the industrial water system. He stated they could potentially become a problem with the screens. In regards to the domestic water system however, he has no concerns about the mud snails.

President Woo requested a policy on public comments and cannabis response be added to the December agenda.

President Woo noticed a member of the public that wanted to comment. She explained the ways for the public to engage in the meeting, whether it be an agenda item or non-agenda item. She made an exception and went ahead and received the public comment at this time. The speaker Liz stated she was opposing a commercial cannabis grow in the Maple Creek area. She stated a rain catchment system with seven thousand square feet of tanks and surfaces is a concern.

12.2 ACWA

Nothing to report.

12.3 ACWA – JPIA

a) JPIA HCSD PowerPoint

Director Rupp shared the HCSD Insurance plan power point. HCSD has requested this from JPIA and the District can do the same and have a presentation tailored to our plan options.

b) 2020 Fall Virtual Board of Directors Meeting

Director Rupp stated he will be attending the meeting and invited the Board and staff to attend.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
November 12, 2020

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

a) RCEA

Although costs are increasing, the CCA through RCEA will still be able to provide energy at costs less than PG&E.

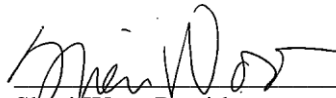
b) RREDC

Nothing to report, meeting was cancelled.


ADJOURNMENT

The meeting adjourned at 3:02 pm

Attest:



Sheri Woo, President



J. Bruce Rupp, Secretary/Treasurer