

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

**Minutes for Regular Meeting of the Board of Directors
February 9th, 2023**



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.

1. ROLL CALL

President Latt called the meeting to order at 9:05 AM. Directors Fuller, Lindberg, and Rupp were in attendance. Director Lindberg was ill and unable to attend in person but did participate virtually under Gov Code § 54953 just cause exception. The directors agreed to the exception by concurrence. Director Woo arrived at 10:13 AM and remained for the duration. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, and Board Secretary Angela Smart were present. Nathan Stevens and Kerry McNamee (District Engineering firm GHD) were present for a portion of the meeting.

2. FLAG SALUTE

President Latt led the flag salute.

3. ACCEPT AGENDA

The agenda was accepted with the deletion of item 11.3d [Concurring Nomination - David Drake- Rincon del Diablo Municipal Water District - 2023-04] on motion by Director Rupp, seconded by Director Fuller, and a unanimous roll call vote of all present members. Director Woo was absent.

4. PUBLIC COMMENT

No comments were received.

5. MINUTES

On motion by Director Rupp, seconded by Director Fuller, and a unanimous roll call of all present members, the Board approved January 12, 2023, minutes with the edits suggested. Director Woo was absent.

6. CONSENT AGENDA

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

The Board approved the Consent Agenda on motion by Director Fuller, seconded by Director Rupp, and a unanimous vote of all attending members. Director Woo was absent.

7. CORRESPONDENCE

7.1 Letter to Humboldt Co. Planning RE: Renewable America LLC easement encroachment.

GM Friedenbach presented a letter sent to the Humboldt County Planning Department about a project referral regarding Case # PLN 2022-17922. This is a proposed solar farm project on land owned by Sun Valley Floral Bulb Farm. The letter requested specific considerations for the water line easement the District owns. GM Friedenbach brought attention to the thirty feet of pipeline described in the easement and requested an additional fifteen feet on each side of the waterline

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for access purposes, referencing language in the easement. Legal counsel for the solar farm initially denied additional expansion beyond the thirty feet mentioned in the easement. However, after deliberations, an additional fifteen-foot access road was allowed by a separate agreement under special approval only. District and Applicant’s legal counsels are preparing the language for the separate voluntary access.

7.2 RLCSD Master Lease Option

During the January ’23 Board Meeting, GM Friedenbach shared a letter from Ruth Lake CSD regarding the renewal of the Master Lease for the “Buffer Strip” around Ruth Lake, requesting a ten-year lease until May 31st, 2033. Legal counsel has viewed the letter and will respond with a legal analysis. GM provided the last renewal correspondence ten years ago in the Board packet for the Directors’ review. The Directors requested the matter be tabled to allow review by the Master Lease Committee and to review District Counsel’s analysis. The subject will be revisited at the March Board Meeting.

7.3 Annual report to CDFW regarding Quagga Prevention Plan

GM Friedenbach included a summarized report sent to the California Department of Fish and Wildlife regarding the Quagga prevention program, vulnerability monitoring, and management activities of dreissenid mussels at Ruth Lake. There are typically four monitoring substrates at Ruth Lake in distinct locations around the perimeter, but two have gone missing. One was replaced in Nov 29th, 2022, and the second is scheduled to be reconstructed during the first quarter of 2023. Six rounds of grant funding have provided prevention assistance. These funds have been used to purchase watercraft inspection stickers, boat-to-trailer bands, key cards (for access to the lake after inspection), modems for the mechanical arms of the gate to control access, preventing unauthorized and uninspected boats.

Fire suppression activities taking water from Ruth Lake were questioned regarding the Quagga contamination likelihood. GM Friedenbach and Ms. Harris reassured the Directors that the possibility had been researched and strict standards were adhered to by state and federal fire service agencies when scooping lake water for fire mitigation.

8. CONTINUING BUSINESS

8.1 Water Resource Planning

a. Local Sales

i. Nordic Aquafarms

Scott Thompson provided an update to GM Friedenbach regarding the CEQA EIR, which is currently *stayed* (an order temporarily stopping any lawsuit). They currently have a Coastal Development Permit (CDP) under appeal to the Coastal Commission. They need aquatic registration and an egg importation permit from CDFW. They also need additional CDPs for intake and outfall, as well as the entrainment sampling report, which is projected to be completed next month.

ii. Trinidad Rancheria Mainline Extension

Trinidad Rancheria has prepared the Request For Qualifications (RFQ) for

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engineering services. The Rancheria provided their final draft for Staff's review. GM Friedenbach is confident that the RFQ will be released to the public soon, with the project progressing.

iii. Humboldt Bay Harbor District- Master Development Plan

The Local Sales Committee met with the Humboldt Bay Harbor District staff and two directors on Feb 8th to discuss their master development plan and the use of domestic and industrial water at the former LP Pulp Mill site. GM Friedenbach summarized the meeting with Larry Oetker, Chris Mikkelsen, and Rob Holmlund. Discussion included the infrastructure currently in place, which was constructed for the Pulp Mill but now has been subdivided between multiple property owners. It was determined that the water and fire suppression systems need to be analyzed and updated. The Samoa Peninsula domestic system transmission line is nearing capacity. The existing 15-inch transmission line segment may need to be upgraded to a 24-inch pipeline to accommodate further development.

Preliminary estimates for the project are approximately \$10 million. The committee was informed that the dollar amount needed for the water update is within the Harbor District's utility budget, allowing us to meet their water demand without charging current ratepayers.

b. Transport

Sites Reservoir news articles

Included in the Board Packet are articles regarding the Sites Reservoir that outlined the purpose and function when there is high flow in the Sacramento River and the storage for use during the low flow period. The positive impacts of both water storage and flood mitigation as a result of this process were discussed.

c. Instream Flow

Instream Flow SWRCB committee meeting follow-up

The Instream Flow Committee met February 3. A request was submitted to GHD to include river flow data between 2018-2022 as the information graphed only incorporates data up to the 2018 water year. GM Friedenbach met with the District's Water Rights Attorney on February 7. This narrative will be completed and a draft will be submitted to the Water Board for consultation, which is part of the formal process. The grant has eight months remaining for submission of expenses and deliverables.

8.2 McNamara & Peepe

GM Friedenbach shared a letter addressed to DTSC dated Mar 11th, 2020, that was posted on the EnviroStor website on Jan 31st, 2023. Charles D. Aalfs wrote the letter; the owner of Blue Lake Forest Products, Inc. GM Friedenbach found through correspondence with EPA staff that DTSC posted the letter because DTSC may be pursuing cost reimbursement from Mr. Aalfs/BLFP.

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8.3 CLOSSED SESSION

Public Employee Performance Evaluation for General Manager (pursuant to Section 54957(b)(1))

Closed session was conducted from 2:28 pm to 2:41 pm. The Board returned to open session and President Latt announced there was no reportable action.

8.4 Diversity, Equity, and Inclusion

At January 2023 meeting, the Board requested samples of DEI at other agencies.

Staff presented examples of the DEI initiatives incorporated by area entities to the Board for consideration. The Board briefly discussed key factors and established an Ad Hoc committee with direction to explore the options available to the District. The Board placed Directors Woo and Rupp on the committee and directed them to proceed with meetings on the DEI subject. This subject will be revisited at future Board meetings when the Ad Hoc committee deems it appropriate.

9. NEW BUSINESS

9.1 RLCSD – Policy 6500; Ordinance and 2023 Sublease Agreement

Ruth Lake CSD had a Special Board Meeting on Feb 1st to discuss policy 6500 regarding Administrative Citations and an Ordinance adopting that policy. This meeting also addressed the 2023 Sublease, which depends on the 10-year Master Lease extension. RLCSD approved the updated lease during that meeting. The final reading of the Administrative Citations and accompanying Ordinance and adoption will occur at the regular Board Meeting on Feb 14th.

GM Friedenbach provided feedback on § 6500-40, questioning whether the fine amounts were sufficient to deter leaseholders from noncompliance with the policies and procedures. RLCSD responded that legal counsel analyzed the issue and recommended that the levels are congruent with lease laws.

9.2 Safety Program

Annually, the District recognizes employees' diligence in practicing workplace safety by attending safety meetings, training, policies, protocols, and procedures, using safety equipment, and following the Safety Committee's suggestions. This is incentivized for all employees that follow these standards. There is one employee who is selected to receive the grand prize. This year the grand prize winner is Ken Davis who was presented with a certificate and monetary reward by President Latt. Ken Davis eloquently accepted the award and expressed the ease of thinking of safety first because it is an ingrained part of HBMWD culture.

9.3 2022 Quagga Inspection Summary

This is an annual report that shows the vessel inspections completed at Ruth Lake. Of the total inspections, two vessels were denied access due to standing water. Standing water is a red flag because it may have come from a mussel-infested lake. Dry and clean is the standard for incoming vessels. The total of 1,778 is on average for a typical year, as the range is commonly between 1,500-2,000 vessels annually.

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10. REPORTS (from STAFF)

10.1 Engineering

a. *Samoa Peninsula R.O.W. Maintenance Project Presentation*

GM Friedenbach introduced a potential budget addition for biological and environmental studies, CEQA, including an EIR to obtain a Coastal Development Permit allowing right-of-way maintenance over our domestic and industrial pipelines on the Samoa Peninsula. Kerry McNamee from GHD presented the scope of the project, progress to date, and communication between agencies.

On motion by Director Woo with a second by Director Fuller, the Board unanimously voted by roll call to approve the budget addition of \$60K for the Samoa Peninsula CDP and Maintenance Project.

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

The parts required to complete this project continue to be delayed. However, District Staff may be able to locate a local manufacturer who can provide the part necessary for project completion. O & M Industries can provide the parts needed. In anticipation of project completion, Staff recorded a Notice of Completion on Jan 25th, 2023 which begins the 35-day clock for project completion under the contract.

c. *Collector 2 Underground Power and Communication Project*

GM Friedenbach provided a memo outlining the status of the Collector 2 underground power project. The project consists of upgrading power and communication by installing an underground 12kV electrical feed and fiber optic cable from Essex to Collector 2 to enhance resiliency. As a result of construction, CEQA is required. All components are categorically exempt under CEQA.

On motion by Director Rupp, seconded by Director Fuller, and on a unanimous roll call vote approved the Notice of Exemption citing exemptions 15301(b); 15302(d); 15303(d); and 15304(f) and requested that Staff file the necessary CEQA forms.

d. *Collector 2 Rehabilitation Project*

Bids were due on Jan 26th. The District received one bid from Layne Christensen Company. Their bid amount was \$2,465,000 for both phases with an additive amount of \$599,500, making the total bid \$3,064,500 of which the District has received \$1.3 million in NCRP grant funds.

On motion by Director Rupp, seconded by Director Fuller, and approved by unanimous roll call vote to award Layne Christensen Company the contract for the Collector 2 Rehabilitation Project and directed staff to complete the necessary documents.

e. *Collector Mainline Redundancy Project*

Statement of Qualifications (SOQs) was due February 3rd. The District received one SOQ from GEI Consultants. The Selection Committee met on February 8th to analyze and score the SOQ. The committee determined that GEI met the qualifications and recommends the negotiations move forward with GEI Consultants.

A special Board meeting, recommended for February 23rd, will be scheduled to consider and possibly approve contract with GEI Consultants.

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f. *GHD Mad River Cross Sections*

Mr. Stevens reviewed the Points West Surveying Co. annual survey cross sections in the Essex reach. The survey monitors the status relative to 1992. Mr. Stevens highlighted the changes in Section 3 near pump station 6 and Section 7 near Collector 4.

g. *Status report re: other engineering work in progress*

Mr. Stevens stated there was nothing further to report.

10.2 Financial

January 2023 Financial Statement & Vendor Detail Report

Ms. Harris advised the Board that the current general account is \$3.8 million, with various investments at \$7.5 million. Funds allocated to specific projects (advanced charges) are currently \$5.2 million. General reserves are \$2.4 million. Director Fuller reviewed the bills for January and reported no problems.

On motion by Director Latt, seconded by Director Lindberg, the Board's unanimous roll call vote to accept the January 2023 Financial statement and Vendor detail in the amount of \$286,086.11.

Investment policy

Ms. Harris shared information regarding the District's Investment policy, which must be confirmed annually by the Board.

On motion by Director Rupp, seconded by Director Woo, the Board unanimous roll call vote to re-adopt the attached Statement of Investment Policy for 2023.

10.3 Operations

January 2023 Operation Report & Graphs

Mr. Davidsen provided the January 2023 Operational Report. Ruth Hydro produced 916,800 kWh in January. Ruth Lake recorded 21.22" of rain in January. The lake level was 2,654.18. The lake discharge averaged 1,870 cfs, with a high of 4,922 cfs on January 12th. The river at Winzler Control Center had an average flow of 5,592 cfs, with a high of 15,800 cfs on January 8th. January 24th was the SB198 safety meeting and January 25th brought a safety meeting encompassing WIIPP, EAP/ODSP, General Emergency Response, and AQMD Permit requirements. A 5.4 Earthquake happened on January 1st. Staff inspected all facilities and made repairs as required.

10.4 Management

Resolution 2023-05 Recognizing and Honoring Becky Moyle

Director Rupp read Resolution 2023-05. Becky is retiring from the District on February 28, 2023, after 39 years of exceptional tenure with the District. On a motion by Director Rupp, seconded by Director Fuller, with a unanimous roll call vote to accept Resolution 2023-05, and with heartfelt endearments from the Directors.

CSDA Call for Nominations

GM Friedenbach presented the announcement sent by the CSDA Board of Directors call for Nominations for Seat C. No directors were interested in submitting nominations.

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11. DIRECTOR REPORTS & DISCUSSION

11.1 General - comments or reports from Directors

Director Woo encouraged the District to participate in the Trades Day on April 27, 2023, at Redwood Acres Fairgrounds. Trades Day encourages local youth to get involved and become trained in trade work. Staff will register for an exhibitor booth and research appropriate handouts. Director Rupp recommended possible meetings with our local legislators to open communication and rapport regarding aspects of similar concern.

11.2 ACWA

a. *Director report out, if any*

Director Rupp reported on his participation in the following meetings:

Jan 20th Region 1 – the main action included appointing a nominating committee for the 2024-25 term. He will not be a candidate for Chair or Vice Chair.

Jan 27th Headwaters Committee – roundtable discussion about projects. HBMWD's \$5M CalFire Healthy Forest grant was discussed by Director Rupp.

Feb 2nd ACWA Board – this was the beginning of the year workshop.

The new election process for VP and Pres. was reviewed. ACWA's infrastructure's highest priorities, permit streamlining, and additional funding were discussed.

Feb 3rd ACWA Executive Committee and Regular Board meeting – the Board discussed enhancing legislative advocacy and better partnering with other interested parties (labor). As the new legislature begins, the Advocacy staff will be addressing all of ACWA priorities including: infrastructure, headwaters, dam safety, regulatory reform, climate adaptation, and ongoing water district defense.

b. *ACWA Spring Conference*

Attendance at the ACWA Spring Conference '23 by Directors who wish to attend and Staff as determined by General Manager was approved on motion by Director Rupp, seconded by Director Fuller, by a unanimous roll call vote.

11.3 ACWA – JPIA

Jan 30th Risk Management – The Risk Management Committee received a report on the programs undertaken by the staff to reduce exposure throughout the system. Staff highlighted the Risk Control Grant Program Recipients.

Jan 31st Executive Committee - The main action by the Exco was to move funds from the Catastrophic Reserve Fund to cover extraordinary losses to the members due to wild fires and an incident of electrocution of two young boys.

It was also decided to not distribute retrospective premium adjustments and extend the period of calculation to five years to avoid having to ask for an additional levy beyond regular premiums.

Director Rupp Executive Committee Nomination: Humboldt Bay Municipal Water District Resolution 2023-02

On motion by Director Woo, seconded by Director Fuller, with a unanimous roll call vote by the Board voted to approve Resolution 2023-02.

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- a. *Director Rupp Executive Committee Nomination:*
Humboldt Bay Municipal Water District Resolution 2023-02
On motion by Director Woo, seconded by Director Fuller, with a unanimous roll call vote by the Board voted to approve Resolution 2023-02.
 - b. *Concurring Nomination - Fred Bockmiller - Mesa Water District - 2023-03*
On a motion by Director Rupp, seconded by Director Fuller, with a unanimous roll call vote by the Board voted to approve Resolution 2023-03.


11.4 Organizations on which HBMWD Serves

- a. *RCEA Board of Directors Meeting Agenda 1/26/2023*
Director Woo spoke briefly, and with admiration, about Executive Director Matthew Marshall who appeared in CalCCA California Aggregator Magazine wearing his kilt.
- b. *RCEA Draft Meeting Dates*
The schedule for RCEA meeting dates was provided in the Board Packet.
- c. *RREDC Agenda January 23, 2023*
President Latt spoke about the January meeting and the many things that were learned in that meeting including the 1977 formation when the Simpson property was purchased to form the Redwood National Park. RREDC was created out of the Economic Impact Fund from the creation of the park.


ADJOURNMENT

The meeting adjourned at 2:43 PM

Attest:



Neal Latt, President



J. Bruce Rupp, Secretary/Treasurer