



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

November 12, 2009

A. ROLL CALL

Director Sopoci-Belknap called the meeting to order at 9:02 am. Directors Hecathorn, Laird, Prucha, Rupp and Sopoci-Belknap were present. General Manager Carol Rische, Superintendent Barry Van Sickle and Board Secretary Sherrie Sobol were present. Pat Kaspari of Winzler and Kelly, Mary Gelinias of Gelinias James, Business Manager John Palmquist and Program & Regulatory Analyst Thavisak Syphanthong were present for a portion of the meeting.

B. FLAG SALUTE

Director Sopoci-Belknap led the flag salute.

C. MINUTES

Director Prucha requested an addition be made to the minutes, however, Directors and staff did not recall the specific details and staff was directed to review the audio recording of the meeting and bring the minutes back at the next meeting.

D. PUBLIC COMMENT

A member of the public stated he was glad to see the meetings are back to the old schedule and are beginning in the morning.

E. CONSENT AGENDA

On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 5-0 to approve the Consent Agenda.

F. CORRESPONDENCE

1. Letter from California Water Awareness Campaign re: funding request for FY 2010

Ms. Rische inquired if the Board would like to provide funding this year to the California Water Awareness Campaign. She recommended against contributing this year in light of the ongoing educational efforts via the Water Resource Planning process and also given the District's budget. The Board concurred.

A discussion ensued regarding future requests for donations in general. Ms. Rische recommended that donations be included in the budget process going forward and staff would not have to bring these items to the Board. Director Hecathorn thought this was a good idea and the Board concurred.

2. Letter from Ruth area resident re: gunfire concerns

The District received a letter from Ruth Lake resident Debbie Felt regarding concerns over firearms discharge and damage to the river bar. Ms. Felt was present at the meeting and expressed her fears regarding high powered rifles being used near the roadway and off road vehicles damaging the river bar. She requested the District's support in regards to prohibiting firearms discharge on the buffer strip. Ms. Rische noted this is not the first time the issue has come up and provided a brief history. In 2002 the District supported a request by Ruth Lake CSD to prohibit the discharge of firearms on the southern portion (non-leaseholder) of the buffer strip. The Board approved this and the District requested Trinity County extend an existing Ordinance to prohibit discharge of firearms. The Trinity County Board of Supervisors passed Ordinance 1270, pertaining to



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firearms discharge, which extended the area where “it is unlawful for any person to discharge any firearm” to cover the entire buffer strip. Some of the challenges/issues for the District is enforcement and the fact that there is no single or limited point of access for entry to District property. Staff recommended 1) the District write a letter to Trinity County requesting enforcement, and 2) install signs stating the prohibition of firearms discharge. Director Rupp emphasized that Trinity County has enforcement authority regarding firearms discharge and encouraged her to contact Trinity County. On motion by Director Laird, seconded by Director Rupp, the Board voted 5-0 to send a letter to the Trinity County Sheriff regarding the issue and install signage prohibiting the discharge of firearms per Ordinance of the Trinity County Code.

G. CONTINUING BUSINESS

1. Mad River Watershed – discussion re: Atrazine

Director Prucha stated she would like the public to be able to access information on Atrazine and other water quality information via the District website. She suggested changes to the website to facilitate this. She also stated that she contacted Craig Bunas of the California Department of Public Health Drinking Water Division regarding Atrazine. She learned that HBMWD has tested for Atrazine in its drinking water a number of times with all results being non-detect and that additional tests are not required at this time given the watershed. Ms. Rische responded that the website suggestions are good ones, however, at this time, in order for staff to dedicate the time to make the changes, other work would have to be displaced. She added there are other changes that are necessary to the website so if the Board wishes to proceed a project should be established. After a brief discussion, the Board agreed that no special project was needed at this time. Ms. Rische recommended the suggested website improvements be placed into a “holding bin” until such time when time and resources permit to update the site, and the Board concurred.

Mr. Van Sickle expressed concerns that Director Prucha felt she had to bypass staff and go directly up the chain of the Public Health Drinking Water division to the District’s Sanitary Engineer, Mr. Bunas. He added that he was surprised when he heard from Mr. Bunas that a Director had been questioning him, regarding Atrazine in the watershed. Director Prucha responded saying she wasn’t clear how sampling was done and was trying to educate herself. Director Laird stated questions should go to staff first and added that staff has always been responsive to questions. Director Rupp concurred and added that the Board of Directors operate as a Board and not as individuals when it comes to District matters.

2. Ruth Lake Prevention Plan for Aquatic Invasive Species

Ms. Rische reported out on the Ruth Lake CSD report summarizing the results for the Sticker, Card Key and Banding process implemented as part of the Prevention Plan. Overall, Mr. Felt reported that implementation of the Plan went very well. The gate/card lock systems have been working well and the majority of people have been understanding and cooperative. Ms. Rische added that the cooperation and effort of the Ruth Lake CSD and Leaseholders helped make the implementation a success. She recommended thanking the Ruth Lake CSD for their role in the implementation of Prevention Plan. Director Laird discussed enforcement and inquired if Ruth Lake CSD



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and/or the District could get additional enforcement from DFG for next summer. The Board concurred and requested the thank you letter to Ruth Lake CSD also include a follow up on revenue issues for next year as well as enforcement concerns.

3. Water Resource Planning

a) Outcomes of Public Meetings

Director Sopoci-Belknap thanked the Directors for attending one or more of the Public Meetings and asked to hear their feedback. Each of the Director agreed that attendance was good and the public was receptive to and participated in the process. Director Sopoci-Belknap felt that one of the Boards' desired outcomes was met in that the Public better understands the District's situation and felt that they could communicate with the District and had a level of trust.

b) Advisory Committee updates

Director Sopoci-Belknap stated the next WRP Advisory Committee meeting is scheduled for December 3rd.

c) "Evaluation Criteria"

The Advisory Committee will be submitting their evaluation criteria used to evaluate the options to the Board at the December meeting. The evaluation criteria is being compiled based upon input and feedback from the Citizens Study Group and the three Public Meetings which were held in October and the District's Municipal Customers (via the Water Task Force). Some Directors wanted to provide input and Director Sopoci-Belknap reminded them it is still a work in progress and suggested they wait until the December meeting. After a brief discussion, the Board concurred to wait for the final product in December before providing input.

Ms. Gelinas discussed the expectations around the criteria and the Board's role in the process. She noted the criteria the committee is bringing to the Board represents what the community says is important and she stressed that it is not a formula, rather a tool that can provide directionality.

d) Workshop

Ms. Rische provided an update on the Water Resource Planning Workshop scheduled for January 19, 2010 at the Wharfinger building in Eureka. She discussed the draft overview of the workshop and agreed to make a few changes based on the Board's feedback.

H. NEW BUSINESS

1. Agreements with Third Parties for Access to District Sites

Ms. Rische stated there are two agreements for the Board's review and consideration. Both groups, PG&E and the California Geological Survey Department of Conservation, are requesting information and access to District property.



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PG&E is conducting a feasibility evaluation for their wave energy project and have been contacting a number of parties to help with support of this. PG&E is requesting the District execute Memorandum of Understanding (MOU) for them to explore the feasibility of siting their cable landing and wave measuring equipment for the project on District property. The MOU would provide site information and allow access to District property on the Samoa peninsula (the Booster Station & industrial water reservoir) to evaluate how suitable it would be for the project. Mr. Martinek, legal counsel, has reviewed and approved the MOU. Director Sopoci-Belknap asked about the term of the agreement. Ms. Rische responded that it is for one year with a 30-day cancellation clause. She added that PG&E would be responsible for reimbursing the District for any cost incurred. Director Laird suggested changing the wording in Item 6 from agreements *may* be required to *will* be required. Ms. Rische recommended approval of the MOU with the change. On motion by Director Laird, seconded by Director Rupp, the Board voted 5-0 to approve the PG&E MOU with a wording change and the addition of an indemnification clause.

The second agreement is with the CA Geological Survey. For many years the State has been maintaining seismic monitoring devices at Matthews Dam. The State, as part of the California Strong Motion Instrumentation Program is requesting to upgrade it and also have some of it at the slide gate building. District staff could not find an agreement for installation of the original equipment and suggests one be done to accommodate their current request. Main provisions staff would like addressed are: 1) document the arrangement 2) define notification requirement for the State to access the slide gate building and 3) indemnification. The District drafted an agreement and shared it with the CA Geological Survey but have not heard back from them yet. They may suggest a few wording changes. Ms. Rische recommended approval of the agreement on the condition that it clearly shows the items of interest to the District. On motion by Director Laird, seconded by Director Hecathorn, the Board voted 5-0 to approve the Agreement with CA Geological Survey on the condition that the three points recommended by Ms. Rische are included.

I. REPORTS from Staff and Board

Engineering

a) Ruth project

Mr. Kaspari reported the hydraulic line replacement for the slide gate should be completed next week. The project was designed to be able to replace hydraulic lines in the future on a more routine basis. He added that it is very impressive what Mr. Van Sickle and his staff have done to design and execute the project. Director Sopoci-Belknap asked that Mr. Van Sickle convey the Board's appreciation for the ingenuity and efforts that went into the project.



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b) Letter from District to Dept. of Toxic Substance Control (DTSC) re: contamination at former mill site in Blue Lake

Ms. Rische stated that just prior to the last meeting, she received a call from a reporter regarding Pentachlorophenol (PCP) at the former McNamara and Peepe/Blue Lake Forest Products site. Mr. Kaspari quickly pulled information together on short notice so the District understands what has happened with the site. Ms. Rische and Mr. Kaspari provided background on the site, the contamination that occurred and how the Regional Water Quality Control Board addressed in the 1990's (via a concrete cap intended to contain the contaminant). Mr. Kaspari added that since then, the Department of Toxic Substances (DTSC) has been monitoring the site. The DTSC has site responsibility and just received funding to perform additional investigation and remediation studies at the site. For many years, all monitoring results were negative, but in 2003 however, some monitoring wells detected contamination. Ms. Rische added that the District has conducted numerous samples of drinking water in the 1990's and 2000's with the latest test done on October 16, 2009. All results were negative for PCP. Even though PCP/TCP is getting into the groundwater at the site, it is extremely remote that it will make its way into the District's drinking water source. The District is being pro-active and sent a letter to DTSC supporting and encouraging them to fully characterize and remediate the site. The District also suggested additional monitoring wells be installed south of Glendale Drive to monitor the movement of PCP/TCP groundwater plume towards the Mad River. She also stated that the PCP/TCP topic is on the agenda for discussion at the upcoming Water Task Force meeting.

Director Prucha said she had spoken with Norman Shopay of MCSD and he notified her of an email he was sending to DTSC regarding PCP/TCP (the email is in the Blue Book). She stated she would like the District to work with him on the issue and feels it would be a disservice not to join forces with him. Director Laird responded that first of all, he is glad to hear that the PCP/TCP issue is on the agenda for the Water Task Force. It concerns him however, when alarms go off regarding water quality issues that are unwarranted. If the District had any concerns regarding the quality of drinking water, then action would be taken by District.

c) Pre-Disaster Mitigation Grant Application for Techite Pipeline Replacement

Mr. Kaspari stated the grant application for the Techite Pipeline replacement was submitted last week. The application will be reviewed by FEMA sometime between January and March of 2010.

d) General updates

Mr. Kaspari reported the dam survey and left abutment survey at Ruth have been completed and he should have data on that at the next meeting.

Financial

a) Audit Services

Mr. Palmquist reported that the District is approaching the end of a three year agreement for audit services with Hunter, Hunter and Hunt. The question is, does the Board wish to continue with the firm for another year or look for other audit services. Director Hecathorn recommended the District continue with Hunter,



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Hunter and Hunt. She stated they have been very thorough and have done a good job. It would be disruptive to change now. She also noted the District worked with the previous auditors for thirty plus years. Mr. Palmquist also added that Hunter, Hunter and Hunt has had a steep learning curve with new regulations/requirements and are now past that. Director Laird inquired if the District could save money by committing to a longer time frame with the firm versus a one year commitment. The Board concurred the District should remain with Hunter, Hunter and Hunt and directed staff to get proposals for one, two and three year commitments and review the savings.

b) Proposition 1A Securitization

Mr. Palmquist provided an update on the status of the Prop 1A securitization. He noted that all but one of the California Counties are participating in this program. The District has submitted all the required paperwork and legislation required for implementation of the program has officially passed. The District will be reimbursed in January and May of 2010.

c) Financial Report

Director Hecathorn provided the October financial report. Director Hecathorn also reviewed the vendor details and reported that there were no concerns. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the October financial report and the vendor statements in the amount of \$143,699.12.

Operations

Mr. Van Sickle provided the October 2009 Operational Report. Staff participated in the "Great California Shake Out" on October 15 and he used the publication "Living on Shaky Ground" as an outline for the class. Staff also attended a variety of other training between November 3 and 5th. He also stated that the Turbidity Reduction Facility ran for 10 days in October.

Management

Ms. Rische reported that the new McKinleyville CSD manager has expressed interest in developing a groundwater source. Municipal customers' groundwater development has been of interest and potential concern to the District in the past. She indicated she and Mr. Van Sickle will be meeting with Norman Shopay to learn more and will report out to the Board next month. Director Rupp suggested she also discuss water storage as well.

Directors

a) General comments from Directors

Director Prucha reported that Drink Local Water is on the agenda for the McKinleyville CSD's next meeting. She also stated she provided two presentations regarding Water Resource Planning. During the presentations, some questions were asked that she was not able to answer and sought advice from the Board. Director Rupp suggested a "position paper" be drafted which states why the District is doing this and why it is important. Director Rupp and Laird agreed to work on this and bring it to the Board for review next month. Director Sopoci-Belknap indicated she could call people who had questions.



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Director Prucha also announced that she submitted the District for an award with the California Water Environment Association and the District won. Ms. Rische and the Board thanked Ms. Prucha for the nomination. Directors Sopoci-Belknap and Prucha suggested a press release go out regarding the award and the Board concurred.

Director Laird reported that Humboldt State's Take Back the Tap group will be christening their Hydration Station on campus at The Depot on November 18th.

b) Director Compensation

Last month, the topic of Directors' compensation was brought up. Staff had requested clarification on some items regarding compensation. Based on the outcomes from the meeting, some changes were suggested to the policy. Mr. Palmquist reviewed the proposed policy changes to the Board Policy Manual, Section 10 "Directors' Compensation". After a brief discussion, a recommendation was made to accept the two redlined changes in addition to the changes made to Item 4 to reflect *if* attendance was delegated by the Board to represent the District. On motion by Director Laird, seconded by Director Prucha, the Board voted 4-0 (Director Rupp was not present at the time) to approve the changes which would be effective going forward and would not be retroactive.

ACWA

a) Board of Directors meeting

Director Laird reported out on the Board of Director's meeting he attended. The main topic was the package of five water bills the State Legislature just adopted.

b) Procedures for ACWA's upcoming officer elections

Ms. Rische discussed the letter and proxy form from ACWA and stated this was a customary process which occurs every two years as part of the governance process.

c) ACWA Conference attendance

Ms. Rische stated she wanted the opportunity to confirm that Director Laird, given his service on the State Board of ACWA, was the only one attending the conference. The Board confirmed this.

RCEA

Director Hecathorn reported that the RCEA budget is now completed. The loan from the City of Fortuna has been paid back and RCEA is still in the process of finding an auditor.



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Public Hearing on Retail Rates

Director Sopoci-Belknap opened the Public Hearing on Retail Rates at 5:30 pm. Ms. Rische and Mr. Palmquist presented a brief summary of the rate increase and connection charges. It was noted this has been discussed at previous meetings and the Board approved the rate design, proposed rates and connection charge at the September meeting. No members of the public were present. Mr. Palmquist reported that four Prop. 218 protest letters were received and he shared them with the Board. Director Sopoci-Belknap thanked Mr. Palmquist for sharing the letters as she felt it was important for the Directors to read the letters and it was important for citizens to know that the input provided was being looked at. Ms. Rische stated that at this point, the Board can take action and increase the retail rates. On motion by Director Laird, seconded by Director Hecathorn, the Board voted 5-0 by roll call vote to adopt Resolution No. 2009-5 Resolution of the Humboldt Bay Municipal Water District Board of Directors Changing the District's Rates and Service Charges for Retail Water Service. The Public Meeting was closed.

ADJOURNMENT

The meeting adjourned at 5:41 pm.

Attest:

Kaitlin Sopoci-Belknap
Kaitlin Sopoci-Belknap, President

Barbara Hecathorn
Barbara Hecathorn, Secretary/Treasurer