



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

June 13, 2019

A. ROLL CALL

President Woo called the meeting to order at 9:00 am. Director Hecathorn conducted the roll call. Directors Fuller, Hecathorn, Latt and Woo were present. Director Rupp was absent. General Manager John Friedenbach, Superintendent Dale Davidsen and Business Manager Chris Harris were present. Board Secretary Sherrie Sobol and acting Board Secretary Dee Dee Simpson-Glenn were present for a portion of the meeting. Nathan Stevens of GHD was also present for a portion of the meeting.

B. FLAG SALUTE

President Woo led the flag salute.

C. ACCEPT AGENDA

On motion by Director Latt, seconded by Director Fuller, the Board voted 4-0 to accept the agenda.

D. MINUTES

Mr. Davidsen requested clarification in the minutes of May 16 about the Peninsula Community Collaborative presentation. The presentation by Ms. Sinkhorn was a proposal and not finalized. President Woo noted a typo on page 5. On motion by Director Fuller, seconded by Director Latt, the Board approved the minutes of May 16, 2019 Regular Meeting as amended and the May 30, 2019 Special Meeting 4-0.

E. PUBLIC COMMENT

No public comment was received.

F. CONSENT AGENDA

President Woo requested Item F2 Page 29 be pulled. On motion by Director Hecathorn, seconded by Director Fuller, the Board approved the Consent Agenda less Item 2.

F2. Newspaper articles of local/water interest

President Woo requested additional information on the Cease and Desist Demand regarding Lease Site 32 at Ruth Lake. Mr. Friedenbach stated the leaseholders had changed and we were not made aware of the change. The new leaseholder received building permits from Trinity County however, failed to get permission from Ruth Lake CSD or HBMWD as required in the leaseholder agreement. When the District became aware of unauthorized work being done, a Cease and Desist Demand was sent. Mr. Albers, the leaseholder's attorney has been in contact with both HBMWD and Ruth Lake CSD and work has ceased. Mr. Albers stated they will go through the proper process to get approval for the work.

On motion by Director Fuller, seconded by Director Hecathorn, the Board voted 4-0 to approve Consent Item F2.

G. CORRESPONDENCE

District letter opposing SB 13 prohibiting impacting fees

SB 13 prohibits impacts fees on accessory dwelling units (ACUs) smaller than 750 square feet and significantly limits the impact fees that may be charged on larger ACUs. There is concern that this may also apply to water connection fees. Mr. Friedenbach shared with the Board the draft letter he prepared expressing opposition to SB 13. On motion by Director Latt, seconded by Director Fuller, the Board voted 4-0 to send the letter expressing opposition to SB 13.



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District letter supporting ACR 89 Establishing Special Districts Week

On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 4-0 to support ACR 89 that would establish Special Districts Week from September 22 to September 28th and authorized Mr. Friedenbach to send the letter of support.

District letter to Humboldt County Board of Supervisors re: Zoning Text Amendments

Mr. Friedenbach shared the letter written to the Board of Supervisors regarding zoning text amendments. The letter addressed three amendments the District is opposed to: Section 314-61.1 “Streamside Management Areas and Wetlands” scheduled to be reviewed at their June 11, 2019 meeting and Sections 314-7.1 “AE-Agriculture Exclusive Zone” and 314.7.4 “TPZ-Timberland Production Zones” scheduled to be reviewed at their June 18, 2019.

As noted in the letter, one of the items the District is opposed to at the June 11 meeting was the inclusion of the term “historical”. The District believes the term is vague and could allow mining operations that operated at any time in the past on a site, whether permitted or not. Mr. Friedenbach reported that after Director Ford recommended to strike the term “historical”, discussion amongst the Board of Supervisors took place and they voted 4-1 remove the word “historical”. It was a good outcome for the District. He will keep the Board apprised after the next meeting. Director Latt stated the letter was well written.

District letter to Ruth Lake CSD re: Contribution towards law enforcement on Ruth Lake

Mr. Friedenbach stated the letter is informational. It communicates our \$5,000 commitment out of our current budget.

H. CONTINUING BUSINESS

Water Resource Planning

Local Sales

Mr. Friedenbach reported out on his meeting with Nordic Aquafarms. He stated the District is still running some water quality tests and is on schedule for the focused engineering study for the water clarifier. Nordic Aquafarms is still in their due diligence process and scheduled to complete it in August. Director Latt expressed concerns that Nordic Aquafarms is expecting our ratepayers to cover some of the costs such as the clarifier. Mr. Friedenbach stated that based on meetings he’s attended, they are aware our industrial infrastructure needs work and that we will not pay for it. They are looking to the county to get funding to pay for it. The county in turn is looking at GoBiz and other funding sources to help bring the infrastructure up to standards. Currently, the District is just evaluating the quality of the water and had not discussed any pricing.

Instream Flow

Mr. Friedenbach stated the process is moving forward. A meeting is scheduled in Sacramento with State Water Resources Control Board staff and David Aladjem on July 10th.

Transport

There is nothing to report.

Cannabis Grows affecting Mad River Watershed

Mr. Friedenbach discussed the letter written by Thomas Law Group on our behalf to John Ford, and the Planning Commissioners at Humboldt County Planning and Building Department regarding the application by Michael and Arielle Brosgart, APN 516-111-064. The main concern for the District is



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the highly toxic PCP contamination in the ground. The Department of Toxic Substances Control (DTSC) was in charge of the clean-up and approved a remedial action plan. They are now looking at a remedial action plan amendment to evaluate a range of alternatives including capping of the former saw mill area, enhanced biodegradation of chemicals in groundwater, long-term groundwater monitoring and amending the land use covenant. The District is Concerned that the ground activity will disturb the water table and allow a pathway for migration of the contaminant to the Mad River. Humboldt Baykeeper also raised concerns as well and Mr. Friedenbach shared their letter. As a result, the Brosgart's ended up pulling their application to address concerns raised. Director Fuller stated the DTSC has posted a contract for groundwater monitoring so hopefully there will be some data soon.

Peninsula Community Collaborative appurtenance beautification

Ms. Natalie Arroyo of RCAA provided an update on the Samoa concrete vault public art project. She shared that eight artist requests have been received so far. The review committee will most likely be doing the review via email the week of June 24-28 and inquired if any Board or staff would like to participated. President Woo stated she would like to be included. Ms. Arroyo also stated she recently became aware of another vault that could be painted. She was asked by Friends of the Dunes if the vault near them (vault 80) could be included as well. Mr. Friedenbach shared that this vault is near an area of the District pipeline where people walking the Friends of the Dunes trails tend to take shortcuts across the District pipeline resulting in sand removal and exposure of the pipeline. If Friends of the Dunes is willing to put up a sign requesting pedestrians stay on the marked trails, this would be helpful. Mr. Davidsen suggested other ways to reinforce the pipeline as well. Mr. Friedenbach stated if the Board wishes to consider adding vault 80, he recommends modifying the Artist Agreement to include Friends of the Dunes in reference to vault 80. On motion by Director Latt, seconded by Director Fuller, the Board voted 4-0 to approve the Samoa Peninsula Concrete Vault Public Art Project Artist Agreement with the modification and addition of a vault 80.

I. NEW BUSINESS

Joint Board Meeting with Ruth Lake CSD July 19, 2019

Mr. Friedenbach stated we will need to depart by 6:15 am since the road closes at 8:00 am due to construction. Director Latt stated he is currently unable to attend the meeting due to a work conflict.

Industrial Water Supply to Harbor District

The negotiating team is comprised of Directors Latt and Rupp. Superintendent Davidsen stated minimal work and cost have been invested to maintain the system. The Board agreed to table the discussion until July when Director Rupp could participate.

J. REPORTS (from Staff)

1. Engineering

Surge Tower Replacement (\$239,900 District Match)

Mr. Stevens stated the surge tower has safely been taken down in one piece. There are two change orders that are required. Change Order 1 is \$1,250 to remove sediment and pour concrete and Change Order 2 is \$6,000 to repair a rusted out "collar" at the base. This brings the new contract amount to \$63,250. He stated he does not anticipate any additional changes. Mr. Friedenbach reminded the Board this project is grant funded and there is room in the budget for these changes.

12kV Switchgear Replacement (\$441,750 District Match)

Mr. Stevens shared the 30% plans. He stated they are getting ready to start the permit process with PG&E. They plan to go out for bids by the end of the year.



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Collector Mainline Redundancy Hazard Mitigation Grants (\$763,000 District Match)
 This item is waitlisted for grant funding.

Reservoir Structural Retrofit Hazard Mitigation Grant Application (\$914,250 District Match)
 No update available.

Single Line Industrial Slough Crossing Hazard Mitigation Grant Application (\$679,750 District Match)
 No update available.

Matthews Dam Spillway Analysis Hazard Mitigation Grant Application (\$1,666,667 District Match)
 No update available.

Essex Emergency Chlorine Scrubber Hazard Mitigation Grant NOI (\$335,000)
 No update available.

TRF Generator Hazard Mitigation Grant (\$460,431 District Match)-Match & Maintenance Letter

On motion by Director Fuller, seconded by Director Hecathorn, the Board voted 4-0 to approve the Local Match Fund Commitment Letter and the Project Maintenance Letter.

Status report re: other engineering work in progress

Mr. Friedenbach stated that CalOES was in town hosting 2019 Disaster Grant Reimbursement training from 1-4 pm today. Ms. Moyle and Ms. Ryan from the Eureka office are attending. He thought it was important to have someone from the District there. The Board concurred.

2. Financial

Financial Report

Ms. Harris provided the May Financial Report. She noted that the General Fund Reserves are recovering. The Miscellaneous revenue shows at 403%. This is due to storm damage grant funding that was received. The Grand Total All Revenue is at 95%. President Woo reviewed the bills and stated all was good. On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 4-0 to approve the May financial report and vendor detail in the amount of \$486,714.37.

Resolution 2019-07 Limit for Appropriations from Taxes

The California Constitution Article XIII (b) requires the adoption of an annual resolution limiting the amount of appropriations from taxes to a certain base level plus annual increases based on per capital income and population increases. The State Department of Finance provided the District with the annual Price and Population figures for FY2019/20. Staff recommends the Board adopt Resolution 2019-07 Limit for Appropriations from Taxes. Director Hecathorn read Resolution 2019-07. The Board voted 4-0 by roll call voted to approve and adopt Resolution 2019-07.

FY 18/19 Budget Re-Allocation

Ms. Harris explained that each year as part of the budget process, staff completes a thorough analysis of the status of funds “allocated and spent” or “allocated and unspent” on budgeted



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Projects for the current fiscal year. Funds “allocated and unspent” are available to be reallocated as Advanced Charges to other large capital projects, hence the term project budget re-allocation. Staff has communicated this concept and process of Project Budget Reallocation to the Municipal Customers, and they have agreed to the process as a means of enhancing the Advance Charges funding mechanism for our larger CIP projects. There is \$1,574,343 available for reallocation this year. Staff recommends reallocation of funds for advance charges as follows: \$500,000 12kV Relocation Grant; \$350,000 Chlorine Scrubber Grant; \$385,000 Collector 2 Rehab Grant; \$225,000 TRF Emergency Generator Grant; \$60,000 3X Seismic Tank Retrofit and \$54,343 towards the 18,000 lb excavator. If the Board approves the reallocation, the top four projects will be fully funded for the District’s portion of their respective grant match requirements. On motion by Director Fuller, seconded by Director Latt, the Board voted 4-0 to approved the FY18/19 budget reallocation.

FY19/20 Budget Presentation

Prior to presenting the Total Proposed DRAFT Budget, Ms. Harris outlined a few items of note regarding a change from the information that has been presented thus far. One item that had come to light was the part time minimum wage increase. Minimum wage is increasing to \$13 per hour and that will result in a change of approximately \$6,700.

Director Hecathorn requested clarification based on the decreased CPI and the staff request for a COLA. Ms. Harris agreed that the CPI has slightly decreased compared to last year (2.7% versus 3.1%), however staff is recommending a 2.7% COLA for this year versus a 3.0% COLA from last year. The anomaly is McKinleyville CSD and Humboldt CSD - they both have 3.5% and 3.3% respectively COLA requests. A 2.7% COLA would cause an increase of \$57,361 or .36% of the entire budget.

Director Latt commented that while he believed using the “West Region Size Class B/C of 2.5% was a more appropriate CPI for the area, approving a 2.7% COLA would acknowledge the hard work of the District’s staff and help towards retention. Director Latt felt it was the least the Board could do.

3. Operations

Mr. Davidsen presented the May Operations report. The full maintenance crew went to Ruth May 6-10 for the annual maintenance. On May 7th he met with Mr. Lakhbir Singh for the DSOD inspection of Ruth Dam, all seemed to go well. The Ruth Bunkhouse remodel is complete. Trinity County did their final inspection and requested a handrail be added to the front steps and the ADA ramp. District staff will do the work. One staff member took his water treatment test and feels he did well. Safety meeting topics included traffic control and slips, trips and falls. Director Fuller inquired if there are plans to monitor Ruth Lake for blue-green algae this summer. Mr. Davidsen stated he has a state contact and will inquire if they want to do any monitoring.

K. MANAGEMENT

On-Site Training offered by ACWA/JPIA

Mr. Friedenbach gave a summary of the training provided by ACWA/JPIA to HBMWD employees as well as 10 Humboldt Community Services District employees. The training topics were Defensive Driver and Field & Office Ergonomics. Employee feedback following training was very positive. Mr. Friedenbach shared other upcoming workshops that he thought may have value for the directors.

CSDA letter re: Ad Valorem for Humboldt County Special Districts



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The Board discussed the correspondence to Humboldt County Auditor-Controller and reply from the Auditor-Controller. The issue of Ad Valorem would have minimal impact on HBMWD as it is a pass through under Ordinance 16, however, it has a larger impact on other special districts.

CSDA Local Chapter Meeting

Mr. Friedenbach reported out on the June Meeting held at Scotia CSD.

L. DIRECTOR REPORTS & DISCUSSION

1. General -comments or reports from Directors

The Directors had nothing to report out on.

2. ACWA – JPIA

Resolution 2019-08 Placing in Nomination J. Bruce Rupp as a Board Member of the ACWA Region 1 Board

Director Hecathorn read Resolution 2019-08 Placing in Nomination J. Bruce Rupp as a Board Member of the ACWA Region 1 Board. The Board approved the resolution 4-0 by roll call vote.

Status of water bill

This was for information only.

3. Organizations on which HBMWD Serves: RCEA, RREDC


President Woo reported out on the RCEA meeting. Director Latt asked Director Woo if RCEA had taken a position on the Humboldt Wind Energy Project. President Woo stated that they had no need to as they would not be involved with it and were staying neutral.

Regarding RREDC, Director Latt reported that there had not been a meeting the previous month due to the Memorial Day Holiday and therefore he had nothing to report.

ADJOURNMENT

The meeting adjourned at 2:06 p.m.

Attest:



Sheri Woo, President



Barbara Hecathorn, Assistant Secretary/Treasurer