



**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**  
828 7<sup>th</sup> Street, Eureka



**Minutes for Meeting of Board of Directors**

**July 11, 2019**

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**A. ROLL CALL**

President Woo called the meeting to order at 9:00 am. Director Rupp conducted the roll call. Directors Fuller, Latt, Rupp and Woo were present. Director Hecathorn was absent. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, and Board Secretary Sherrie Sobol were present. Maintenance Supervisor Ryan Chairez, and District Engineer Nathan Stevens were present for a portion of the meeting.

**B. FLAG SALUTE**

President Woo led the flag salute.

**C. ACCEPT AGENDA**

**D. MINUTES**

Director Fuller requested a clarification to her statement on page three of the minutes of June 13, 2019 regular meeting in regards to the DTSC. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve the minutes of June 13, 2019 as amended.

**E. PUBLIC COMMENT**

No public comment was received.

**F. CONSENT AGENDA**

Director Rupp stated he is glad the District is active in regards to legislative advocacy. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve the Consent Agenda.

**G. CORRESPONDENCE**

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

Mr. Friedenbach stated he spoke with County staff who indicated they were just following language in the General Plan in regards to the zoning text amendments. Director Ford stated new uses of oil and gas extraction in TPZ zones and surface mining in AG zones would require a conditional use permit. The District would engage in the public process if the issue should come up. Director Latt requested clarification as to status of historical streamside mining. Mr. Friedenbach stated at a previous Board of Supervisors meeting, he requested the term "historical" be stricken. Director Ford and four of the five Supervisor agreed the term was vague and ambiguous. The Board of Supervisors voted 4-1 to strike the term "historical" from the zoning text.

District letter to FERC re: EAP Update

Every five years, FERC requires a complete review of the Emergency Action Plan (EAP). The letter to FERC conveys the review and update changes made. Mr. Friedenbach stated the District has not yet heard back from FERC. The update was also communicated to DSOD and they requested a few revisions. Staff is working on those revisions.

District letter to Senator Wieckowski re: SB 13 removal of opposition

Mr. Friedenbach shared the letter removing our opposition to SB 13 related to accessory dwelling units. The District previously submitted a letter opposing SB 13. Senator Wieckowski's office reached out and asked if the District would consider removing the opposition since ACWA, CMUA and CASA removed



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their opposition. Mr. Friedenbach confirmed with ACWA that they removed their opposition since the amendments to SB 13 on July 1 removed the prohibition preventing public agencies from assessing connection fees and capacity charges on newly constructed accessory dwelling units.

Letter from NCRWB re: HBMWD PS 3-No Further Action

Mr. Friedenbach shared good news regarding the monitoring well at Pump Station 3. Test results show non-detect so no further action is required. The well is officially closed and abandoned.

**H. CONTINUING BUSINESS**

Water Resource Planning

Local Sales

President Woo recused herself and left the room due to a possible conflict of interest. The firm she works for, SHN, was hired to do work for Nordic Aquafarms. Mr. Friedenbach reported that Nordic Aquafarms is still conducting their due diligence and they hope to be done by September. A meeting is scheduled with Nordic Aquafarms for July 22<sup>nd</sup>. Directors Latt and Rupp (Local Sales Committee) will be attending the meeting in addition to staff. President Woo returned to the room when the discussion was over.

Mr. Friedenbach stated the City of Trinidad is conducting a water supply study. Several years ago, the District hired GHD to conduct a study regarding the feasibility of a pipeline to Trinidad. Mr. Friedenbach stated it was his understanding that previously, Westhaven was opposed to this. GHD is conducting the water supply for Trinidad and will include the pipeline feasibility report.

Instream Flow

Mr. Friedenbach stated that President Woo and he traveled to Sacramento to make a presentation to the SWRCB. District Water Rights Attorney David Aladjem accompanied them to the meeting. Director Fuller and other members of the instream flow team were able to observe the meeting via WebEx. This was an introductory presentation. President Woo stated this was the first time communicating with upper level staff so it was a very good meeting. She added that Mr. Aladjem did a good job preparing them for the meeting with SWRCB. She also noted that Mr. Aladjem is being paid via grant funding. Director Fuller noted that SWRCB provided some specific questions to be answered and that was very beneficial. Mr. Friedenbach stated the Mr. Aladjem forwarded the questions to him.

Supervisor Madrone stated he applauds the District's efforts to protect their water and especially for instream flow as an environmental benefit. He also shared that he has heard from his constituents in Westhaven and Trinidad that they do not want a HBMWD pipeline to their area.

Cannabis Grows affecting Mad River Watershed

Mr. Friedenbach noted the article regarding cannabis raids in Hayfork and Ruth area referenced two parcels near Hale Creek. This is just downstream of the dam. Mr. Friedenbach reached out to Brendan Lynch of CDFW who will provide a presentation in the fall of the illegal cannabis enforcement activities by CDFW this season.

2019 Disaster Recovery Procurement Process

Mr. Friedenbach stated Collector 4 river work must be completed prior to the next rainy season this fall. Delaying the procurement approval to the August Board meeting could unnecessarily delay the project and staff is concerned the project may not be completed prior to the rainy season. Staff provided a couple of



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options. The Board expressed full confidence in Mr. Friedenbach and also agreed they could be available for a Special Meeting. On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 to authorize a Special Meeting to approve/award engineering and/or construction contracts.

Alliance Property-Phil Lazzar

Mr. Lazzar stated he has some concerns with the amendment as written. Currently, the amendment states there will be a forty-five-foot easement with a buffer of five feet on either side for a total of fifty-five feet. Mr. Lazzar is requesting a thirty-foot easement with a twelve and half foot buffer on either side for a total of fifty-five feet. Director Latt stated superficially, he doesn't see an issue but would like to receive input from the District's legal counsel.

Samoa Peninsula Concrete Vault Public Art Project: Artist Selections

Ms. Natalie Arroyo was present to share the selected artists and their projects for the concrete vault art work. She requested two more vaults be added, vault 8 at Samoa town south and vault 9 at Ma'lel Dunes. Staff did not have concerns with the addition of the two vaults. The Board concurred to the addition of the two vaults. Ms. Arroyo shared that twenty-nine applications were received and it was a tough decision to narrow it down to nine. She stated she appreciates working the District.

EAP Tabletop Exercise, September 12, 2019

Mr. Friedenbach stated FERC requires dam owners to conduct a Tabletop Exercise every five years. This year is the fifth year and the event will take place on September 12<sup>th</sup> at the USFS on Bayshore Way in Eureka. Mr. Friedenbach encouraged the Directors to attend.

**I. NEW BUSINESS**

Joint Board Meeting with Ruth Lake CSD July 19, 2019 draft agenda

Mr. Friedenbach shared the draft agenda with the Board and inquired if there was any input. No input was received. Due to closures on Highway 36, will need to meet at 6 am at the office in order to get to Ruth prior to the road closure.

Industrial Water Supply to Harbor District

Staff report

Mr. Friedenbach stated we need to look at starting to charge for the industrial system. Minimal maintenance has been done during the past ten years. The majority of the work has been channel control to ensure flows in front of Pump Station 6. Costs for the past ten years have been \$68,941.35. Mr. Friedenbach stated staff will bring back some proposal that include direct and tangential costs.

Internal cost analysis

Mr. Davidsen reviewed the Industrial System Rehab Costs. The \$2,477, 150.00 figure is for one screen only. The approximate cost to replace all components of the industrial system including: screens, valves, pumps etc. is \$4.2 million.

Technical memorandum re: clarifier

Mr. Davidsen shared the Technical memorandum by West Yost on the Mad River Clarification Treatment Facility. This a conceptual level study. The clarifier is like a smaller version of the treatment plant and will require three to four people to operate it. Mr. Friedenbach added that financing or grant funding is needed for this project.



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Humboldt County General Plan: Critical Municipal Water Supply Area

Mr. Friedenbach stated he inquired if the Mad River was designated as a Critical Municipal Water Supply area. Mr. Ford, Building and Planning Director, informed him it was not. Only two creeks are designated as such: 1) Francis Creek which supplies the City of Ferndale and 2) Luffenholtz Creek which supplies the City of Trinidad. Staff recommends the Board authorize staff to investigate further to determine what benefits could be achieved to protect the water quality of the Mad River Watershed by designating it as a Critical Municipal Water Supply Area.

Mr. Michael Richardson of Humboldt County Planning stated Critical Watershed Designation is used in reviewing development application standards geared towards preventing impacts to water supply, particularly upslope as it relates to runoff. Given the size of the Mad River, may need to get beyond the standard protocols and develop standards more specific to the concerns of the District. The District's concerns are more related to industrial pollution from uses on adjacent lands and may need to advocate to the Board of Supervisors to develop standards to offer these protections.

The Planning Commission will be the first step in the review process. The portions to be mapped as critical watershed can be tailored and it does not need to be the entire watershed. He doesn't know the schedule for Critical Watershed Designation but believes the list is long. The District should make a statement requesting the Mad River Critical Designation be moved up in priority.

Supervisor Madrone stated time is of the essence. The Board of Supervisors just approved various zoning text amendments, including the MR zone, that the District submitted concerns on. There are a lot of recommend zoning changes coming up. The Board of Supervisors is moving into the Community Planning phase and wrapping up the text amendment, then moving on to zoning. Time is of the essence for the District to clarify concerns regarding designating the Mad River as a Critical Watershed. He stated he would help agendize this.

The Board was supportive of staff recommendation. Director Latt stated he appreciated the attendance of two members of the Board of Supervisors as well as Michael Richardson. Supervisor Wilson stated he will check with his staff to find out where critical designation is on the Board of Supervisors list. Mr. Richardson reiterated the District should include a statement that they would like the issue prioritized. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to direct staff to investigate and pursue designation of Critical Municipal Water Supply Area for the Mad River.

Supervisor Presentation -Reservoir Inspections

Maintenance Supervisor Ryan Chairez provided a presentation on reservoir inspection and maintenance. The inspections are preformed annually to ensure the overall conditions of the reservoir are satisfactory and meet and exceed public water system standards. The inspections also provide an opportunity to take corrective action or plan for future repairs to address any developing issues. The documentation from the inspections are a tool used by state regulators to gauge the health and maintenance of reservoirs. Mr. Chairez provided details on items inspected, various reports and examples of maintenance and repair. Director Fuller stated she appreciates learning more about the District operation. She and the Board thanked him for the presentation.



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J. **REPORTS (from Staff)**

1. **Engineering**

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

Director Latt stated his firm represents Figas so he recused himself and left the room. Mr. Stevens stated the project is nearly complete. There are just a few miscellaneous items to clear up and some paperwork. All should be completed within a week. He stated there is a change order however, the project is still within the grant budget. Director Latt returned to the room when the discussion was over.

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

Engineering staff is moving forward on the 60% design. Hope to have this done by the end of the month. Discussions with PG&E regarding permitting have also started.

Collector Mainline Redundancy Hazard Mitigation Grants (\$763,000 District Match)

The project is still waitlisted.

Reservoir Structural Retrofit Hazard Mitigation Grant Application (\$914,250 District Match)

FEMA wants to schedule a kick-off call. This implies the project may get funded. It could still be six months to a year before Phase I funding is released. Staff will know more after the kick-off call.

Single Line Industrial Slough Crossing Hazard Mitigation Grant Application (\$679,750 District Match)

No update to report.

Matthews Dam Spillway Analysis Hazard Mitigation Grant Application (\$1,666,667 District Match)

No update.

Essex Emergency Chlorine Scrubber Hazard Mitigation Grant (\$335,000)

No update.

TRF Generator Hazard Mitigation Grant (\$460,431 District Match)

The full application has been submitted. It will be a few months before we hear anything.

Hazard Mitigation Grant DR-4431/4434 NOI Project Selection

Mr. Friedenbach stated staff met and discussed projects to consider. They came up with the 15" pipeline on the Samoa Peninsula. Mr. Stevens did some additional research and it looks like this project would not qualify. This round requires proposed project to be flood related mitigation projects.

2. **Financial**

Financial Report

Ms. Harris provided the June 2019 financial report. She noted the expenses are increased since it is the end of the fiscal year. Several vendors are grant reimbursable such as GHD and HT Harvey for example. The Salary and Employee Benefits budgets came in at 96% which means the District did a great job managing the budget. On motion by Director Rupp, seconded by Director Fuller the Board voted 4-0 to approve the June 2019 financial report and vendor statement in the amount of \$648,233.23.



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FY 18/19 Project Budget Reallocation Revision

Last month the Board approved a budget reallocation. As the Board is aware, the District has unfortunately, been forced to deal with many maintenance and emergency repairs. As a result, additional funds are needed in the category. Staff recommends un-allocating \$30,000 from the 3x Seismic Retrofit and allocating it the Emergency Maintenance Project Budget (total Maintenance & Repair Emergency Fund Budget \$80,000). On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve staff recommendation to reallocate \$30,000 from the 3x Seismic Retrofit to the Emergency Maintenance Project Budget.

FY19/20 Budget Presentation -Total Proposed Budget and Revenue Estimates

Ms. Harris provided a recap of the total proposed budget and revenue estimates. She noted that the health insurance rates came in lower than budgeted which is good news. On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 to approved the FY19/20 budget as proposed which included a 2.7% COLA.

Letter from County Treasurer summarizing interest earned report for quarter ending March 2019

Ms. Harris shared the County Treasurer’s report for the quarter ending March 2019. The County earned an annualized interest rate of 1.85% compared to LAIF at 2.55%. Ms. Harris suggested the Board may want to have a future discussion to consider the possibility of switching to LAIF if the trend continues.

**3. Operations**

Mr. Davidsen provided the June Operational Report. Simpson Coatings was onsite to prep and do warranty paint repairs the 1 MG reservoir and Pacific Lift was onsite to the OSHA required inspection of the Vehicle Lift. Training included first aid and CPR, water regulations, total coliform rule 7 and sexual harassment prevention training. Mr. Davidsen stated seven staff members attended the water regulations training and it was one of the best trainings he’s ever attended.

**K. MANAGEMENT**

CSDA GM Leadership Summit

Mr. Friedenbach reported out on his attendance at the GM Leadership Summit in Newport Beach. He shared some of the sessions he attended and thanked the Board for his attendance and continued learning.

CSDA Programs Promoting Good Governance

President Woo previously inquired about CSDA Board Certification Programs. Mr. Friedenbach provided information on the two certification programs: District of Transparency Certificate of Excellence and the District of Distinction Accreditation.

Annual July Board Meeting: Consider moving to third week of July

Mr. Friedenbach stated the July Board packet is usually due out around July 3 through 5. This is very difficult given the Independence Day holiday, end of month and end of fiscal year financials. For these reasons, staff recommends the Board consider moving the annual July Board meeting from the regularly scheduled second Thursday of the month to the third Thursday of the month. The Board did not express concerns with this.



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**L. DIRECTOR REPORTS & DISCUSSION**

**1. General -comments or reports from Directors**

Director Rupp reported out on his Employee Benefits Committee meeting. There is a zero percent increase in the PPO health insurance plans. The HMO plans increased 8.1%. Delta Dental increased 5.24% and EAP increased 9.4%. He noted that these had not increased at all over the past three years.

**2. ACWA – JPIA**

On-Site Training offered by ACWA/JPIA

Mr. Friedenbach shared the thank you letter from ACWA JPIA for the use of the facility for the on-site Defensive Driver and Ergonomics training.

Safe Drinking Water Funding Solution Trailer Bill Language Opposition to Inserts Related to AB 134 (Bloom) and AB 217 (Garcia)

ACWA is supportive of safe drinking water funding but is opposed to trailer bill inserts related to AB 134 and AB 217. Mr. Friedenbach shared the letter.

**3. Organizations on which HBMWD Serves: RCEA, RREDC**

RCEA

President Woo reported out on the RCEA meeting. She stated it was big meeting and the board gave approval for staff to start negotiations with three power providers, including Terra Gen, onshore wind. She recused herself from that part of the discussion since she has a potential conflict.

RREDC

Director Latt reported out on the RREDC meeting. He stated there was no speaker since they were evaluating their executive director. Like Mr. Friedenbach, their executive director is excellent and they are lucky to have him. He also shared that there are now two flights per day from Arcata to Los Angeles. The flights are 97% full.

**ADJOURNMENT**

The meeting adjourned at 2:56 pm.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer

