

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



**Minutes for Regular Meeting of the Board of Directors
July 13, 2023**

1. ROLL CALL

President Latt 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 and Accounting Tech II Dee Dee Simpson-Glenn were also present. District Engineer Nathan Stevens was present for a portion of the meeting.

2. FLAG SALUTE

President Latt led the flag salute.

3. ACCEPT AGENDA

On a motion by Director Fuller and seconded by Director Rupp, the Board voted 5-0 to accept the agenda.

4. PUBLIC COMMENT

No public comment was received.

5. MINUTES

June 8, 2023 Regular Board Meeting Minutes

President Latt suggested a change in description to Item 10.3 b: Budget Presentation, CPI and the Board agreed. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to approve the Minutes of June 8, 2023 as amended.

6. CONSENT AGENDA

Director Lindberg requested item 6f be pulled from consent. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to approve the consent agenda less item 6f. Following a discussion of item 6f, on a motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to accept item 6f.

7. CORRESPONDENCE

a. Letter from Southern Trinity Area Rescue (STAR) re: donation

Mr. Friedenbach shared a letter received from STAR requesting the Board consider a donation to help cover the \$50,000 budget shortfall they are facing this year. The Humboldt County Board of Supervisors has made a donation of \$120,000 in June. The Board discussed the value and importance of STAR in the Ruth area and the service they provide to our staff who work at the dam and around Ruth Lake. On a motion by Director Woo, seconded by Director Lindberg, the Board voted 5-0 to donate \$1,000 to Southern Trinity Area Rescue and Ambulance.

b. Letter to Fieldbrook-Glendale CSD re: Water System Inspection

Mr. Friedenbach sent a letter to Fieldbrook Glendale Community Services District (FGCSD) General Manager Rick Hanger following an inspection of the FGCSD water system by Department of Water Resources (DWR). Mr. Friedenbach pointed out DWR had suggested "Managerial Consolidation" between FGCSD and HBMWD, and asked Mr. Hanger for his thoughts on this suggestion. As of the date of the Board meeting, Mr. Hanger had not replied. The directors discussed the suggestion. Under a maintenance contract, HBMWD currently performs all the administrative and maintenance for FGCSD water system.

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



**Minutes for Regular Meeting of the Board of Directors
July 13, 2023**

We have no role in the maintenance or operation of the sewer system. The Board was not interested in pursuing this suggestion.

c. Letter to Governor Newsom re: PG&E Transmission of Hydro Electricity

A letter was sent to Governor Newsom regarding the damaged PG&E Low Gap Substation transformer and the impact it has had on the District's hydro power production. The letter was an effort to solicit support for fast tracking the repair of the transformer. Copies of the letter were also sent to Senator Mike McGuire, Assembly Member Jim Wood and, Alison Talbott, Government Relations Rep, PG&E. The Board suggested that a letter be sent to the CPUC as it may draw more attention than the Governor's office would.

d. Letter from RLCSD re Policy 6800, Lease Fees & Payment, update

Mr. Friedenbach provided background on Ruth Lake Amendment 3 to the Master Lease between RLCSD and HBMWD. The amendment contains a requirement that changes RLCSD policies regarding Lease Lots. Changes must be reviewed and approved by HBMWD. RLCSD is supposed to give HBMWD 45-day advance notice of the proposed changes. If there are no issues, then it gets approved. If there are issues, HBMWD and RLCSD will discuss and resolve. The update to Policy 6800 was approved by the RLCSD Board on June 13, 2023 and is mostly administrative in nature, dealing with lease fees and payments. On a motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to approve the proposed amendment and request proper advance notification for future proposed policy amendments.

e. Letter from RLCSD re Lease Lot 42 variance

Mr. Friedenbach provided background on this lease site issue. All the structures were destroyed by the August Complex Fire. The previous lease holder had submitted improvement plans that had been approved by Ruth Lake CSD and HBMWD but then sold the lease lot. Plans are not transferable and therefore the new lease holder resubmitted the plans. The resubmitted plans were modified to decrease the structure's footprint. During the course of construction and acquiring the required permits from Trinity County Building and Trinity County Environmental Health, the lease holders were asked by Trinity County Environmental Health to extend their leach field towards Choptoy Creek. This raised the question of the lot line boundaries. Lease holder Ms. Bri Cavanaugh was present at the meeting and explained the distance the proposed structure will be to the property line set-back and the PG&E utility easement road. The structure will not go over the property line but is only five feet from it at one point. Mr. Friedenbach said that Ruth Lake CSD has already approved a variance and recommended the HBMWD Board approve the variance, as long as it does not encroach on the PG&E easement. On a motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 to conditionally approve the action of the Board of Directors for Ruth Lake Community Services District on July 11th to approve a waiver of policy 6000.23, align the placement of the structure on lease lot 42 in the setback area as proposed on the submitted building plans, subject to the lease lot holders providing adequate proof as determined by the District, that the placement of the proposed structure does not encroach on any utility easement utilized by PG&E.

8. CONTINUING BUSINESS

8.1 Water Resource Planning

a. Local Sales

i. Nordic Aquafarms

The transport committee met with Nordic staff to review the status of the project. The project continues in the permit challenge process. Nordic has changed their fish

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



**Minutes for Regular Meeting of the Board of Directors
July 13, 2023**

species to an ocean saltwater fish, so they no longer need industrial water from HBMWD.

ii. Trinidad Rancheria Mainline Extension

Trinidad Rancheria continues to negotiate engineering services with Stetson Engineering.

iii. Blue Lake Rancheria Mainline Extension Memorandum of Understanding

Director Latt recused himself due to a potential conflict of interest, as he is the Chief Justice of the Blue Lake Rancheria Tribal Court. Director Fuller also recused herself as she is an employee of the Blue Lake Rancheria. They both left the Board room. Director Rupp chaired this portion of the meeting. Mr. Friedenbach explained that the MOU is very similar to the MOU with the Trinidad Rancheria for their mainline extension. Due to a potential conflict by District Counsel-The Mitchell Law Firm, the District is using our water rights attorney, Meredith Nichols, of Downey Brand for legal advice on the Blue Lake Rancheria project. The MOU is a first step to get the process initiated and heading towards an eventual contract. Ms. Jana Ganion, Sustainability and Government Affairs Director for the Blue Lake Rancheria, was in attendance and thanked the staff for their response and professional work. On a motion by Director Woo and seconded by Director Lindberg, the Board voted 3-0 to approve the Blue Lake Rancheria Mainline Extension Memorandum of Understanding.

b. Transport

A newspaper article from the Times Standard, "Tribes, activists rally in Sacramento Over Water Rights", was included in the Board Packet. The article discussed water rights, rules and a specific project on the Delta River. A quote from the executive director of Save California Salmon, Regina Chichizola, expressed concern over the diversion of water from Trinity River that ultimately would end up at the Sites Reservoir. A discussion of the article followed.

c. Instream Flow

The Instream Flow Committee met and finalized the final narrative and graphics. A special board meeting was set for August 3, 2023 at 3:00 p.m. to review and possibly approve the final narrative prior to submission of the draft 1707 petition for change in use of water rights to the Water Board Staff for their initial review.

8.2 McNamara & Peepe

Director Woo recused herself due to a conflict of interest and left the board room.

a. Site Investigation Work Plan

Mr. Friedenbach summarized the site investigation work plan prepared by SHN, a consultant for DTSC for cleanup and investigation of the project area. There are eight grab soil samples that will be done to extract the soil and do testing. The majority of the sampling areas are around the cap and two are east of the cap. There will be two new monitoring wells. The testing they are going to do is primarily for PCP and TCP and there was some mention that they are going to test for phenols and dioxins/furans if they deem those are present. There will be a quarterly meeting on July 27th to discuss the ongoing progress of the site

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



Minutes for Regular Meeting of the Board of Directors

July 13, 2023

investigation remediation. The plan was found to be difficult to follow and there will be a request for more clarification regarding testing, etc. President Latt and Director Fuller will not be able to attend the July 27th meeting and it was decided that Director Lindberg should attend as an alternate.

- b. DTSC Monthly Summary Report, June
Mr. Friedenbach shared the monthly report from DTSC.

- c. Site maps & historical sampling results (stormwater and well water)
Mr. Friedenbach shared the maps and stated they will be included going forward for reference.

9. NEW BUSINESS

- a. Appoint Real Property Negotiator to negotiate with Ross Eskra and Pamela Beagle concerning the real property designated at APN 020-320-002
Mr. Friedenbach explained that if the District will be doing real property negotiations, the Board will need to designate a negotiator and staff is recommending that it be the General Manager. On a motion by Director Lindberg, seconded by Director Woo, the Board voted 5-0 to appoint General Manager John Friedenbach as our agency negotiator in this matter.

- b. CLOSED SESSION (Time Set 2:00 pm)- CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: (APN 020-320-002) Agency negotiator: John Friedenbach, General Manager
Negotiating parties: (Ross Eskra and Pamela Beagle) Under negotiation: Price and terms of Payment
The Board entered into closed session at 2:00 pm. They returned to open session at 3:00 pm. President Latt reported out and stated there was no reportable action.

- c. Ruth Lake Boat Leases-Sanitary Waste Disposal
Mr. Friedenbach reported on an issue regarding the boat lease sites at Ruth Lake. Per policy, boat leases (no road access) were required to have a pit privy for sanitation. A number of boat leases were destroyed by the August Complex fire and all structures burned to the ground. In order to build new structures, the leaseholder must prove they have a viable septic system and pit privies are no longer allowed by the State of California nor by Trinity County. This issue was brought to light when the District received an improvement request from a boat lease lot holder requesting approval to install a composting toilet. Mr. Friedenbach reached out to Trinity County Environmental Health and was told composting toilets are not allowed in Trinity County. Mr. Friedenbach proposed setting up a meeting with Ruth Lake CSD staff, HBMWD staff, Trinity County Environmental Health and the Water Board and try and figure out some sort of solution for the owners of boat leases. Ruth Lake CSD policies need to be updated to reflect the changes in the regulations as well. The directors concurred.

10. REPORTS

10.1 Engineering

- a. Collector Mainline Redundancy Project: Scope of Work change
Mr. Friedenbach discussed the memo from GEI Consultant Mark Martin regarding the Mainline

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



**Minutes for Regular Meeting of the Board of Directors
July 13, 2023**

Redundancy Pipeline Project – Geotechnical Conditions. This is a FEMA Hazard Mitigation grant funded project. The memo outlines the discovery of several geologic hazards along the proposed grant scope of work alignment. These include a landslide and an earthquake fault. These hazards could cause damage to the new pipeline. The recommendation was to propose an alternative pipeline alignment. Should the District request a Scope of Work Change for the project with FEMA, there is no additional funding through this hazard grant. The District would be responsible for 100% of the incremental costs. The pros and cons of realigning the route for the pipeline were discussed. One option would require acquiring additional easements from the landowners. On a motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 to support beginning to explore the possibility of acquiring right-of-ways and also geotechnical analysis to include trenching.

b. Essex Onsite Sodium Hypochlorite Generation

Mr. Stevens reported that the equipment has shipped and it should be onsite the following week. Mr. Davidsen has ordered the brine tank. It has an approximate seven-month lead time and should be here at the beginning of 2024. They are now moving onto the design front for the actual installation and integration bid package.

c. TRF Generator

Pace Engineering is working on this project. Mr. Friedenbach reported they have completed their botanical investigation, geotechnical investigation, and the archaeological/historical site investigation. Those reports have been received and they are moving forward with the 30% design, which is phase one of that project. The project is also funded by a FEMA Hazard Mitigation grant is moving along, on schedule and on budget.

d. Collector 2 Rehabilitation Project

There are two pay requests in the Board packet for this project due to the timing when they were submitted and how it lined up with the Board packet deadlines. One at the beginning of June for \$244,815.00 and one at the end of June for \$295,416.75. Contractors are on site. They have completed a pre-construction performance test and have data on how the laterals performed before the construction project to compare to post project. They will start coring the caisson next week and putting in a temporary work platform. There may be a change order request from the contractor for unforeseen issues that have arisen causing them to be a few weeks behind schedule.

e. Status report re: other engineering work in progress

There were no additional engineering items to discuss.

10.2 Financial

a. June 2023 Financial Statement & Vendor Detail Report

Ms. Harris provided the June financial report. The General Account balance is \$1.8 million, the Various Investments account is at \$11 million and the General Reserves is at \$3.5 million. She stated that the one percent Property Tax Revenue has been accrued to the budget, however the information was received from the County *after* completing the financials. The Salary & Employee Benefits budget ended the fiscal year at 97% of budget. The Service & Supply budget ended the fiscal year at 106% of budget. Projects that qualify and were not completed this fiscal year that

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



Minutes for Regular Meeting of the Board of Directors

July 13, 2023

are moving forward into next fiscal year are marked at "encumbered" in the project report. On a motion by Director Rupp, seconded by Director Fuller, the board voted 5-0 to approve the financial statement and vendor detail report.

b. FY2022-23 Project Budget Reallocation

Ms. Harris stated that in order to minimize the impact on the District's Municipal Customers in any one fiscal year, staff uses a combination of funding mechanisms including grants, loans, and Advance Charges. The Project Budget Reallocation is a means to supplement the Advanced Charges, using funds already collected from the Municipal Customers. For FY23, staff is recommending approval to reallocate \$347,929.00 to Advanced Charges for the 3-Tank Seismic Retrofit and the Collector Mainline Redundancy Project. On a motion by Director Rupp, seconded by Director Fuller, the board voted 5-0 to approve the reallocation of any unspent funds determined available by the unbudgeted projects by the Board, and the remainder be reallocated to Advance Charges as defined under Ordinance 16 for the major grant-supported/District funded construction projects.

c. FY2023-24 Budget Presentation

Ms. Harris provided a brief recap of the proposed budget, which has been discussed the past few months. The Service & Supply Budget is increased by \$162,000.00 and most of this consists of power costs. The Salary & Wages Budget is decreased by \$46,000.00; the Employee Benefits Budget is decreased by \$50,000.00; the Project Budget is increased by \$683,000.00; Grant Funding is increased by \$743,000.00; Use of Advanced Charges & Reserves decreased by \$35,000.00; Other Revenue Funding decreased by \$225,000.00 and Wholesale Contract Funding increased by \$265,000.00. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 to approve the FY2023-24 Budget.

d. CalClass Investment and Investment Policy Changes

Due to a change in investment management firms at CalTrust, the District is required to close-out two of its funds and transfer them elsewhere. The Board was presented with three different options for these funds. On a motion by Director Rupp, seconded by Director Woo, the Board voted 5-0 to approve staff recommendation for preservation of principal and investment diversity, transfer both the ReMat and DWFP funds into California CLASS accounts and approve the revised investment policy.

10.3 Operations

a. June Operations Report

Mr. Davidsen provided the June Operations Report. The TRF is offline for the summer effective June 12th. Safety meetings occurred and topics covered were PPE and ergonomics. Divers were onsite working on lines in Collector 2. The main office solar project went into full operations in June.

b. Request to Surplus: Westinghouse, 1200 AMP circuit breaker

The District replaced the Westinghouse 1200 AMP circuit breaker. It was an obsolete spare from the old switchgear. Staff recommends the item be surplus. On a motion by Director Woo, seconded by Director Latt, the Board voted 5-0 to approve the item be surplus.

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



**Minutes for Regular Meeting of the Board of Directors
July 13, 2023**

10.4 Management

a. Active Grants Update

Mr. Friedenbach shared with the Board all of the grants staff are currently administering. There are 13 grants for a total amount of \$24,000,000. The Directors felt staff were doing a great job.

b. CSDA GM Leadership Summit

Mr. Friedenbach shared his agenda from the General Manager Leadership Summit he attended. He gave a brief overview of the different events he attended and thanked the Board for the opportunity to attend.

c. Board Meeting Dates

A list of Board meeting dates through the end of the calendar year was shared with the Board. This included the change of date for the August meeting as well as the date for the Joint Board Meeting with Ruth Lake CSD.

d. National Public Lands Day, Cleanup at Ruth Lake

Mr. Friedenbach shared information regarding the Ruth Lake Cleanup Day. It is sponsored by the US Forest service and the District is a co-sponsor for this event being held September 23, 2023.

e. Executive Assistant/Board Secretary Position

Screening tests and interviews were held for the position of Executive Assistant/Board Secretary. Mr. Friedenbach reported that Contessa Dickson has been hired for this position. The process went well and staff were happy with the results.

11 DIRECTOR REPORTS & DISCUSSION

11.1 General – comments or reports from Directors

Director Woo reported she had attended the public meeting of the Harbor District regarding the Heavy Lift Terminal. She shared that they gave a good overview of the project. Discussion followed and staff was directed to send a letter expressing concerns while the project is in the Notice of Preparation period. Director Woo will work with Mr. Friedenbach on the language for the letter.

Director Lindberg expressed concern on the redundant pipeline project and the proximity to an earthquake fault. Mr. Davidsen, explained the area of the current pipelines and the proposed pipeline, illustrating the value of the redundant pipeline.

11.2 ACWA

a. ACWA Foundation Thank you note

Mr. Friedenbach shared a thank you note from ACWA Foundation for the donation of \$1,000.

b. ACWA Update on Priority Issues

Mr. Friedenbach shared the ACWA Update on Priority Issues. Discussion followed on the issue of water rights and concerns over the potential loss or curtailment of them. Director Rupp discussed the IRWMP program and the Water Bond.

c. ACWA Regulatory Roundup

Mr. Friedenbach shared the Regulatory Roundup. There was no discussion.

d. ACWA News, June 2023, Legislative Committee summary

The Legislative summary was shared with the Board. There was no discussion.

Humboldt Bay Municipal Water
District 828 7th Street, Eureka



Minutes for Regular Meeting of the Board of Directors
July 13, 2023

e. ACWA Committee Appointment Considerations for 2024-25 Term

Mr. Friedenbach expressed that he would like to be on the Headwaters Working Group and on the Energy committee. Director Rupp would like to continue to be on the Headwaters Working Group, the Membership Committee and continue as Vice-Chair on the Finance Committee. He has been nominated to go back on the Region One Board. On a motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to approve Mr. Friedenbach's requests for committee assignments as well as Director Rupp's committee assignments.

11.3 ACWA – JPIA

a. Director Report, if any

Director Rupp reported the ACWA/JPIA had a two-day meeting that he attended for the new JPIA Executive Committee. There are three new members on the committee. He attended a Workers' Compensation committee meeting. He also attended a property meeting. It appears that there will be a 15% increase in our property rates.

b. Wellness Grant 2023 Application

Mr. Friedenbach shared the Wellness Grant that was submitted to ACWA/JPIA and we received notification that we were approved.

11.4 Organizations on which HBMWD Serves

a. RCEA

Director Woo reported out on the RCEA Meeting on June 22, 2023. The press releases started this week on Rural RREN which is the Rural Region Energy Network. RCEA was chosen as the clearinghouse/management of this new program. This is a statewide program that is trying to recognize the rural hard to reach areas that haven't received as much funding for renewable energy and conservation.

b. RREDC

Director Latt reported on the June 26, 2023 meeting of RREDC. It was an interesting program. Nick Bown-Crawford, Executive Director, Humboldt Made, and Chair, Humboldt Eel River Valley Long Term Recovery Group was the speaker. He specializes in disaster preparedness and leads groups in emergency response. The concept is housed, fed and healthy people can return to work quickly.

ADJOURNMENT

The meeting adjourned at 4:12 pm.

Attest:



Neal Latt, President



J. Bruce Rupp, Secretary/Treasurer