

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
September 10, 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 Engineer Nathan Stevens were present for a portion of the meeting. President Woo had to leave the meeting at 3 pm.

2. FLAG SALUTE

President Woo led the flag salute.

3. PUBLIC COMMENT

No public comment was received.

4. ACCEPT AGENDA

Mr. Friedenbach stated there is a last-minute agenda item to be added if the Board agrees. He just became aware yesterday afternoon of a potential appeal/litigation that may involve the District. The time limit to file the appeal for a Humboldt County Planning Commission decision is now less than 10 days, thus the urgency. He would like the Board to consider adding Item 8.7 Adesa Organic, LLC Conditional Use Permit possible appeal of approval in closed session. He would also like to time set it 2:00 pm if the required two-thirds approval to add the item is received. Director Latt stated he was not in support of adding the item to the agenda. When Director Rupp inquired if this based on procedural concerns or merit, Director Latt replied both. The remainder of the Board were in favor of adding the item to the agenda. On motion by Director Lindberg, seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve the agenda as modified with addition of Adesa Organic, LLC in closed session.

5. MINUTES

President Woo stated she sent some clarification comments to Ms. Sobol. Director Latt requested a clarification change to the DTSC comment he made. On motion by Director Lindberg, seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve the August 13, 2020 minutes with the changes from Director Latt.

6. CONSENT AGENDA

6.1 Media articles of local/water interest

Director Rupp pulled the article on Watershed Damage Assessment. He noted that Sonoma County Water Agency has partnered with the US Army Corps of Engineers for the mobilization of the Watershed Emergency Response Team (WERT). The WERT is a state team that can assess the damage and propose mitigation plans for watershed areas affected by wildfire. He suggested the District do the same given the fires affecting Ruth Lake. He added he realizes staff is probably already looking into this but needed to mention it publicly. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to approve the Consent Agenda.

7. CORRESPONDENCE

7.1 District letter to DSOD re: CAS Mapping

Mr. Friedenbach shared the letter submitted to Division of Safety of Dams regarding the CAS Failure Inundation Mapping for R. W. Matthews Dam. The requested maps are being prepared and will be submitted no later than September 30, 2020.

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7.2 District letter to Brendan Rae re: access to Ruth Lake

Mr. Friedenbach stated this was an interesting issue. Ms. Harris came across a property listing for sale in Mad River, CA that stated the “the (sic) shoreline property is owned by a govt municipality, access is VERY nearby, and basically just straight down the water (sic) edge.” The District submitted a letter that made it clear there is no permitted access over the District’s property in the area of the listed property to the lake. Ms. Harris stated the revised ad now states the lake can be accessed via public access sites nearby.

8. CONTINUING BUSINESS

8.1 Water Resource Planning-status report on water use options under consideration

Local Sales

Mr. Friedenbach stated Nordic Aquafarms held a public meeting last night and he shared a few slides and key points from the meeting. Director Rupp also attended and stated Mr. Friedenbach did a good job conveying what occurred. Nordic plans to add about 130 job locally and clean up the site. There is a potential that Nordic can be a significant asset to the community. President Woo asked if Mr. Friedenbach would lay out the procedure for an agreement with Nordic and the price of water for them. Mr. Friedenbach stated Nordic’s Phase 1 construction is scheduled for completion in 2024 so the District will need a water supply contract prior to that. We have a Local Sales Committee. In the past, the Local Sales Committee has met with the customer and reported back to the Board for direction and then the entire Board makes a decision. The committee members are Directors Latt and Rupp.

Mr. Friedenbach stated staff is working on a draft retainer agreement for the Trinidad Rancheria. He anticipates bringing it to the Board in September. Director Latt stated he is not comfortable with the word retainer. He prefers to call it a Pre-payment of District Expenses.

Mr. Friedenbach stated staff sent out solicitation for support letters for the EDA Grant. He shared the list of support letters received and noted they are from a wide variety of the community. Director Rupp inquired if any expression of opposition was received. Mr. Friedenbach stated none were received however, some did not respond and the reason why is not known. Director Rupp also suggested Mr. Friedenbach reach out to Gregg Foster at RREDC as he is familiar with EDA grants, having received some.

The Samoa Peninsula Stakeholder Group chose not to go to the Board of Supervisors as a group, instead approached the individual Board members with the update. Mr. Friedenbach stated he reminded them that December 31, 2020 is the sunset date for the Group. He does not know when to expect the report to be shared publicly.

Transport

Mr. Friedenbach shared that Mr. Ken Davlin of Oscar Larson and Associates (OLA) reached out to him. OLA was hired by an Orange County water district that is in search of additional water sources. It is expected that there will be opposition to consideration of our water by local desal groups in Orange County. Director Rupp noted that transport is more environmentally friendly than desalination and uses less energy.

Instream Flow

The Instream Flow Committee met with CDFW and NMFS. The next step is to meet with the State Water Board and Mr. Aladjem is working on scheduling this meeting. President Woo added that the project description portion of the District’s Habitat Conservation Plan needs to be updated.

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8.2 Cannabis affecting Mad River Watershed

Mr. Friedenbach shared several articles and a letter to the editor regarding Adesa Organics in which the District was mentioned. Adesa will be discussed later in the meeting. Director Latt stated in the articles, the number of plants confiscated and even some of the property addresses are incorrect. He no longer trusts the facts in Sheriff's Department press releases regarding cannabis. President Woo stated it is disturbing that news from an agency is not trustworthy.

8.3 Kirkpatrick property: License agreement

Mr. Kirkpatrick stated he appreciates the opportunity to address the Board. He has reviewed and agrees to the terms of the License Agreement for a dock at Ruth Lake. He looks forward to enjoying the family dock next summer. Legal Counsel Ryan Plotz stated Mr. Kirkpatrick agreed to reimburse the District for all legal fees associated with this and to comply with the Ruth Lake CSD Dock Policies. Director Latt stated the term Licensor is not specifically related to the District and he would like that made clear. He also suggested removal of clause. Mr. Plotz explained why he included the clause but added he was okay with removing it. Director Latt stated the agreement was well written. Director Latt then requested Mr. Kirkpatrick acknowledge that he understands the limited term and rules under the License Agreement. Mr. Kirkpatrick stated he understands limited length of the agreement and has trust in the District. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to approve the License Agreement with the changes suggested by Director Latt. Director Rupp stated he appreciates how Mr. Kirkpatrick dealt with the Board and thanked him.

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

No public comment was received prior to going into closed session. Director Woo recused herself due to a perceived conflict of interest and was sent to the waiting room. The Board entered in to closes session at 10:30 am. The Board returned to open session at 12:24 pm. Vice-President Latt stated there was no reportable action.

8.5 LAFCo Municipal Service Review (MSR)

Mr. Friedenbach stated staff is compiling the information requested by LAFCo. Director Rupp requested the information be sent to the Board as well as LAFCo. Director Latt stated the District boundary could be an issue. Mr. Friedenbach stated the current boundary is what is being submitted. He previously broached the question regarding changing the boundary and noted the MSR would be a good time to change the boundary. He did not receive Board direction to change the boundary and/or sphere of influence. Director Rupp noted that LAFCo has the authority to change boundaries.

8.6 Annie & Mary Trail Grant

Mr. Friedenbach stated the City of Arcata is preparing a grant application to the Active Transportation Program to fund construction of the segment of the Annie & Mary Trail from Sunset Avenue to Park 1. Planned improvements to Park 1 include paving the entrance and parking lot and installing an informational kiosk relating to the trail. The Humboldt Trails Council has agreed to maintain the kiosk so no District funds are expended for maintaining this. Staff requests the Board authorize the General Manager to sign and submit a partner agency commitment letter. Director Rupp stated he is supportive of trails and the Annie & Mary Trail. Development of a trail is not in our scope or Mission Statement. The Part C document staff would like to sign states the undersigned agrees to assume responsibility for ongoing operations and maintenance of the facility which a concern to him. He inquired if the City of Arcata might be willing to issue a Memorandum of Understanding (MOU) stating they will take full responsibility if Humboldt Trails does not maintain the facility. Director Latt stated he appreciated Director Rupp bringing up his concerns. He also

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recalled Julie Neander from the City of Arcata previously stating they would help with the cleaning of the Park 1 restrooms due to increased use as a result of the trail. He would like this included in the MOU as well as it is not fair to ask ratepayers to pay for this. Directors Fuller and Lindberg requested clarification on the “facility”. Mr. Sawatzki, a member of the public stated he concurs with the comments made. A comment submitted earlier by Mr. U. Driscoll was read during the discussion as well. Mr. Driscoll expressed concerns regarding easements. After further discussion, on motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 by roll call vote to authorize the GM to execute the document for the Annie & Mary Trail grant conditioned on the GM obtaining assurances from the Arcata City Manager that they will enter into an MOU to address the Board’s concerns.

8.7 Adesa Organics LLC CUP-possible appeal of approval- CLOSED SESSION: Conference with Legal Counsel – Anticipated Initiation of Litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9

President Woo stated she will recuse herself since the firm she works for has a contractual agreement with Adesa. She was sent to the waiting room. In open session, Mr. Friedenbach stated earlier this week, the County Planning Department approved the project by a vote of 4-3. The District first commented on this project in 2018 and requested cumulative environmental impacts be considered in the environmental document process. Mr. Friedenbach received a call from Mr. Sawatzki two days ago regarding a proposition. Mr. Sawatzki thanked the Board for the opportunity to share his idea. He stated he is against the approval for Adesa and requested the District participate in an appeal in name only, with no District funds to be expensed. The Board entered into Closed Session at 2:06 pm to discuss this. The Board reconvened in open session at 2:21. Vice-President Latt stated there was no reportable action.

9. NEW BUSINESS

9.1 Humboldt County Office of Elections Candidacy Results

Mr. Friedenbach shared the notice from the Humboldt County Office of Elections stating the seats currently held by Directors Latt, Lindberg and Woo will not go to election on November 3, 2020 due to an insufficient number of qualified candidates. Directors Latt, Lindberg and Woo will remain on the Board and be up for re-election in four years.

9.2 Quagga Dogs

Last month, the Board requested staff research the feasibility of Quagga Mussel Dogs at Ruth Lake as a component of the Quagga and Zebra Mussel Prevention Plan implementation. Staff conducted the research and Mr. Friedenbach presented the information. To own a Quagga Mussel dog, the startup costs are estimated at \$18,000- \$25, 000 in addition to annual costs of roughly \$2,000. As part of the research, Mr. Breck McAlexander, CDFW Invasive Mussel Prevention Coordinator for Northern California was contacted regarding their K9 program that includes Quagga dogs. He stated he would not advocate using an expensive method of enhanced mussel detection for waterbodies that are consistently below the 12ppm in dissolved calcium, such as Ruth Lake. It was noted that Lake Mendocino and Lake Sonoma have water of 20ppm or greater dissolved calcium. Mr. Friedenbach stated although low, risk does exist at Ruth Lake. He inquired about next steps, would the Board would like to use the firm Quagga Dogs for a trial run? Director Fuller stated she puts a lot of weight on Mr. Alexander’s opinion. The report is very well written and should be shared with Ruth Lake CSD and get their opinion. Directors Latt, Lindberg and Rupp were in favor of 1-2 day trial run. Perhaps on Memorial Day 2021. President Woo inquired what would be likely to change calcium water content. She was in favor of perhaps more studies on this. Director Lindberg, who is a trained geologist, noted there is not much calcium rich rock in the area, geologically speaking.

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Mr. Friedenbach stated the District's Prevention Plan states that if an infestation of quagga or zebra mussels occur, this will result in high costs, a decontamination process and may result in closure of the lake to recreational activities. Staff will develop an Infestation Response Plan and bring a draft to the Board in about six months. This will be included in next year's budget including a trial run for Quagga Mussel dogs.

9.3 Water Professionals Week/Resolution 2020-07

Water Professional Week for 2020 will take place October 3-11. Staff prepared Resolution 2020-07 to acknowledge and support the 4th Annual California Water Professionals Appreciation Week. Director Rupp read Resolution 2020-07. The Board voted 5-0 by roll call vote to approve Resolution 2020-07 and thanked all District staff for their continuing dedication and hard work at the District.

9.4 Schedule Special Meeting to award engineering contracts for Reservoir Seismic Retrofit and Collector 2

Mr. Friedenbach stated a Special Meeting is needed to award engineering contract for the Reservoir Seismic Retrofit and the Collector 2 lateral replacement. The Seismic Retrofit Project Statement of Qualifications were reviewed by a team of five: three District employees, one from the City of Eureka and one from the National Weather Service. Although scoring and feedback were different, all concluded to award the project to GHD. After a brief discussion, the Board agreed to have a Special Meeting to consider awarding contracts on Wednesday, September 16, 2020 at 12 pm.

10. REPORTS (from Staff)

10.1 Engineering

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

Payment request 5 in the amount of \$28,8810 has been received and approved by both the Mr. Stevens and Mr. Friedenbach. Mr. Stevens stated work on the retaining wall should be completed in the next few weeks. It's likely the contractors will begin winterizing the site and resume work after the rainy season which is when the switchgear should arrive. An extension of the grant closing date may need to be requested since PG&E has not yet approved the switchgear which may affect the configuration of the IPA building.

Collector Mainline Redundancy Hazard Mitigation Grant (\$790,570 District Match)

Nothing to report.

Reservoir Structural Retrofit Hazard Mitigation Grant (\$914,250 District Match)

The District solicited Request for Qualifications for the project and Mr. Stevens was pleased to report that GHD was selected as the engineer for the project. He is working on a proposal for the fee and schedule.

TRF Generator Hazard Mitigation Grant (\$460,431 District Match)

Nothing to report.

Appeal of FEMA Funding Denial for Collector 4 Emergency Restoration Work

Mr. Stevens stated he has not heard anything since CalOES recommended approval of the appeal to FEMA. He hopes to have good news at the next meeting.

Status report re: other engineering work in progress

Nothing to report.

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10.2 **Financial**

Financial Report

Ms. Harris provided the August 2020 financial report. She noted the investment accounts continue to slowly increase. She also called attention to the \$12,809 rebate received from the WISE incentive program. She highlighted several other areas of interest. Director Lindberg stated he reviewed the bills and all appeared to be in order. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-0 (President Woo had to leave the meeting early) to approve the financial statement and vendor expense detail in the amount of \$536,321.45.

10.3 **Operations**

Mr. Davidsen provided the August Operational Report. He stated currently in the Ruth area, there are multiple fires with the Hopkins Fire the closest - about one mile away from the town of Ruth. The area is very smoky with lots of ash. Ms. Powell, our part-time hydro operator at Ruth has been evacuated. Mr. Perkins our other part-time hydro operator is safe so far and not in the evacuation zone. Mr. Raschein our full-time hydro operator has been told to evacuate if needed. During the month of August, electrical staff went to Ruth to work on the Hydro Plant relay replacement project. PG&E inspected and tested the hydro plant relay project and the project is now complete. Training included CPR/First Aid, Designated Employer Representative through Wienhoff drug testing (they conduct required Class A driver testing), and Safety Meeting topics included rigging, forklift safety training and the practical test. The SB 198 safety meeting was held and Mr. Davidsen and the supervisors attended a zoom meeting with Mr. Benzing of JPIA regarding loss prevention.

11. MANAGEMENT

SOQ for Reservoir Structural Retrofit

This was discussed in New Business, Section 9.4.

12. DIRECTOR REPORTS & DISCUSSION

12.1 **General -comments or reports from Directors**

Director Lindberg inquired if dioxin testing was required. Mr. Friedenbach stated the District conducts all required testing to ensure the safety of our water. Dioxin testing is not required. Director Latt confirmed there is currently no statute that requires water districts test for dioxin.

12.2 **ACWA**

Director Rupp reported out on the Region 1 meeting he attended. Headwaters issues, including management and recovery were one of the topics along with increased regulatory costs. Another topic was water bills for non-profits. Prop 218 requires the same billing and Mr. Gardner of Humboldt CSD noted the water bill for a sports field was around \$60,000. Mr. Friedenbach stated he also attended the meeting and Director Rupp covered it well.

Energy Committee Meeting

Mr. Friedenbach stated the Energy Committee meets roughly four times a year. The committee met last month and he shared the agenda. One of the items discussed was how a small hydro operation is impacted disproportionately by the cost of regulatory compliance relative to the amount of hydro revenue they can generate. This concern is added to the ACWA Energy workplan which is good.

Fall Conference December 1-4, 2020 at Indian Wells

Mr. Friedenbach stated it is prudent to consider authorizing Directors and appropriate staff to attend the ACWA Fall Conference given that it may be in person. The hotels for the event book up very quickly. It could be virtual but it is not known at this time. On motion by Director Rupp, seconded

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by Director Fuller, the Board voted 4-0 to approve director and staff attendance at the ACWA Fall Conference and to authorize appropriate expenses. President Woo was not present.

12.3 **ACWA – JPIA**

Director Rupp attended two committee meetings and an Executive Committee meeting. The Finance Committee discussed the investment portfolio which is doing good and is well managed. The Liability Committee discussed issues such as many companies leaving California which increases liability rates. To offset this, JPIA is taking on more captive insurance. The Executive Committee met to approve actions suggested by the Finance and Liability Committees. There should be no increase in liability insurance due to captive insurance.

HR LaBounty Safety Award Nomination

Mr. Friedenbach shared the project submitted for nomination by the Operations and Maintenance staff. The Personnel Accountability Locator (PAL) Board is a simple yet effective tool with widespread safety implications. Director Rupp stated the Operations and Maintenance staff have a great record of receiving the award and he appreciates their efforts towards safety as well as the support by staff. If selected, the announcement will be made at the ACWA Fall Conference.

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

RCEA

Since President Woo was not present, Mr. Friedenbach stated RCEA did meet and referenced the agenda for topics discussed.

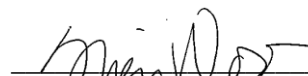
RREDC

Director Latt reported out on the RREDC meeting of August 24, 2020. The program consisted of two speakers: Project Equity co-founder Alison Lingane and North Coast Small Business Development Center (SBDC) Director Leila Roberts. The discussion was about Succession Planning and Employee Ownership. It was noted that approximately twenty percent of businesses for sale locally actually sell. Employee ownership is a great option but employees often assume they can't purchase the business and incur debt. The SBDC has many options to help with this and make employee owned businesses possible. Dazey's Supply in Redway is a good example of this. The owner was ready to retire and the employees purchased the business.


ADJOURNMENT

The meeting adjourned at 3:46 pm.

Attest:



Sherry Woo, President



J. Bruce Rupp, Secretary/Treasurer