

Humboldt Bay Municipal Water District
828 7th Street, Eureka



Minutes for Regular Meeting of the Board of Directors
April 14, 2022

Meeting Start Time: 9:00 am

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.

Time Set Items:	8.2	McNamara & Peepe	9:15 am
	8.3	2020 Census & Redistricting Public Hearing	9:30 am
	10.1	Engineering	11:00 am
	8.7	Closed Session – Anticipated Litigation (VDI)	2:00 pm
	8.8	Closed Session – Critical Infrastructure	2:30 pm
	8.9	Closed Session – Anticipated Litigation (DTSC)	3:00 pm

1. ROLL CALL

President Woo called the meeting to order at 9:01 am. Director Rupp conducted the roll call. Directors Latt, Lindberg, Rupp and Woo were present. Director Fuller was not present. General Manager (GM) Friedenbach, Business Manager Chris Harris, and Board Secretary Fiona Wilson were present. District Counsel Ryan Plotz, Nathan Stevens of GHD, Special Counsel Tal Finney, and members of the public Jennifer Boak, Linda Miller, Dave Hankin, an unidentified Galaxy Tab E user, and Jennifer Kalt of Humboldt Baykeeper were present for a portion of the meeting. Director Latt stepped away from the meeting from 2:00 to 2:54 pm.

2. FLAG SALUTE

President Woo led the flag salute.

3. ACCEPT AGENDA

On motion by Director Lindberg, seconded by Director Rupp, the Board voted 4-0 to accept the agenda. Director Fuller was not present for the vote.

4. PUBLIC COMMENT

Lease lot holder Jennifer Boak expressed concern regarding woody debris that has been left on her lot. GM Friedenbach will follow up with her via telephone.

5. MINUTES

5.1 Minutes of the March 10, 2022 Regular Meeting

In Section 8.1.a.i. the Board requested a change to the last sentence. Staff will change the last sentence to: "The Board discussed concerns that GHD scientist Ken Mierzwa was misrepresented in the draft EIR."

In Section 8.2, the Board requested a change to the sixth sentence. Staff will replace the word "contamination" with "dioxins and pentachlorophenol (PCP)".

On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 to approve the minutes as amended. Director Fuller was not present for the vote.

5.2 Minutes of the March 22, 2022 Special Meeting

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-0 to approve the minutes. Director Fuller was not present for the vote.

6. CONSENT AGENDA - *These matters are routine in nature and are usually approved by a combined single vote.*

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

President Woo pulled consent article 6.1B for discussion.

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-0 to approve consent item 6.1 with the removal of Article B. Director Fuller was not present for the vote.

Article 6.1B was an opinion piece regarding Humboldt Community Services District's (HCSD) fixed costs and water rates. The Board discussed the possibility that the author lacked information on consumption and how rates are established. Staff will draft a response to the article to provide clarification regarding water rates, municipal and industrial consumption, and the relationship between the District and HCSD. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-0 to approve consent article 6.1B. Director Fuller was not present for the vote.

6.2 CalFire Press Release – Fuels Reduction at Ruth Lake

A press release was issued regarding \$500,000 in fuels reduction funding provided to HBMWD at Ruth Lake.

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-0 to accept consent item 6.2. Director Fuller was not present for the vote.

7. CORRESPONDENCE

7.1 Extension Request for 2021 Dam Safety Surveillance and Monitoring Report (DSSMR)

The DSSMR is a comprehensive review, safety analysis, and report on the survey data and maintenance work at R.W. Matthews Dam. Surveillance and monitoring of the dam are preemptive approaches to dam safety. In addition to the regulatory reports required by the state Division of Safety of Dams (DSOD), the District is required to submit the DSSMR to the Federal Energy Regulatory Commission (FERC) every year. District staff are finalizing the 2021 DSSMR and, due to the late receipt of the dam survey report (3 months past normal), have submitted an extension request to the FERC. The District has not yet received a response from FERC.

7.2 Support for Klamath Region Community Air Monitoring Network Project

The Schatz Energy Center at Cal Poly Humboldt has submitted an application to the U.S. Environmental Protection Agency (EPA) to establish a "Community Air Monitoring Network." The project aims to establish infrastructure that will assess air quality, inform programs, and guide decision making. The project's air monitoring domain includes areas of the Mad River Watershed which contain District facilities. The District provided a letter of support for the project and indicated the District's willingness to host air quality sensors on District property.

7.3 2021 HBMWD Draft Consumer Confidence Report

The District completes the Consumer Confidence Report (CCR) every year, and the 2021 draft was distributed to the District's municipal customers. The data contained in the CCR is used by municipal customers to communicate water quality information to their respective retail customers. Nothing of concern is indicated in the Draft CCR. The final CCR will be distributed in June.

7.4 Opposition Unless Amended Letter for SB 1157

The Board discussed SB 1157 – Indoor Residential Water Use at the March Board meeting, and staff sent an Oppose Unless Amended Letter to the Senate Committee on Natural Resources and Water as directed.

7.5 Opposition Letter for AB 1717

The Board discussed AB 1717 – Prevailing Wage for Forestry Fuel Reduction at the March Board meeting, and staff sent an Opposition Letter to the California State Assembly as directed.

7.6 DSOD Fee Schedule Notification

The District received the Division of Safety of Dams' (DSDOD) fee schedule for the upcoming year. As owners of the dam, the state charged the District \$34,000 for Fiscal Year (FY) 2021/22. The fees will increase to \$42,000 for FY 2022/23. The District requested that the state factor in the small size of the Ruth hydro plant when determining fees, but it was not taken into consideration.

7.7 Fuel Reduction Letter to Lease Lot Holders

The District notified lease lot holders at Ruth Lake of the CalFire Fuels Reduction Program for creating defensible space on District property. The letter requested input from lease lot holders because each lease lot is unique and has its own defensible space needs.

7.8 H. Benzonelli Letter regarding Appointment to LAFCo

The District received a letter from Heidi Benzonelli, who is seeking selection as a Special District Alternate Member for LAFCo. The Board discussed Benzonelli's qualifications. Ballots for the election will be due on June 24, 2022.

7.9 ARPA Request to Board of Supervisors

The District sent a letter to the Humboldt County Board of Supervisors, requesting assistance sourced from the American Rescue Plan Act's Coronavirus Local Fiscal Recovery Fund. The request for \$160,000 in funding was requested to address the District's fiscal losses due to pandemic-related expenditures. Supervisor Bushnell responded that she would bring the request to the Board of Supervisors.

8. CONTINUING BUSINESS

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

a. Local Sales

i. Nordic Aquafarms

The Humboldt County Planning Commission will hold a public hearing at 6:00 pm on April 21, 2022.

ii. Trinidad Rancheria Mainline Extension

District Counsel is preparing the draft MOU between McKinleyville CSD and HBMWD to wheel water to the Rancheria. Staff expects the draft will be ready for the Board's review in May. After the Board's review, the draft will go to McKinleyville CSD for their review before the final draft is prepared.

b. Transport

There was no update to report.

c. Instream Flow

A grant performance extension request was approved by the Wildlife Conservation Board. The grant performance period was due to expire in March and was extended until September of 2023. Governor Newsom's Executive Order (EO) N-7-22, Section 6 directs the Water Board to expeditiously consider petitions that add beneficial uses for fish and wildlife. Additionally, the EO waives the 1707 permit fees for those applications. The District is moving forward with the 1707 permit submission.

The Board requested and staff will organize an educational opportunity for the Board to learn specifics about the District's instream flow dedication.

8.2 McNamara & Peepe

President Woo recused herself due to a conflict of interest. Humboldt Baykeeper tested a private domestic well downstream of the contaminated McNamara & Peepe site and pentachlorophenol (PCP) and dioxins were detected. Homeowners in the vicinity may be unknowingly using contaminated water for domestic purposes. Humboldt Baykeeper submitted the results to the Department of Toxic

Substances Control (DTSC) and received a response that the data from the tested well is under review. Humboldt Baykeeper has notified Humboldt County Environmental Health about the contamination, and is working with advocates in Sacramento to get more attention and funding for this issue via a public forum or other means. California Coastkeeper Alliance is drafting a letter to Senator McGuire to request funding before the FY 2022/23 budget is approved. DTSC has accepted the results of the surface water sampling event which took place on December 15, 2021.

United Indian Health Services (UIHS) submitted a letter to DTSC conveying the concerns shared by the nine federally-recognized tribes served by UIHS. UIHS requested the immediate removal of all contaminated soil and DTSC has not responded to the letter. District staff met with Senator McGuire's staff to request assistance from the Senator, and will reach out to Assemblymember Wood as well.

8.3 2020 Census & Redistricting Public Hearing and Resolution 2022-05

Every ten years, the District must consider redrawing division boundaries to comply with the federal Voting Rights Act of 1965. Staff reviewed the precinct and population census data and provided four scenarios for the Board's consideration during the March 10 regular meeting. The Board requested revisions that would even out the population and enhance continuity of populations and boundaries. Staff revised the scenarios and returned to the Board during the March 22 special meeting with the requested revisions.

Three division maps were finalized and included in the April 14 Board packet for the Board's consideration and approval: Scenario 0 presented the status quo, Scenario 2 equally divided population by division, and Scenario 4 considered community characteristics with unequal populations by division. President Woo opened the public hearing at 9:35 am, and closed it at 9:36 am with no public comment. The Board discussed the three scenarios, and Scenario 2 gained the most approval. Under Scenario 2, the City of Blue Lake would be moved from Division 2 to Division 3. President Woo noted that every constituent, including the City of Blue Lake, is welcome to communicate concerns and feedback to any of the Board members, regardless of Division or Director representative.

On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 by roll call vote to relocate division boundaries according to Scenario 2 and adopt Resolution 2022-05 accordingly. Director Fuller was not present for the vote.

8.4 Boldway Lot Line Adjustment

Jeremiah Boldway is the owner of private property that encroaches on District property. His cabin burned in the August Complex Fires, and was subsequently identified by CalOES to have been situated on District property. Mr. Boldway has requested a lot line adjustment to rebuild his cabin on the graded terrace where it was previously located. Mr. Boldway's surveyor has been trying to work with Trinity County to move the proposal forward. The two parcels are zoned differently, so that may be problematic. GM Friedenbach noted that approving the adjustment could potentially set a precedent for encroachment onto District property. Staff provided a project status update to the directors. The project is currently awaiting action by Mr. Boldway and his consultant.

8.5 Samoa Peninsula Clean CA Local Grant Program

Redwood Community Action Agency (RCAA) and the Humboldt Bay Harbor, Recreation and Conservation District have been awarded \$900,000 in grant funding to beautify the peninsula and areas around Humboldt Bay. RCAA aims to collaborate with the District to create a mural on the District's one-million gallon industrial reservoir. However, the reservoir is slated to be seismically retrofitted with Hazard Mitigation grant funding, so the timing of the two projects may not align. A specific collaboration request by RCAA will come back to the Board at a later date.

8.6 Joint Board Meeting with Ruth Lake CSD Draft Agenda (June 17, 2022)

The Board reviewed the draft agenda and provided feedback. Staff will add quagga mussel prevention and gate maintenance/lake access to the agenda. The gates at Ruth Lake Recreation Area Campground

(Ruth Rec), Old Ruth Day Use Area, and Ruth Lake Marina have been repaired. The District will submit a grant application to move the gate arm mechanism at Ruth Rec to a higher elevation to preserve the electrical system when the lake level is high. GM Friedenbach proposed conducting the meeting at Journey's End rather than headquarters, and the Board supported the suggestion. Director Rupp notified the Board that he will not be present at the joint Board meeting.

8.7 CLOSED SESSION - Conference with District Legal Counsel Ryan Plotz – Anticipated Litigation: Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9 (VDI)
Director Latt recused himself due to a conflict of interest. The Board went into closed session at 2:07 pm and came out of closed session at 2:16 pm with nothing to report.

8.8 CLOSED SESSION – Conference with District Legal Counsel Ryan Plotz – Critical Infrastructure: Threat to Public Services or Facilities pursuant to Gov. Code 54957
The Board went into closed session at 2:30 pm and came out of closed session at 2:41 pm with nothing to report.

8.9 CLOSED SESSION - Conference with District Special Counsel – Anticipated Litigation: Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (DTSC)
President Woo recused herself due to a conflict of interest. The Board went into closed session at 3:01 pm and came out of closed session at 3:43 pm with nothing to report.

9. NEW BUSINESS

9.1 Tsunami Drill and Director Go Bag Review

Each of the Board members has an emergency “Go Bag” stored at the main office that is filled with supplies in the event of an earthquake, tsunami, wildfire, or other disaster.

9.2 Succession Planning Introduction

Ten of the District’s 28 full-time employees are currently eligible for retirement, and another three employees will be eligible for retirement within five years. Four employees with over 100 years of combined service to the District have stated their intention to retire within the next five years, including the General Manager and Superintendent.

To ensure that the District is prepared for effective succession planning, staff have reviewed job descriptions and determined that several job descriptions are out of date or not correctly aligned on the salary schedule. Staff will bring the proposed changes to personnel allocations, position titles, and job descriptions to the Board at the May meeting.

10. REPORTS (from STAFF)

10.1 Engineering

District Engineer Nate Stevens provided the March Engineering Report.

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

i. Contractor Pay Request for February/March

Sequoia Construction Specialties submitted a pay request for \$128,687.67 for completed work.

PG&E staff did a site inspection at the end of March and conditional permission to energize the switchgear was granted for May 4, 2022. The generator controller upgrade should be completed by May 13, 2022.

ii. IPA Shipping Change Order Request Letter

Sequoia Construction Specialties submitted a Change Order (CO) Request for an additional \$62,071.25 in charges associated with the Integrated Power Assembly (IPA) building. GHD responded to the CO request, disputing most of the requested additional payment and is awaiting a response.

- b. TRF Generator Project (\$517,819 District match)
The District is awaiting a response from FEMA regarding funding.
- c. Status report re: other engineering work in progress
There was nothing to report.

10.2 Financial

a. March 2022 Financial Statement & Vendor Detail Report

Business Manager Harris provided the March Financial Report. The Humboldt County 1% Tax Account reflects a negative balance of \$18,048.38. An allocation of approximately \$1 million of property tax revenue has not been posted to the account yet, but LAFCo and administrative fees have been deducted from the account nonetheless. This account directly impacts the District Price Factor 2 credits to the municipal customers per Ordinance 16.

The District should be earning interest on funds deposited into the SRF Loan Payment Account every month, but the last statement from the County is for January – March of 2020.

The District has not received confirmation that the County has closed the Investment Account, DWFP Reserve Account, MSRA Reserve Account, and ReMat Account Direct as requested over a year and a half ago.

The Board discussed sending a letter to the County Board of Supervisors regarding the lack of information from the Auditor-Controller's office. The GM and Business Manager supported the idea. The letter could be used as documentation for the District's auditor. Staff will bring a draft letter to the Board in May.

General Fund Reserves are \$2.6 million. Salary & Benefits expenditures are at 78%. Materials and Supplies expenditures are at 105% due to increasing cost of chlorine. Director Fuller reviewed the bills for March, but was not present to make any comments.

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-0 to accept the report and approve payment of the bills in the amount of \$294,309.10. Director Fuller was not present for the vote.

b. Project Budget Meeting and BBQ Dates

The project budget meeting is scheduled for May 31, 2022. The District BBQ will be scheduled for a later date.

c. Unum Life Insurance Analysis

Staff reviewed insurance options available to the District and provided a comparison of rates for employee disability, life insurance, and accidental death and dismemberment. Staff will bring more detailed information regarding the ratings and coverage to the May meeting for the Board's consideration and possible approval.

10.3 Operations

a. Monthly report on projects and operations

GM Friedenbach provided the March Operations Report. Ruth Headquarters recorded 1.64" of rainfall for March. The lake level on March 31st was 0.2' above the spillway. Ruth Hydro produced 148,800 KWh in March, with two shutdowns for maintenance. As of March 31, 209.841 MG were pumped at an average of 6.769 MGD.

A respiratory safety meeting and respirator fit-testing was held on March 2. A safety meeting on confined spaces, gas detectors, SCBAs, lockout/tagout, and patient packaging/SKED training was held on March 16. DSOD conducted an inspection of the dam, and provided a positive report.

Annual maintenance at Ruth was performed from March 28-30. Staff will bring a comparison of current and 1976 river levels and flow data for the May meeting.

b. Reinstate Previously Surplused Property

Staff requested to remove the water buffalo trailer and tank from the surplus asset list, to be used for mobile fire suppression at Ruth Lake.

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-0 to insure and

reinstate the trailer. Director Fuller was not present for the vote.

11. MANAGEMENT

GM Friedenbach provided the March Management Report.

11.1 Healthy Forest Grant Program

57,000 donated douglas fir and ponderosa pine seedlings, and 120 river maples were planted in March. 2-3,000 excess seedlings didn't get planted and have been heeled in the ground until next year. Burned oak trees are sending up shoots, and pine seedlings are sprouting on their own. Director Latt left the meeting at 2:00 pm. Staff relayed a request by lease lot holders to opt out of the Fuels Reduction program to create defensible spaces around their lease lot improvements. The Board expressed their opposition to allowing lease lot holders to opt out of creating defensible space. They stated that this is a mandatory program.

11.2 Resolution 2022-06 – Opposition to Initiative 21-0042A1

CSDA recommended that the District oppose Initiative 21-0042A1, as it limits the ability of voters and state and local governments to raise revenues for government services. It could dramatically affect the ability to raise water rates and complete capital improvement projects. The Board discussed the resolution.

On motion by Director Lindberg, seconded by Director Rupp, the Board voted 3-0 by roll call vote to approve the resolution to oppose Initiative 21-0042A1. Directors Latt and Fuller were not present for the vote.

11.3 Cal Poly HSU Senior Capstone Projects

Environmental Resources Engineering senior capstone projects will be presented from 6:00-8:00 pm on Tuesday, May 3, in Founders Hall 118. The following projects were selected: Station 6 Weir Enhancement, Stream Enhancement at Station 6, Collector 4 River Channel Re-direction, and R.W. Matthews Dam siphon. Directors and staff are invited to attend.

12. DIRECTOR REPORTS & DISCUSSION

12.1 General - comments or reports from Directors

Director Lindberg acknowledged that geology clients have been attempting to reach him at the District main office by mistake.

12.2 ACWA

a. ACWA Committee Update

Director Rupp provided the March ACWA Committee update.

At the March 25 ACWA Board meeting, the Board discussed the formation of a 501(c)(3) nonprofit to promote diversity, equity, and inclusion in the water industry. This would involve the distribution of scholarships, grants, and water employees' development in underrepresented communities. Director Rupp was appointed to the steering and finance subcommittees that are involved with the development of the 501(c)(3). ACWA continues with headwaters restoration and infrastructure advocacy at the state and federal levels.

ACWA's Finance Committee met on March 8, and is considering how to invest the \$2.3 million proceeds of sale of their building to address unfunded liability. Since ACWA is not a governmental organization, the revenue could be invested via a broker.

The Communications Committee has distributed a handbook that provides guidance regarding communicating with elected officials.

The ACWA Region 1 Event is scheduled for July 7-8, 2022. The draft itinerary begins at 5:00 pm on Thursday with a tour on the Madaket, before dinner at the Sea Grill and presentations by ACWA President Pam Tobin, Executive Director Dave Eggerton, and ACWA-JPIA Executive Director Andy Sells. On Friday morning the group will meet at the main office for presentations on the District's instream

flow project, McKinleyville CSD's solar program, and Humboldt CSD's SCADA system. A short round table will follow. Lunch will be at the Ingomar, followed by a presentation at the Nordic Aquafarm facility. The event will end at approximately 2:00 pm, and is estimated to cost approximately \$70 per person. GHD will underwrite the cost for the Madaket tour. President Woo expressed her appreciation for Director Rupp's time and representation.

12.3 ACWA – JPIA

a. Presentation of ACWA-JPIA refund check

Director Rupp presented the retrospective premium adjustment for worker's compensation in the amount of \$19,597.72. Property and liability premium adjustments have not been issued, but will be issued when appropriate. Director Rupp commended staff on the implementation of District safety initiatives.

b. Liability, Property, and Workers' Compensation Programs Risk Assessment

ACWA-JPIA Senior Risk Control Advisor Thor Benzing conducted a risk assessment at Essex and recommended adoption of a backing-up policy for District vehicles. He also recommended notifying ACWA-JPIA when the District acquires assets. He advised the District to contact Member Services to review the special use process for special events at Park 1 and Park 4. Traffic control and ergonomics trainings have been scheduled and are underway. A sample return-to-work policy was provided. GM Friedenbach opposed limiting a modified or alternate work assignment under an artificial 90-day timeframe because there is a higher success rate with bringing employees back to work on light-duty. Director Latt returned to the meeting at 2:54 pm.

12.4 Organizations on which HBMWD Serves

a. RCEA News and Updates

Director Fuller attended the March meeting in lieu of President Woo and was not present to provide a report. The monthly newsletter was included in the Board packet.

b. RREDC

Director Latt did not attend the March meeting but reported that a special meeting was held on March 31 to envision Board priorities and set goals for the next five years.

ADJOURNMENT

The meeting was adjourned at 3:45 pm.

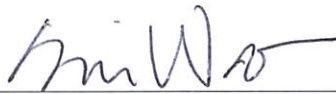
AYES: Directors Woo, Rupp, Latt, Fuller, and Lindberg

NOES:

ABSENT:

ABSTAIN:

ATTEST:



Sheri Woo, President



J. Bruce Rupp, Secretary/Treasurer