



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors
May 7, 2021

1. Roll Call

The meeting was called to order at 9:00 am and the Time Set items noted. Roll Call was taken and the meeting was conducted within all Brown Act requirements.

Members Present:

Director Bruce Rupp
Director Michelle Fuller
Director David Lindberg
Director Sheri Woo
Director Neal Latt

Members Absent:

None

Staff:

John Friedenbach, General Manager
Dale Davidsen, Superintendent
Chris Harris, Business Manager
Heather Bitner, Board Secretary
Dee Dee Simpson, Accounting and HR Assistant

Others Present

Jennifer Kalt, Humboldt Baykeeper
Steve McHaney, GHD

2. Flag Salute

The meeting began with a flag salute.
Director Latt joined the meeting at 1:00 pm.

3. Accept Agenda

Staff introduced a request for an Urgency Addition to the Agenda to consider a request by ACWA to join a coalition in opposition to AB 1434, which would lower the indoor water use efficiency standards enacted in 2018. The deadline to participate is May 12, 2021 (within one week) and the request was circulated after the agenda was posted on April 30, 2021.

The Brown Act identifies three situations in which a body is permitted to discuss or take action on a matter at a regular meeting where the matter was not first described on a duly noticed agenda.

- Emergency
- Requires immediate action that cannot wait
- Certain continued items

A legitimate immediate need can be acted upon even though it is not on the posted agenda. The Board must determine that there is an immediate need to take action and the need arose after the agenda was posted. Prior to discussing a matter which was not previously placed on the agenda, the item must be publicly identified so that interested members of the public can monitor or participate in the consideration of the item in question. The Board must agree by consensus to discuss and/or act on the item. A motion is not required for this.

The Board has agreed to consider the Urgency Addition to the Agenda as Item 11bii.

On motion by Director Lindberg seconded by Director Rupp, the Board Accepted the Agenda as modified for the May 7, 2021 Regular Meeting by the following Roll Call Vote:



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Director Michelle Fuller	AYE
Director Neal Latt	ABSENT
Director Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

4. Public Comment

There was no public comment.

5. Minutes

On motion by Director Fuller seconded by Director Lindberg, the Board Adopted the Minutes as edited for the April 8, 2021 Regular meeting, by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	ABSENT
Director Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

6. Consent Agenda

On motion by Director Rupp seconded by Director Lindberg the Board Accepted the Consent Agenda for the May 7, 2021 Regular Meeting by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	ABSENT
Director Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

7. Correspondence

7.1 2021 Redistricting notification

Staff reported that the 2020 census will be published and there are requirements to analyze populations within the divisions to equalize the number of constituents per division. The state imposes a due date of May 12, 2022 to complete the analysis, which require a public hearing process. If the data shows less than a 10% change then no action will be required.



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There was no public comment.

7.2 Letter to Arcata Fire Department regarding critical assistance training - Arcata fire department (AFD) was very active in the past for a variety of training for emergencies but with budget and staff changes, AFD pulled back from this joint training activity. The municipal customers requested a joint letter on their behalf be sent requesting AFD reconsider participation. The Chief is open to the concept, but has continued budget constraints and will require a long-term effort. Staff will continue to seek collaboration with AFD for our training requirements.

There was no public comment.

8. Continuing Business

8.1 Water Resource Planning-

a. Local Sales

- i. Nordic Aquafarms: They are moving forward on their permitting process. Public comment period is open now under the CEQA public process. The Board did not have any direction to staff for public comment. Jen Kalt brought forward that the District's Habitat Conservation Plan (HCP) did not address Chinook and Steelhead in the plan. Humboldt Baykeeper will review and comment on the HCP when it is opened for public comment. The purpose of the District amending the HCP is for the District Instream Flow for a change to our water rights purpose of use, not regarding Nordic.

There have been inquiries about whether Change of Use permits are possible in order to supply water to locations outside our District boundaries during the drought. The District is not set up for tanker trucks to connect to our infrastructure for water, although some of our wholesale municipalities do have these connections. The cost to truck water is cost prohibitive for most, but the issue will arise again with this drought and should be considered under local water sales. The Board requested contact with Division of Water rights (DWR) regarding the emergency situation and that perhaps they would waive fees, as it will be small communities who may not be able to pay fees. Staff will continue to look into options to address the need.

- ii. Trinidad Rancheria Feasibility Study update:
Staff met with Rancheria staff to review a technical memorandum determining the total demand for water. Staff is calculating the appropriate size pipeline to meet demand. A follow up meeting with Cal Trans to discuss needs for right of way for the pipeline is needed. There was no public comment.



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b. Local Sales Committee Meeting: Humboldt County Planning department called staff about the ability for the District to supply water during a drought condition for locations outside of our district boundaries. In 2015, the change of use permits cost \$7,000, along with other logistics problems, which makes it difficult to navigate the issue. However, the municipal customers do have the ability to supply water to tanker trucks. The Board asked staff to inquire if they might waive fees in preparation of the need as there will be an emergency upcoming. There's a possibility to install a tanker connection at the industrial reservoir, or to make a similar connection to our Collector raw water infrastructure at Essex. Transport – no report

c. Instream Flow

The committee is moving forward on the goals under the HCP. The committee has provided comments to the consultant. A meeting has been scheduled to review the goals for the HCP amendment. Outreach is the next step after it is brought back to the Board.

d. McNamara and Peepe: Director Woo recused herself at 9:15am due to a remote conflict of interest. Director Woo is employed by SHN Engineers and Geologists, which performs work on the McNamara and Peepe site. Director Woo is a SHN minority shareholder, and her interest in the McNamara-Peepe site is remote. Staff has been notified that the QA/QC is being performed on the test results from DTSC for the surface water sampling. Once the results are made public, they will be presented to the Board.

Director Woo rejoined the meeting at 9:22am

Kernan Construction has been fined for violations for releasing contaminants into storm water drainage which runs into the Mad River. Current testing shows either non-detect, or results below the required amounts for those constituents near the District's water intake point downstream. The Board noted that the violations occurred through the process of self-reporting to the regulatory agency, and that the thousands of violations only works out to a miniscule fine per violation. Jennifer Kalt, of Humboldt Baykeeper pointed out that it is appalling to have a private lawsuit to enforce violations that have been ongoing. She doesn't have an answer as to why the regulatory agency doesn't enforce their own permit parameters. She thanked staff for looking up the data results from that area to assure the public that their drinking water is safe.

- i. Mad River Policy committee-no report
- ii. Letters of support to DTSC- no report
- iii. Local articles- no report

e. Update to Ruth Emergency Declaration

The cleanup process is progressing. The key staff person, Adam Jager, will be updating the Board at the May 20, 2021 meeting. Salvage logging is continuing. CalOES crews have been going to lease lots sites to remove burn debris from structures and take soil samples. The property owners will be able to move forward with the rebuilding process after these tasks are completed. Ruth Lake CSD (RLCSD) website has the application and process for rebuilding available. District staff provides an inspection and recommendation, and the application from the lease lot holder is then reviewed by the Eureka office. District authority is retained in the Trinity County Master Lease. There are 45 days to approve or deny the request. A denial can be made if there is an impact to water quality or District operations.



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The primary purpose of Ruth Lake is to provide drinking water and industrial water to Humboldt County. The recreational uses are secondary. New building requests may present some challenges.

The Board commented that our concerns need to be communicated to RLCSD. The natural inclination will be to improve the dwellings, but hopes that RLCSD will understand the need to protect water quality. Expanding septic use next to the drinking water source is problematic. The Board supports staff in asking people to wait on rebuilding until there's a better understanding of the impacts to drinking water. Doubling the footprint doubles the impact from roof runoff, hardscape, septic use, sediment erosion, etc., all of which have an impact on water quality.

The policy issue is complex as it involves RLCSD policies to improvements, although the District does provide collaboration and input under the Master Lease as it relates to negative impacts to water quality. There have not been updates to the policies as of yet. District staff is able to accommodate the new requests. There were nearly 60 sites that burned, and about 70 that had an outbuilding which burned. A lease lot holder is able to appeal a district decision to the Board.

The Board sees a potential issue between the District and RLCSD to approve structures that don't support our water quality needs. The board requested a letter to RLCSD from the Board Chair to reiterate the District concerns about water supply and quality.

9. New Business

9.1 Joint Board Meeting with Ruth Lake Community Services District

Staff proposes a joint meeting with RLCSD on July 16, 2021. Barring additional COVID restrictions, we will meet outside. There were no public comments.

9.2 New Quagga mussel decontamination process for boats

The District was unsuccessful in a previous grant request for a decontamination station but a new type of decontamination system may be available. At some point it may be cost effective to have something like this at Ruth Lake but it is likely several years out.

9.3 Resolution 2021-08: Quagga/Zebra Mussel Infestation Prevention Grant

The District is applying for \$81,000 grant to the Quagga Prevention Plan. Grant purchases will include 2-ton boulders and new barriers to limit unrestricted access to the lake. Bollards and chain link, and other normal inspection supplies for RLCSD are to be included.

In past years, over \$20,000 has gone directly to the RLCSD budget to help them carry out Quagga prevention.

On motion by Director Rupp seconded by Director Fuller, the Board Approved Resolution 2021-08: Quagga/Zebra Mussel Infestation Prevention Grant, at the May 7, 2021 Regular Meeting by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	ABSENT
Director Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE



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There was no public comment.

9.4 Resolution 2021-09 Cal Fire Healthy Forests Grant Application

The District is partnering with two landowners and the Watershed Research and Training Center (WRTC) to replant lost forest and grow seedlings in the Mad River watershed and Ruth Lake. Through the WRTC we are able to indirectly partner with the USFS. The Board commended staff for finding and bringing this forward.

On motion by Director Rupp seconded by Director Lindberg, the Board Approved Resolution 2021-09: Cal Fire Healthy Forests Grant Application, at the May 7, 2021 Regular Meeting by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	ABSENT
Director Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

Bio break at 10:20am, and returned to open session at 10:30am.

10. Reports from Staff

10.1 Engineering (Time set 11:00 am)

- a. 12kV Switchgear Replacement (\$755,832 District Match)
 - i. Notice of CalOES Community Power Resiliency grant (\$215,000) This is 100% grant funded with no District match. With a potential controller upgrade a request of \$292,000 has been submitted to Cal OES. Construction has resumed at the site with a mid-July delivery of the switchgear and a completion date of January 1.
- b. Collector Mainline Redundancy Hazard Mitigation Grant (\$790,570 District Match)- nothing to report
- c. Reservoir Structural Retrofit Hazard Mitigation Grant (\$914,250 District Match)- GHD completed the draft drawings 60% with initial District comments. The current opinion of probable cost is a conservative \$5 million. There has been a significant spike in costs to building materials, fuels, etc. There was an extension to July 31 as there are some sensitive species to contend with. CalOES approved an extension to Aug 31 to provide reporting time.
- d. TRF Generator Hazard Mitigation Grant (\$460,431 District Match) – An RFI was sent with minor questions. The update was sent to OES on May 4. There may not be further information until the Fall 2021.
- e. Appeal of FEMA Funding Denial for Collector 4 Emergency Restoration Work – There was nothing new to report. GHD will work with OES to see if there can be any movement.
- f. R.W. Matthews Dam & Spillway Seismic Stability Hazard Mitigation Grant Program Advance Assistance Grant – District match commitment letter

The District 25% match letter was increased by \$32,000. The due date was prior to the Board meeting and staff submitted the match letter to the grant program. An agenda discrepancy has



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caused this item will be carried over to the May 20 agenda for ratification. There was no public comment.

- g. Status report re: other engineering work in progress – A tap test indicated some small areas of delamination findings to the spillway. FERC has not yet responded to the request to move forward with repairs. Continued operations analysis is still being prepared regarding the feasibility of continuing the hydro dam operations.

10.2 Financial

- a. Financial Report– accept March 2021 financial statement & vendor detail

Ms. Harris introduced the financial report. There is currently \$10.2 million in various accounts. Line 11a. was added to reflect the additional \$215,000 for the motor board to the 12Kv relocation project for the Community Power Resiliency Program.

As the Board meeting was shifted a week earlier this month, there were payments that have not been received but Municipal board meetings are scheduled after the District meeting so payments will come in. The District received \$52,000 as a rate stabilization payment from ACWA/JPIA.

Lab expenses are dependent on Nature, and the District is trending a little higher this year. Training expenses are expected to go up slightly, and are anticipated to increase next year. COVID-19 related expenses are finally getting lighter.

The Board asked about a giardia test and staff confirmed that is a routine test. Additionally, staff verifies the different sales tax amounts with vendors during the process of verifying Purchase Orders.

Director Lindberg reviewed the bills and did not have any questions or comments.

On motion by Director Rupp seconded by Director Lindberg the Board Accepted the March 2021 Financial Statement and Vendor Detail Report in the amount of \$354,596.76 by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	ABSENT
Director Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

- b. Draft Proposed FY 2021-22 Operating Budget

Director Latt joined the meeting at the beginning of this item. Staff introduced the proposed operating budget for FY 2021-22. This presentation was to introduce the Service and Supplies, and Salaries and Employee benefits program. The Project Budget will be presented at a Special Meeting on May 20. Final consideration will be July 8, 2021.

A new Purchase Order system was put in place last year, which has trued up the expenditures to the budget categories. District staff researched and switched the phone plan which saved \$9,000. A



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total requested increase of Operations is \$57,400. Dues and Subscriptions is requesting an increase of 17% to correct underbudgeting for both 2021 and 2020 Regulatory agency fees have increased significantly, mainly due to the USFS land usage fee. A net increase of \$38,500 is proposed.

The Board asked if overhead costs were reimbursable for grants. Each grant is different, but there are administrative fees allowed as reimbursable. The anticipated increase of \$57,400 to Power and Regulatory fees is 3% more than last year.

Salaries and Wages are increasing by \$83,340. This will include a 3-month operator training position, and 6-month operator training position, a COLA increase of 2%, and increase to CA minimum wage. There are currently 8 staff members (representing 174 years of experience) who are eligible for retirement. The District desires to be proactive about having replacement training if this comes up.

Staff acknowledged the 5% essential pay that staff is presently benefitting from, and is not subject to any potential COLA increase. The Board asked to exclude ACWA/JPIA rates in the chart and to show additional rate indices and to show numbers that are not rounded up when discussing a COLA. The Board brought up that recruitment and retention are important factors to consider. Gasoline, building and housing costs are astonishing and recruitment is very difficult for our specialty line of work. Total salary and wages proposed is a 3.4% increase.

Employee benefits programs are expected to increase a total of \$103,550, or 5.9%, including the requested new positions. There are anticipated increases to payroll taxes and medical insurance premiums. The Family PPO rates are not increasing, although the Family HMO rates will increase. It may be that several employees elect to move to PPO. The Board reminded staff to look into borrowing money to pay the unfunded liability and OPEB costs to save interest costs.

FY budgeting for unfunded liability payment of \$245,000 next year to make up for not pulling funds for payments when there were poor market conditions. The PARS trust liability projections did not earn up to potential due to COVID-19 market conditions.

A 4.2% increase to the total operating budget is proposed. An overall increase to a 2.5% is proposed to the muni customers. The Project Budget is to be proposed on May 20. The Board asked for additional information regarding the medical costs, and to provide historical CPI's next to the COLA figures in the chart.

There was no public comment.

10.3 Operations

a. Monthly report on projects and operations

Staff reviewed the Operations report. There were no outages or shutoffs in April. There has been a significant problem with homeless encampments on District property that staff has been working



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with to have them clean the areas and move on. The Board wanted to reaffirm that employee’s safety is very important.

A report out from the Region 1 ACWA Board reinforced that Marin, Sonoma and Mendocino counties are in a significant drought, and we are very fortunate to have the water that we do. There was no public comment.

11. Management

- a. CSDA- Coalition letter in support of Covid-19 fiscal assistance to special districts
 Muni meetings have had mention that smaller districts are experiencing effects from COVID-19 .
 Fieldbrook was invited to participate in a statewide survey about the effects. They have somewhere
 around \$20,000 in delinquent accounts, which is significant.

On motion by Director Rupp seconded by Director Lindberg the Board Approved joining the CSDA coalition in support of COVID-19 fiscal assistance to special districts by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	ABSENT
Director Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

- b. ACWA
 - i. ACWA Spring Virtual conference breakout sessions. Director Rupp and Director Fuller are both attending the Spring Conference.
 - ii. ACWA opposition to AB 1434: Staff read the memo aloud into the record (attached). Staff recommends joining the coalition letter opposing AB 1434, which would make the indoor water usage efficiency standards lower. ACWA opposes the legislation out of concern that scientific basis for lowering the standard has not been established. The Board noted that ACWA rarely opposes legislation but on principle we should join to encourage the legislature to come back to the table to require a measure of proper consumption by the state water board.

On motion by Director Rupp seconded by Director Lindberg the Board Approved joining the CSDA coalition in opposition of AB 1434 by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	ABSENT
Director Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.



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c. Spillway discussion with DSOD

Staff attended a meeting with DSOD regarding the analysis of the data the District submits in the Dam Safety Report (DSR) water flow/dam monitoring. DSOD graphed water flow in the weirs relative to the spillway water flow and concluded that the drains in the spillway floor may be acting as suction devices, bringing water back into the spillway under the spillway drain system. DSOD will be sending a formal letter. The District has not received the letter but will have several months to review the data. FERC said DSOD contacted them and there's a problem with the drain spillways. Staff responded that if DSOD and FERC meet then the District and GEI requests being present. This has the potential to have larger implications, so staff brought it forward prior to the letter coming in.

The spillway floor as a horizontal plane, has drains underneath as a piping system. The drains have angled outlets that daylight from under the spillway. DSOD has concluded that when water goes over these drains, it gets sucked back under and migrates to the under-spillway drains, then shows up in the weirs (piezometers) flow which increases as the spillway discharge water increases. There are differing opinions based on the results.

Staff anticipates this will be a costly engineering investigative and engineering analysis venture. Investigating the under-spillway system is part of the Advance Assistance grant that has been applied for. As designed, the intent was to put them at an angle and channel water to drain rock. Part of the regular inspection process is to clean out the drains, and past FERC concerns has been there may be too much cleaning out of the drain rock, so there is a suction action designed into the drains.

Staff will bring a better presentation shortly, but wanted to notify the Board to let them know as soon as we did. There are metal pipes that go lengthwise down of the spillway, but aren't connected to these drains. The board asked if this was typical of other spillways. Staff said it is similar to other spillway designs. The uniqueness of Mathews dam is the addition of the piezometers to measure water, then release water pressure and collect it in the weir. DSOD says it is unique to have this data and that other spillways don't have this piezometers data. There are mechanical fixes that are possible.

FERC's nexus with the District is the hydro plant, but the instream flow and water rights assume that the hydro plant is active, and DSOD is part of the dam's state of California regulatory oversight. There was no public comment.

12. Director Reports & Discussion

12.1 General comments or reports from Directors

Director Rupp has finished his sexual harassment prevention training. Director Fuller noted there was sampling efforts that found Eulichon in the estuary. People were speculating whether they even use the Mad River but they have been found in the estuary and should not impact District operations. Director Woo noted that the offshore wind program is picking up. It appears Humboldt Bay will be the location of the assembly point for the West Coast and Humboldt Bay Harbor District is working on grant applications with RCEA.

12.2 ACWA

a. ACWA Coalition Clean Fleets workshop comments letter



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Staff introduced the CARB requirements for clean fleets, which will impact the district. There is an exception in the rules to allow for small population to extend the compliance date, which the District qualifies. As the District replaces its vehicles, there is concern that there are not enough heavy-duty vehicles to comply and meet operations requirements.

- b. ACWA public fleets specialty vehicle coalition comments letter – informational article
- c. NOAA pilot project on western sub-seasonal to seasonal precipitation

Director Rupp introduced that Senator Feinstein is being encouraged to support funding a study of the microclimate in Sonoma County, for purposes of determining sub seasonal precipitation composition. The NOAA presenter who came to the District said three days in advance for prediction of the weather conditions is already significant. But any study of conditions of weather in this area benefits us as well. ACWA is supportive of \$15 million be added to the federal budget to study this project.

On motion by Director Rupp seconded by Director Lindberg, the Board approved participation in a letter of support for a pilot project by NOAA to improve S2S forecasting by the following Roll Call Vote:

Director Michelle Fuller	AYE
Director Neal Latt	ABSENT
Director Lindberg	AYE
Director Bruce Rupp	AYE
Director Sheri Woo	AYE

There was no public comment.

The Board adjourned to lunch at 12:02pm.

12.3 ACWA – JPIA

Director Rupp reported out that he presented \$34,000 to HCSD from JPIA for the actuarial refund program. Employee Benefit Committee is taking up the issue of retiree benefits, as it relates to increases to the HMO plans. There’s a consideration of going to a health advantage plan, which offers many benefits like Silver Sneakers program to retirees.

12.4 Organizations on which HBMWD Serves:

- a. RCEA – Director Woo reported out that biomass will continue to be part of the Resource Adequacy (RA) portfolio for RCEA. Also, there will be a ground breaking for the microgrid at the Arcata airport next month. Staff asked whether DG Fairhaven has long range plans for the plant.
- b. RREDC – The speaker was the airport director who provided statistics. Total passengers have increased by 60% in the last two years. Larger carriers will be providing larger planes, as well.

There was no public comment.

Adjournment

The meeting adjourned at 2:35pm.

Attest:

 Neal Latt, Vice-President

 J. Bruce Rupp, Secretary/Treasurer