

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



**Minutes for Regular Meeting of the Board of Directors
February 10, 2022
Meeting Start Time: 9:00 am**

DUE TO COVID-19 THE DISTRICT WILL BE HOLDING THE MEETING VIA ZOOM

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	Closed Session – Anticipated Litigation (VDI)	9:30 am
	8.1a	Water Resource Planning – Local Sales	10:00 am
	10.1	Engineering	11:00 am
	8.8	Public Hearing – Ordinance 24	1:15 pm
	8.9	Closed Session – Anticipated Litigation (DTSC)	1:30 pm

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. Director Latt stepped away from the meeting briefly from 3:30 to 4:00 pm. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, Tech Manager Dee Dee Simpson, and Board Secretary Fiona Wilson were present. District Operations & Maintenance Technician Bill Wardrip, Maintenance Mechanic Justin Natividad, District Counsel Ryan Plotz, Nathan Stevens of GHD, Jacque Hostler-Carmesin and Garth Sundberg of the Trinidad Rancheria, Jennifer Kalt of Humboldt Baykeeper, McKinleyville CSD General Manager Pat Kaspari, and members of the public Elaine Weinreb, Richard Marks, Linda Miller, and David Hankin were present for a portion of the meeting.

2. FLAG SALUTE

President Woo led the flag salute.

3. ACCEPT AGENDA

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to accept the agenda.

4. PUBLIC COMMENT

There was no public comment.

5. MINUTES

5.1 Minutes of the January 13, 2022 Regular Meeting

Director Rupp abstained from voting as he was not present for the January 13 meeting. On motion by Director Latt, seconded by Director Lindberg, the Board voted 4-0 by roll call vote to approve the minutes as amended.

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 – K)

The Board discussed Article A. John Winzler’s celebration of life will be on February 26 from 1:00 - 4:00 pm

at the Ingomar Club in Eureka. John Winzler was an icon in the community and at the District. He will be greatly missed. The Board spoke in honor of his many contributions to the community. Director Rupp will speak a few words at the memorial on the District's behalf.

The Board discussed Article C. The Board thanked author Elaine Weinreb for the article and expressed appreciation of the acknowledgement that water rights and supply are important issues.

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

7. CORRESPONDENCE

7.1 Humboldt LAFCo call for Nominations

Humboldt County LAFCo has two vacancies on their Board and the District's Directors are eligible to run. None of the Directors expressed interest in running.

7.2 Letter to Trinity LAFCo regarding RLCSO MSR & SOI Update

Trinity County is preparing a Municipal Service Review (MSR) and GM Friedenbach provided input on the draft to correct some errors. Ruth Lake CSD has not had an MSR for over 30 years. Adoption of the MSR has been postponed until the next RLCSO meeting to address the District's concerns and correct errors. Staff will correct the MSR and SOI acronym typos.

7.3 Letter to U.S. Fish & Wildlife Service regarding Foothill Yellow-Legged Frog (FYLF)

The letter regarding the designation of the FYLF was finalized and sent.

7.4 Letter to CDFW regarding 2021 Long-term Lake & Streambed Alteration Agreement (LTSAA) Annual Report

The District is required to submit this report annually under the LTSAA regarding activity in the river.

7.5 Letter to NMFS regarding Habitat Conservation Plan (HCP) Annual Report

The District is required to submit this report annually under the HCP regarding activity in the river.

7.6 Letter to municipal customers regarding Ordinance 16

The District sends this letter annually to provide water use data for the calendar year. The District uses the data to allocate costs in accordance with Ordinance 16.

7.7 Letter to RLCSO regarding Quagga Prevention Plan (QPP)

President Woo's letter was sent to the RLCSO Chair requesting closure of malfunctioning gates to prevent quagga infestation via unauthorized access to the lake. The Board discussed concerns regarding the QPP. Staff will follow up with RLCSO to confirm that they will cooperate with the District's request. Superintendent Davidsen told the Board that District staff have assisted RLCSO in the past and could help CSD staff with technical issues if given direction. This topic is likely to reemerge. A 2009 Stillwater Sciences study concluded that the lake temperatures, pH, and O2 levels provide favorable conditions for potential infestation. Calcium levels detected at the time of the study could limit shell building but may have increased in recent years due to erosion and runoff from the wildfires. Quagga mussels could significantly impact infrastructure downstream if they were introduced into the river. No studies of downstream river conditions have been conducted to determine the viability of quagga survivability. The District has had to intervene with RLCSO regarding issues under their purview in the past, and this may be one of those issues. Superintendent Davidsen will communicate with CSD the next time an electrician goes to the lake. The Board expressed appreciation for staff bringing the issue to their attention.

8. CONTINUING BUSINESS

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

a. Local Sales (Time Set 10:00 am)

i. Nordic Aquafarms

Nordic Aquafarms is moving forward with their EIR. The comment period ends February 18, 2022. Staff will submit comments conveying the District's support of the project.

ii. Trinidad Rancheria Mainline Extension agreement

The finalized draft agreement is ready for the Board's consideration and approval. On motion by Director Latt, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to conditionally approve President Woo's execution of the agreement, pending District counsel's review and approval of the Tribe's certificates of insurance and resolution waiving sovereign immunity. Tribal Chairman Garth Sundberg thanked the Board for supporting the project, thanked staff for their efforts, and conveyed that the Tribe will be working to leverage funds to move forward with the project. Tribal CEO Jacque Hostler-Carmesin thanked the Board, GM Friedenbach and District Counsel Plotz for collaborating and expressed the Tribe's enthusiasm for the project.

b. Transport

The District's Transport Committee met with Congressman Jared Huffman on January 25, 2022. There is little demand for the District's excess water, and Congressman Huffman is opposed to inter-basin transfers. The Board discussed the District's limited transport options and suggested a review of the District's water rights before soliciting help from state legislators. The District's approach to 2029 may need to be revisited and contingency planning may be necessary to preserve the water rights. The Board discussed concerns that drought may have reduced seasonal availability to such an extent that preserving the District's rights may no longer be viable. The Board agreed that further discussion regarding water rights and availability is in order.

The Committee reported that Congressman Huffman agreed to help the District with the following items: headwaters restoration and remediation of damage caused by the August Complex fire, an appeal to FEMA for assistance with 2019 flood damage to Collector 4, and infrastructure funding opportunities for the District's Capital Improvement Plan.

c. Instream Flow – discuss

The Instream Flow Committee and staff will meet with NMFS and CDFW on February 24 to review the chart of flows and will report out at the March Board meeting.

8.2 McNamara & Peepe (Time Set 9:15 am)

President Woo recused herself due to a conflict of interest. GM Friedenbach introduced the letter from DTSC regarding the testing of water samples from a well near the site. Staff will follow up at the next meeting with updates on the sampling and testing. The landowner is interested in potentially using the well, and has indicated that he will cooperate with testing. The Board discussed the benefits of educating the public on the implications of PCP and dioxins on health, and mechanisms for conducting outreach if the test results come back positive. The most appropriate agencies to distribute mailers to individuals with wells in the area would be DTSC and Humboldt County Public Health.

Jen Kalt from Humboldt Baykeeper stated that she has communicated with the landowner and he is working with SHN to conduct the sampling and testing. She has concerns about the remediation plans and appreciates that the District is pushing for remediation. She suggested that the Fieldbrook Glendale CSD be involved with outreach efforts, and speculated that high water rates and the contamination issue could cause neighbors to fear regulatory capping of their wells as a remedial action. Public commenter Linda Miller agreed that fear of capping could cause neighbors to avoid testing and liked the outreach idea. Director Fuller noted that the Instream Flow Committee has compiled a list of wells in the Mad River basin that could be used to facilitate outreach.

8.3 CLOSED SESSION - Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9 (VDI) (Time Set 9:30 am)

Director Latt recused himself due to a conflict of interest. The Board went into closed session at 9:32 and returned from closed session at 9:45 with nothing to report.

8.4 Resolution 2022-02 - Extension of AB 361

The District is required to reaffirm the circumstances that qualify this act every 30 days. GM Friedenbach reminded the Board that without the Resolution, the Board would have less meeting flexibility under the Brown Act. The Board discussed options for meeting in-person and would like to resume in-person meetings with a hybrid option as soon as safely possible. On motion by Director Lindberg, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the resolution.

8.5 NCRP Lidar Acquisition Project

On December 9, 2021, the Board authorized participation in the NCRP lidar project with the condition that the Mad River be included in the project. USGS has issued the grant agreement which requires Board approval to execute.

a. Agreement

The Board expressed appreciation for staff's conservation of the District's river basin and resources. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to authorize the GM to execute the agreement, issue the District's financial contribution of \$20,000, and implement the project.

8.6 Ruth Lake Emergency Declaration

The debris removal boat was delivered to Essex this morning. Once woody debris is removed, the emergency declaration will be terminated. The District was awarded \$132,000 in funding to remove debris from around the lake. The District has requested a grant performance extension to October 31, 2022 to complete the work once the lake recedes.

8.7 Cal Poly Humboldt student capstone projects

GM Friedenbach presented the four projects that have been selected:

- Bolstering the weir at Station 6
- Stream enhancement upstream of Station 6 to create pools and scour on the south bank
- Redirecting the river channel between Collectors 4 & 5 to its pre-2019 course
- Hazard mitigation siphon project to lower the lake level to complete repairs

The students will present the projects to the Board. Staff will work with Dr. Archibald to determine an appropriate venue and format for the student presentations.

8.8 Public Hearing of Ordinance 24 – Informal Bidding Procedures Under the CUPCCAA (Time Set 1:15 pm)

On October 14, 2021, an ordinance introducing informal bidding procedures under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) was introduced. The ordinance changes the threshold that requires formal bidding. President Woo opened the public hearing at 1:19 pm, and closed the public hearing at 1:20 pm with no public comment. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to adopt the ordinance.

8.9 CLOSED SESSION - Conference with Legal Counsel – Anticipated Litigation: Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (DTSC) (Time Set 1:30 pm)

The Board went into closed session at 1:32 pm, and came out of closed session at 2:25 pm with nothing to report.

8.10 CLOSED SESSION – Public Employee Performance Evaluation for General Manager pursuant to Section 54957(b)(1) (This item will be the last item of the day.)

The Board went into closed session at 4:15 pm and came out of closed session at 5:27 pm. President

Woo reported out that she will contact District Counsel to amend GM Friedenbach's employment contract to extend through September 30, 2025.

9. NEW BUSINESS

9.1 2020 Census & Redistricting

The deadline for the District to finalize its redistricting is April 17, 2022. Staff will report redistricting options to Directors at the March and April public hearings.

9.2 Safety Program

The Board expressed appreciation for the District's robust safety program and staff's dedication to workplace safety. The District's safety program criteria, 2022 Office Safety Meeting schedule, Safety Committee meeting minutes, and JPIA Commitment to Excellence were included in the Board packet. The nomination form for the H. R. LaBounty safety awards has been submitted for Spring 2022. Superintendent Davidsen thanked the Board for providing funding to prioritize safety. The Directors discussed the resources and efforts that encourage a safe environment and staff's commitment to safety. The Board thanked and commended staff and leadership. Operations and Maintenance Technician Bill Wardrip was the grand prize winner of the safety award. He commented that the District's safety program is the best he has encountered during his career. Maintenance Mechanic Justin Natividad was hired on December 16, 2021 and was welcomed to the District. Executive Assistant and Board Secretary Fiona Wilson was hired on October 6, 2021 and was welcomed to the District.

9.3 Trinity County Local Hazard Mitigation Plan (HMP)

Participation in Trinity County's HMP will allow the District to apply for FEMA grant funding for projects located in Trinity County. The District has submitted an annex, and once the HMP has been approved by FEMA, staff will bring a resolution to the Board for approval and adoption of the plan.

9.4 Samoa Peninsula Clean CA Local Grant Program

The Humboldt Bay Harbor and Recreation District and Redwood Community Action Agency (RCAA) are partnering to submit a grant application that could provide funding for murals on District property on the Samoa Peninsula. Staff will bring the item back for discussion upon approval of the grant application. The Board expressed an interest in meaningful artwork, such as a mural of District staff.

10. REPORTS (from STAFF)

10.1 Engineering (Time set 11:00 am) GHD Engineer Nate Stevens provided the engineering report.

a. Collector 2 Rehabilitation Project

Project bids were due January 31 and one bid was received from Mercer-Fraser for \$4,591,400. Staff recommended rejecting the bid for being over budget and because the contractor doesn't meet the experience requirements. If the Board rejects the bid, staff will apply for a grant extension and seek additional funding before rebidding the project. The Board weighed the urgency of rehabilitating the collector vs. current usage and future demand, and considered whether the project should be reprioritized. Refurbishing the wells is part of the District's Capital Improvement Project and Collector 2 is currently the least efficient collector. Superintendent Davidsen suggested moving forward with the project if possible. A grant application for Collector 4 is currently pending and Congressman Huffman may be able to help with additional federal infrastructure dollars.

i. Construction Bids

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to reject the bid based on not meeting minimum qualifications and budget limitations.

b. 12 kV Switchgear Relocation

- i. Change Order #8
Change Order #8 is requested to splice additional cable for Feeder 5. The \$4,660.71 adjustment is for materials and labor. After the cable is spliced it will be tested. On motion by Director Latt, seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve Change Order #8.
 - ii. Sequoia Construction January Pay Request
Sequoia Pay Request #13 is for trenching and electrical work completed in January totaling \$65,733.35. A backup generator has been tentatively scheduled for use between March 9 - April 2, 2022.
 - iii. Hazard Mitigation Grant Extension
The District received a letter from CalOES granting official approval of the project extension.
 - iv. Hazard Mitigation Grant Scope of Work Revision and Budget Increase Request* – Discuss
CalOES reviewed the request and forwarded it to FEMA. The District is still waiting on the FEMA determination.
 - v. Public Safety Power Shutoff Grant Extension
The grant period for the PSPS generator has been extended to December 31, 2022.
- c. TRF Generator Project
The District is waiting on FEMA regarding phase one funding.
 - d. Status report re: other engineering work in progress
GM Friedenbach reported that the Surface Transportation Board has not made an official determination regarding the abandonment of the Annie & Mary rail line. An entity has applied to have the Willits to Eureka line designated as active.

10.2 Financial Business Manager Chris Harris provided the financial report.

- a. January 2022 Financial Statement & Vendor Detail Report
The Board received the January 2022 financial report. There was \$3 million in general accounts and \$10.6 million in total cash. Director Rupp reviewed the bills for the month of January. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to pay the bills in the amount of 371,929.36.
- b. Property & Medical Insurance Analysis
The Board received an analysis of the projected property insurance premiums in comparison to the medical PPO insurance premiums. The increase in expense for property insurance is estimated to be +/- \$5,800. The decrease in medical insurance premium expense is estimated to be +/- \$28,600. The projected decrease in medical insurance costs is anticipated to offset the projected increase in property insurance costs.
- c. CPI analysis & COLA request
The Board received a Consumer Price Index (CPI) and Cost of Living Adjustment (COLA) analysis. The report included data on the following items:
 - o CPI changes for the past 12 months, estimated cost of the recommended COLA, current District reserve balance, and reserve expenditures for the past 18 months.
 - o CPI and COLA rates for the past 20 years.
 - o Impact of Covid-19 on US consumers' personal savings rate
 - o California and Humboldt County housing costs
 - o California and Humboldt County average wages
 - o Results of the District's January 2022 employee survey
 - o Information provided in the January CPI & COLA report
 Staff recommended that the Board approve a mid-year COLA of 4.7% or continuation of the Covid-19 essential pay. The Board discussed the pros and cons of a mid-year COLA vs. an

extension of Covid-19 essential pay. The Board discussed the impact of ending the Covid-19 pay without implementing a mid-year COLA to address the CPI. The Board expressed concern about the District's increasing benefit costs and the implication of providing Covid-19 pay without additional contributions to employee benefits.

The Board discussed the impact of extending the 5% Covid-19 pay through June and revisiting the COLA during the budget discussion. COLAs are usually approved during the budget process and there was concern that the CPI could go back down and leave the District to absorb the cost of a mid-year COLA. Business Manager Harris reminded the Board that the February CPI is used to adjust salaries during the budget process.

The Board appreciated the survey feedback and considered developing an annual employee survey. The Board discussed the potential impacts of an annual survey on employee expectations and requested salary comps for staff positions.

On motion by Director Latt, seconded by Director Rupp, the Board voted 5-0 by roll call vote to extend the 5% Covid-19 pay through June 30, and revisit the COLA during the budget process.

10.3 Operations

a. Monthly report on projects and operations

Superintendent Davidsen provided the January operations report. There were several people out last month due to illness. There were 2.69" rainfall at Ruth Lake and hydro production shut down once for PG&E. Hydro production was reduced slightly to achieve spill. The District is testing a new treatment chemical. A break in at Line Shed 6 caused costly damages and a security door will be installed. Four safety meetings occurred and the hydro production graph was updated to reflect cumulative kWh.

11. MANAGEMENT

11.1 JPIA CWIF Election Notice

California Water Insurance Fund (CWIF) has Director vacancies for 2022 but due to Director Rupp's role on CWIF, nobody else can run.

11.2 ASDSO Dam Emergency Training

GM Friedenbach participated in the four-day course and passed the test. Superintendent Davidsen, Business Manager Harris, and Regulatory Analyst Sherrie Sobol participated in portions of the course. GM Friedenbach suggested the creation of a decision tree for issues that could arise at the dam.

11.3 JPIA webinar opportunities

JPIA will provide a free sexual harassment prevention training opportunity for Board members on April 28, 2022. Staff will notify Directors who are scheduled to renew their certificates.

11.4 AB 1717 Prevailing Wage legislation opposition

Assembly Bill 1717 would directly and negatively impact the District's ability to leverage \$500,000 in funding that was received from CalFire for fuel reduction. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-0 to authorize the GM to send a letter in opposition of the bill. Director Latt was not present for the vote.

12. DIRECTOR REPORTS & DISCUSSION

12.1 General - comments or reports from Directors

Director Fuller might be absent for the April meeting and need to review the March bills by Friday, April 8. President Woo or Director Lindberg will switch with her if necessary.

President Woo spoke with Dave Feral who has decided to remove the Wild & Scenic River element from the Baduwa't documentary.

12.2 ACWA

a. ACWA Spring Conference: May 3 – 6, 2022

i. Authorize expenditure for Directors and staff to attend

The ACWA Spring Conference will be held from May 3-6, 2022. Director Rupp would like to attend and President Woo might want to. On motion by Director Rupp, seconded by Director Lindberg, the Board voted 4-0 by roll call vote to authorize expenditure for the Board and GM to attend the conference. Director Latt was not present for the vote.

b. ACWA Board

Director Rupp attended a Board orientation on February 3 and a meeting of the Board on February 4 where he was elected to the Executive Committee. The Board received reports on legislation and discussed a statewide communication plan to educate minority groups and the public on the importance of water infrastructure.

12.3 ACWA – JPIA

a. JPIA President's Special Recognition Awards

The District was awarded special recognition for achieving low ratios of "Paid Claims and Case Reserves" to "Deposit Premiums" for the Liability and Property programs.

b. Liability and Executive Committee Meetings

Director Rupp attended Liability and Executive Committee meetings on January 31. The Liability Committee met to review loss experience, training and inspections for best practices, and trends in premiums. The Executive Committee met and decided to postpone the Strategic Planning Meeting. They will meet again at the end of March.

12.4 Organizations on which HBMWD Serves

a. RCEA News and Updates

President Woo reported that the agency's outreach efforts have improved with the attached Community Report. Cash flow issues are of concern, but The Energy Authority (TEA) finances a lot of the projects and Marin Community Energy Agency can possibly help.

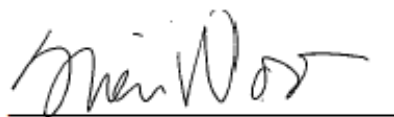
b. RREDC

Director Latt reported that the Humboldt County Growers' Alliance Executive Director Natalynne DeLapp spoke on the state of the cannabis industry regarding Measure S. The Board of Supervisors extended the cultivators' due date and gave them a reduction in cultivation tax.

ADJOURNMENT

President Woo adjourned the meeting at 5:28 pm.

Attest:



Sheri Woo, President



J. Bruce Rupp, Secretary/Treasurer