

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



Minutes for Regular Meeting of the Board of Directors
July 14, 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 9:02 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 acting Board Secretary Sherrie Sobol were present. District Engineer Nathan Stevens was present for a portion of the meeting.

2. FLAG SALUTE

President Woo led the flag salute.

3. ACCEPT AGENDA

Mr. Friedenbach stated item 8.1a shows a time set of 10:00. This is incorrect and there is no time set for this item. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to accept the agenda, as modified.

4. PUBLIC COMMENT

There were no public comments.

5. MINUTES

Minutes of the May 31, 2022 Special Meeting and Minutes of the June 9 Regular Meeting

Director Fuller requested a correction to the May 31st Special Meeting minutes under the Continuing Business, Instream Flow Update section. The notes refer to permit applications. This needs to be corrected to petition application. No other corrections were requested. On motion by Director Lindberg, seconded by Director Rupp, the Board voted 5-0 to approve both sets of minutes, as amended for May 31st meeting.

6. CONSENT AGENDA

Media articles of local/water interest (Articles A – J)

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

7. CORRESPONDENCE

HBMWD Letter regarding transfer of Lease Lot 43

Mr. Friedenbach shared the letter he sent to the Ruth Lake CSD Board of Directors regarding Lease Lot 43. He briefly discussed previous concerns regarding encroachment onto District property. The District is supportive of the lease transfer, however, no lease lot improvements will be done until the land survey is completed with boundaries for the lease lot clearly delineated.

CalOES Response to Storm Damage

Ms. Harris shared the District received additional funding for the Storm Damage project in the amount of \$10,413.85. She stated that this was due to FEMA having more money available for this disaster.

8. CONTINUING BUSINESS

Water Resource Planning

Local Sales

Nordic Aquafarms

The Local Sales Committee (Directors Latt and Rupp and Mr. Friedenbach) had a meet and greet with Brenda Chandler, the new interim CEO of Nordic. The meeting was very positive and consensus was that Ms. Chandler and Nordic are continuing to consult and collaborate with the District in a meaningful way.

Trinidad Rancheria Mainline Extension

The project is moving forward, next step is to get an MOU with McKinleyville CSD. The MOU was initially intended to be on the July agenda for McKinleyville CSD and will now be scheduled on the August agenda. Mr. Friedenbach stated there will be some proposed changes and these will come back to our Board most likely at the August 11 meeting.

Other local sales

Mr. Friedenbach and Mr. Davidsen met with Harbor District staff regarding their proposed Master Development Plan. The discussions regarding water usage were very preliminary and focused mainly on the proposed Wind Farm customer. Staff suggested infrastructure changes for the Harbor District that would benefit not only the Wind Farm but other potential customers as well. It was made clear that the District will not be responsible for funding the changes. The District is responsible for maintaining the pipeline up to the meter. The Board agreed that it is important that the Harbor District understand our District is not paying for their infrastructure to serve their tenants. A letter from the Board will be sent to the Harbor District outlining this.

Transport

There are no updates.

Instream Flow

The Instream Flow Committee met earlier this week and will meet with the water rights attorney tomorrow to work towards finalizing the instream flow dedication petition. They inquired if the Board would like a special meeting to discuss the outcomes of the meeting or not. After a brief discussion, the Board opted not to have a special meeting and just discuss it at the regular meeting in August.

McNamara & Peepe/ Royal Gold Initial Study and Proposed CEQA MND comment letters

President Woo recused herself due to a conflict of interest and left the room. The Board discussed the comment letters sent to the Humboldt County Planning and Building Department re: the Initial Study and Proposed Mitigated Negative Declaration for the Royal Gold Soil Operation. They also discussed new documents posted by the Department of Toxic Substances Control (DTSC) to Envirostor including: Storm Water Sample Results, April 2022 Storm Event; Private Offsite Groundwater Well Sampling Results; and the Standard Voluntary Agreement with Royal Gold LLC for Document Review. The Board expressed a great deal of concern as some hot spot areas seemed to have dioxin levels increased by a factor of 13 after recent storms. Jen Kalt of Baykeeper addressed the Board and also expressed their concern regarding the information in the Storm Water Sample reports. She stated there is a lot of new information to be considered. President Woo returned to the Board room when the discussion was over.

Drought Update

Mr. Friedenbach shared the most recent water conservation emergency regulation fact sheets as well as the joint letter from ACWA/CMUA to the State Water Resources Control Board. The Governor has mandated that water agencies implement phase 2 of their water shortage contingency plan. The District is not currently required to reduce water supply to wholesale customers due to our ample water supply in Ruth Lake and the fact that our water consumption is well below our water shortage contingency plan phase 2 amount. Each jurisdiction is responsible for implementing their own conservation and/or enforcement efforts.

Resolution 2022-07: Quagga/Zebra Mussel Prevention Grant

District staff applied for another Quagga /Zebra Mussel Prevention Grant and received partial funding for the project in the amount of \$50,506.61. One of the requirements to receive funding is an approved Resolution. Staff recommended approval of the Resolution for Application and Funding Agreement 2022. Director Rupp read the Resolution. On motion by Director Lindberg, seconded by Director Rupp the Board voted 5-0 by roll call vote to approve Resolution 2022-07.

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. The Board entered into Closed Session at 1:34. No public comment was received prior to entering closed session. The Board returned to Open Session at 1:49 pm. Vice-President Latt reported there was no reportable action.

9. NEW BUSINESS

SMART Workforce Center

District Staff was approached by staff from the SMART Workforce Center for possible collaboration on projects in Trinity County on District property around Ruth Lake related to the August Complex Fire. This program assists job seekers in finding employment. The SMART Workforce Center provides labor at zero cost, including all wages, payroll taxes, workers compensation insurance, and basic training to program participants. The funding limits work to be August Complex fire related projects. Potential jobs around Ruth Lake include wood debris removal around the lake and fuel reduction. Staff recommended the Board authorize District staff to collaborate with staff from SMART Workforce Center. The Directors asked several questions, including if drug testing was required. Mr. Friedenbach stated we could require drug testing. On motion by Director Fuller, seconded by Director Lindberg, the Board voted 5-0 to authorize staff to collaborate with SMART Workforce at no cost to the District.

10. REPORTS (from STAFF)

Engineering

Director Rupp thanked Mr. Stevens and GHD for the sponsorship of the Madaket cruise for the ACWA Region 1 event. It was greatly appreciated.

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

Mr. Stevens stated CalOES approved the District's request for a project time extension through September 2023. The project should be closing out in the next few months and looks good. The final pay request was received less the five percent retention (about \$140,000). The retention will be released as soon as the punch list items are completed.

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

There was no update.

Matthews Dam Advance Assistance Seismic Stability Project

There was no update.

Status report re: other engineering work in progress none to report.

Nothing to report.

Financial

FY 2021/22 Budget Reallocation

Ms. Harris reviewed the FY21/2022 budget reallocation totaling \$565,400. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to approve to FY 21/22 Budget Reallocation.

June 2022 Financial Statement & Vendor Detail Report

Ms. Harris reviewed the June 2022 financial statement and highlighted a few key areas. She noted the District Reserves have increased to \$2.9 million in General Reserves. The Miscellaneous Revenue is accrued taxes, however, the actual amount is not really known since the County has not provided any data yet. Overtime Expenses are higher than in the past. This is due mainly to COVID and the 12kV project. Professional Services is over budget due to the hiring of SWAPE for the McNamara and Peepe site. The Project Progress report is approximately \$35,000 under budget and noted that any credits go back to Municipal Customers. Director Lindberg reviewed the bills and commented on the large quantity of bills to review. He stated he had no questions and all were in order, just lots of bills. Ms. Harris stated the July bill review is always the largest as it is the end of the fiscal year.

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to accept the June 2022 Financial Report and vendor statements in the amount of \$673,237.30.

FY 2022/23 Budget

Ms. Harris provided a recap of the 2022/2023 budget. The Board did not have any questions. President Woo thanked both staff and the Board for the tremendous work that goes into the budget process. She commended all on a job well done. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to approve the FY 2022/2023 Budget.

Operations

Monthly report on projects and operations

Mr. Davidsen provided the June 2022 Operational Report. The lake level for June was 2.32 feet higher than last year. This is by design. The District is producing less power and keeping more in the reservoir given the drought. The Board discussed operations in relation to instream flow requirements. This has been thoroughly discussed and the petition narrative incorporates operational considerations and limitations for releases at Matthews dam. The 90- day truck inspections were completed as required by DOT. Safety meeting topics for the month of June include chlorine safety and leak repair.

11. MANAGEMENT

FERC Training

Mr. Friedenbach shared that FERC has revamped the regulations/requirements for Part 12 reporting. He and Ms. Sobol attended training via a webinar on the new requirements. He discussed the new changes and how it will impact the District both financially and in regards to staff time. He will be attending additional FERC in-person training in Sacramento next week regarding their new risk assessment requirements.

NASA Proposal for Lidar Derivatives

Mr. Friedenbach stated the District was approached by staff from the North Coast Resource Partnership for a possible collaboration with on a NASA proposal for Lidar derivatives in the USGS Northern California project. Benefits of this collaboration would be in forestry management practices around Ruth Lake and other areas in the Mad River basin. There would be no cost to the District other than staff time. Given the brief window of opportunity to join the collaboration, staff chose to join given the long-term benefits that would become available to the District.

12. DIRECTOR REPORTS & DISCUSSION

General - comments or reports from Directors

Director Lindberg stated Director Fuller did a great job presenting the instream flow at the ACWA Region 1 event. He also thanked Director Rupp and staff for the effort put into making it a great event. Director Rupp concurred it was a wonderful event and represented by approximately 40 people from all over the state. He thanked Mr. Friedenbach and acknowledged the sponsors including Trinidad Rancheria, GHD and US Bank.

ACWA

ACWA Fall Conference

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 approve attendance at the Fall 2022 Conference by Directors and appropriate staff.

Region 1 Event

This was discussed under the General comments section.

ACWA – JPIA

May/June Perspective newsletter

Director Rupp elaborated on some of the articles in the newsletter. He noted that insurance premiums are increasing and costs will continue to increase in the near future. One exception is the cost of the Employee Benefit PPO plan which could decrease up to ten percent. Cyber security is a big concern and JPIA is considering offering cyber security risk insurance.

ACWA JPIA 2022 Wellness Grant

Ms. Harris stated the District was successful in getting another Wellness Grant. This year, as in the past few years, employees will be able to use grant funds to purchase fitness related items such as running shoes, workout attire, weights etc. The employees are appreciative of the grant funds.

Organizations on which HBMWD Serves

RCEA News and Updates

President Woo reported out on the meeting. She stated they are experiencing supply chain issues that are delaying projects.

RREDC

Director Latt reported out on the meeting. The program speaker was Lulu Mickelson of CERC Housing Collaborative and the need for additional housing was discussed. The new RREDC chair is Heidi Benzonelli of Humboldt Community Services District.

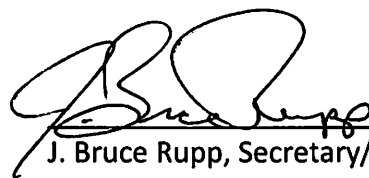
ADJOURNMENT

The meeting adjourned at 1:50 pm.

Attest:



Sheri Woo, President



J. Bruce Rupp, Secretary/Treasurer