

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



**Minutes for Regular Meeting of the Board of Directors
June 8, 2023**

1. ROLL CALL

President Latt called the meeting to order at 9:00 am. Director Lindberg conducted the roll call. Directors Fuller, Latt, Lindberg and Woo were present. Director Rupp was absent. 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 motion by Director Woo, seconded by Director Lindberg, the Board voted 4-0 to accept the agenda.

4. PUBLIC COMMENT

No public comment was received.

5. MINUTES

5.1 April 13, 2023 Regular Board Meeting Minutes

Director Fuller requested some technical corrections to the McNamara & Peepe section. On motion by Director Woo, seconded by Director Lindberg, the Board voted 4-0 to approve the minutes of April 13, 2023 as amended.

5.2 May 16, 2023 Regular Board Meeting Minutes

Director Fuller noted a correction needed in the McNamara & Peepe section. Baykeeper is one word, not two. On motion by Director Fuller, seconded by Director Woo, the Board voted 4-0 to approve the minutes of May 16, 2023 as amended.

5.3 May 24, 2023 Special Board Meeting Minutes

On motion by Director Woo, seconded by Director Fuller, the Board voted 4-0 to approve the minutes for the Special Meeting on May 24, 2023.

6. CONSENT AGENDA

Media articles of local/water interest (Articles a-d)

On motion by Director Lindberg, seconded by Director Fuller, the Board voted 4-0 to accept the Consent Agenda.

7. CORRESPONDENCE

Letter from Blue Lake Rancheria re: mainline extension request

Mr. Friedenbach shared the letter from Blue Lake Rancheria requesting a mainline extension to their Rancheria. Mr. Jason Ramos, Tribal Administrator, addressed the Board. He stated the Rancheria is taking measures to be in control of their own future and not dependent on a city or other entity. He shared other steps taken already to gain independent control such as having their own power grid, and internet. They are committed to being an island of hope, as they were after the December 2022 earthquake. They were able to provide power, fuel and a place for people to stay and use life- saving medical devices during this time when most were without power. The Board was positive and supportive of their request and directed

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staff to prepare a Memorandum of Understanding (MOU) for consideration at a future meeting. Mr. Friedenbach noted the District's legal counsel has a conflict of interest as the firm also represents the City of Blue Lake. He recommended the District retain the services of Meredith Nikkel of Downey Brand, as she is also a water rights attorney, to advise the District on this matter.

8. CONTINUING BUSINESS

8.1 Water Resource Planning

a. Local Sales

i. Nordic Aquafarms

Mr. Friedenbach stated a meeting with the Nordic Aquafarm executives is scheduled for June 14th. An update report will be provided at the July board meeting. Nordic continues to work through their permit challenge at the California Coastal Commission.

ii. Trinidad Rancheria Mainline Extension

The Trinidad Rancheria published an RFQ for engineering services for the mainline extension. They received a response from Stetson Engineering and are currently in negotiations with them.

b. Transport

No updates were available.

c. Instream Flow

The draft Narrative graphs have been updated by GHD and will be reviewed by counsel. Nothing additional to report at this time.

8.2 McNamara & Peepe

Report from Prima Environmental re: Final Report of Findings "Bench-scale Evaluation of Remediation Options for Destruction of Pentachlorophenol in Soil and Groundwater"

Director Woo recused herself due to a conflict of interest and left the room. Mr. Matt Hagemann of SWAPE, discussed the final report from Prima Environmental regarding the McNamara & Peepe site. He provided an overview of the report (the report is 544 pages), answered Director's questions, and recommended the Board ask specific questions at their next meeting with the Department of Toxic Substances Control (DTSC) such as what they plan do with the findings in the report.

Mr. Friedenbach shared that DTSC is working on an access agreement to install an additional monitoring well on a private residence south of the Site.

9. NEW BUSINESS

9.1 Restore power to Old Ruth Project, CEQA-Notice of Exemption

Mr. Friedenbach explained that the District applied for a California Department of Boating and Waterways Quagga Prevention grant to restore power to the Old Ruth boat launch site. The August Complex fire burnt out the electrical components and the gate arm and card reader are currently not functional. Prior to the grant being awarded, proof of CEQA completion must be presented. After consultation with the District Engineer, it was determined that the project qualifies for a

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Categorical Exemption: 15302(d). On motion by Director Lindberg, seconded by Director Woo, the Board voted 4-0 to find that the project qualifies for the Categorical Exemption and directed staff to file the necessary CEQA paperwork for the Old Ruth Power Restoration Project.

9.2 Director Compensation for Assistant Secretary/Treasurer

Mr. Friedenbach introduced the topic of director compensation for the Assistant Secretary/Treasurer. He noted this topic has been discussed in the past. He reviewed Ordinance 17 which authorizes Directors' compensation and the section of the Board Governance Manual that pertains to the Secretary/Treasurer position. He stated it seems reasonable that the Assistant Secretary/Treasurer should be compensated when asked to fulfill the required duties when the Secretary/Treasurer is absent. The associated issue is whether or not to reduce the Secretary/Treasurer's compensation by a corresponding amount. The Board discussed the topic and agreed that compensation should be provided when the Assistant is actively fulfilling the role in the absence of the Secretary/Treasurer. They did not feel it necessary to reduce the Secretary/Treasurer's compensation by the same amount. On motion by Director Woo, seconded by Director Fuller, the Board voted 4-0 to direct staff to make necessary updates to the Board Governance manual as required to include compensation for the Assistant Secretary/Treasurer at the rate of \$65.62 per week.

9.3 August Regular Board Meeting (8/10/23): consider date change

Mr. Friedenbach stated he will not be available for the August 10th meeting and inquired if the Board would consider changing the meeting date. On motion by Director Woo, seconded by Director Lindberg, the Board agreed to reschedule the August Board Meeting to August 17th.

10. REPORTS

10.1 Legal

CLOSED SESSION — Conference with Legal Counsel – Existing Litigation: Initiation of litigation pursuant to paragraph (1) of subdivision (d) of § 54956.9 (Van Duzen) Case # CV2201489

President Latt recused himself and left the room due to a conflict of interest. The Board then entered into Closed Session at 1:36 pm and came back to open session at 1:44 pm. Director Fuller reported out in open session that there was nothing to report.

10.2 Engineering

Mr. Stevens provided status reports on the following projects:

a. Collector 2 Rehabilitation Project

The dewatering pond has been constructed and the crane arrived on site. The project is going well so far.

b. Essex Onsite Sodium Hypochlorite Generation

GHD received the design submittal and had no significant comments. The project is moving forward.

c. Reservoirs Seismic Retrofit Project

The District received grant funding for Phase II and it included approximately \$1.5 million in additional grant funds.

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- d. TRF Generator
Geotech work has been completed.
- e. Collector Mainline Redundancy Project
There were some initial concerns with the original alignment of the project. The District provided historical geotechnical reports of the area to GEI and they are now moving forward on the project.
- f. Status report re: other engineering work in progress
Nothing to report.

10.3 Financial

- a. May 2023 Financial Statement & Vendor Detail Report
Ms. Harris discussed the May financial report. The General Account balance is at \$2 million, and she noted that \$3 million has been moved to investments. The Various Investments are now at \$11 million and Advance Charges (funds allocated to specific projects) are at \$5.6 million. Under the Revenue section, she noted that the County has not closed FY22 and the District is still waiting for information on Property Tax revenue. Director Fuller reviewed the bills and had no questions. On motion by Director Fuller, seconded by Director Lindberg, the Board voted 4-0 to approve the May financial statement and the vendor detail in the amount of \$342,559.53.
- b. Budget Presentation
Ms. Harris provided a review of the FY23/24 Draft Budget. She noted that the Project Budget reallocation will be presented next month. There are no changes in the Service & Supply Budget. In regards to the Salaries & Wages Budget, she stated that PEPR (Public Employees' Pension Reform Act) employees, those hired after January 1, 2013 (15 of the 28 staff at the District are PEPR) will be required to pay an additional 1.0% for the employee portion of their CalPERS retirement from their paychecks. She noted this does not impact the budget since it is the employee that must pay the increase.

A few days prior to the Board meeting, additional CPI charts were provided to Ms. Harris for consideration in calculating the 2023 COLA. The additional charts were CPI rates specific to the State of California. The Board considered the methodology of the California charts as well as that of the Federal charts which the Board had been utilizing to obtain CPI rates for the last eight years. After discussion, the Board agreed to continue to utilize the CPI Index (Western Region-Class B/C) used for the last eight years and not change course.

The overall budget remains the same as last month with FY23/24 estimated Municipal Customer charges of \$8,039,196 which is an increase of 3.40%.

- c. Compensation & Benefit Study RFP/RFQ Results
Ms. Harris stated that staff was in communication with four firms who expressed interest in responding to the RFP/RFQ, however only one submittal was received from JER HR Group.

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She expressed concerns that JER HR does not have municipal employer experience in California. The references were good, however, the lack of experience related to California Labor Law is a concern. The Board discussed options, and suggested staff review results of the McKinleyville CSD and Humboldt Transit Authority compensation and benefit studies; and refine our RFP/RFQ based on these results. On motion by Director Woo, seconded by Director Lindberg, the Board vote 4-0 to reject all bids, and directed staff to republish the RFP/RFQ at a future date.

- d. Resolution 2023-09 – Limit for Appropriations from Taxes
Director Lindberg read Resolution 2023-09. On motion by Director Woo, seconded by Director Fuller, the Board voted 4-0 by roll call vote to approve Resolution 2023-09.

10.4 Operations

May Operations Report

Mr. Davidsen provided the May Operations report. The maintenance crew went to Ruth the first week of May to conduct the annual maintenance and all went well. However, the hydro plant was not restarted after the maintenance and remains offline due to PG&E. In addition to working on ongoing projects, staff attended a safety meeting on Chlorine Safety Training as well as other training topics.

11. DIRECTOR REPORTS & DISCUSSION

11.1 General – comments or reports from Directors

President Latt discussed the concept of a Board / Tribal liaison, in particular one that could potentially be instrumental in progress on the McNamara & Peepe site. Other Directors suggested that perhaps the Community Advisory Committee could be reinitiated if the District decided to do something of this nature.

11.2 Water Policy

Articles re: Water Rights Bills AB 460, AB 1337 and SB 389

Previously the Board requested the topic "Water Policy" be listed a stand-alone item. After consideration, the Board concurred the articles should be listed under Consent as it was previously. Mr. Friedenbach noted that ACWA, of which HBMWD is a member, has a legislative committee that works on behalf of water districts throughout the state. The Board agreed it is important to keep our concerns on their agenda as well, and this could be done through ACWA Region 1 representation.

11.3 ACWA

a. 2023 Authorized Voting Representative Form

The Board agreed that Director Rupp should be the ACWA Authorized Voting Representative. On motion by Director Woo, seconded by Director Lindberg, the Board voted 4-0 to appoint Director Rupp as the 2023 ACWA Voting Representative.

b. ACWA Foundation Contribution Form

Mr. Friedenbach stated last month the Board approved the contribution. He shared the

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contribution form showing that the contribution was made for informational purposes only.

11.4 ACWA – JPIA

No reports were made.

11.5 Organizations on which HBMWD Serves

a. RCEA

Director Woo reported out on the RCEA meeting. She discussed the RCEA report titled Humboldt's Electric Future, dated April 2023. She stated community engagement is taking place to collect input and to the extent possible, incorporate it into the next integrated resource plan update. She stated Humboldt's electric future is looking good.

b. RREDC

President Latt stated there is nothing to report since the May 22nd meeting was cancelled.

ADJOURNMENT

The meeting adjourned at 2:00 pm.

Attest:



Neal Latt, President



David Lindberg, Assistant Secretary/Treasurer