



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



**Minutes for Meeting of Board of Directors**

**October 8, 2009**

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**A. ROLL CALL**

Director Sopoci-Belknap called the meeting to order at 1:30 pm. 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 and Alex Culick of Winzler and Kelly, David Martinek of Dun and Martinek and Business Manager John Palmquist were present for a portion of the meeting.

**B. FLAG SALUTE**

Director Sopoci-Belknap led the flag salute.

**C. MINUTES**

Director Laird requested a change in wording in the Mad River Fisheries Monitoring section of the minutes. On motion by Director Laird, seconded by Director Hecathorn, the Board voted 5-0 to approve the minutes of the September 10, 2009 Board meeting as amended.

**D. PUBLIC COMMENT**

No comments received.

**E. REPORTS from Staff and Board**

**Engineering**

Mr. Kaspari provided updates on several projects: 1) As reported last month, the Ruth hydraulic line replacement for the slide gate is proceeding on schedule. The Federal Energy Regulatory Commission (FERC) sent a letter acknowledging that no permits are required for this job and it is considered a general maintenance item. Mr. Van Sickle said that the crew is scheduled to go to Ruth the week of October 19, 2009 and will be installing the dock platforms they built to support the divers during the hydraulic line replacement. Ms. Rische stated the dock construction went very well and saved the District money. Several Directors congratulated the Essex staff on a job well done, 2) The Mad River annual cross-section survey results are completed and Mr. Kaspari reported that there are no apparent major changes to the cross sections, 3) The Ruth-Area bi-annual surveys (part of dam safety program) and spillway wall monitoring program have been conducted and the survey results should be available for the next Board meeting. Mr. Kaspari noted that during a previous discussion with the Division of Safety of Dams they expressed concerns regarding the monitoring of rods in the concrete walls. Mr. Kaspari believes the rods are not there for support, but were part of the construction process. Since surveyors were surveying the dam crest and abutments as part of the FERC requirements, Mr. Kaspari, Mr. Winzler and Mr. Van Sickle met with them and discussed several ideas and began a plan to capture the spillway wall deflection, if it were to happen in the future. A letter proposal will be provided as the plan is developed, 4) the Ranney Collectors Plans and Specifications for lateral replacement at Collector No.3 has been a multi-year project with Alex Culick doing the bulk of the work on this. Replacement of laterals is recommended. Mr. Kaspari added that no permits are required for this project since there is no in stream work required. On



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motion by Director Laird, seconded by Director Rupp, the Board voted 5-0 to approve the Plans and Specifications for Ranney Collector lateral replacements at Collector 3.

**Legal**

**Pump Station 6 Structure Replacement**

Mr. Martinek provided a brief background on the contract the District had entered into with Kern Construction to replace the Pump Station 6 structure. This project was for the benefit of the industrial customer (pulp mill). When the pulp mill initially shut down, the District placed the project in suspension pursuant to the Second Amendment to the Contract entered into last March. The suspension is set to expire February 28, 2010. Since the District has now lost its only industrial customer, Mr. Martinek recommended the District send Kern Construction a letter advising them that pursuant to Section B-37 (h) of the contract and the terms of the Second Amendment to the Contract, the District is exercising its right to provide notice of termination of the contract. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to rescind the contract.

**Proposition 1A**

Mr. Palmquist provided a recap of the Prop. 1A Securitization Program discussed briefly at the last meeting. The adopted 09/10 California State budget includes a transfer of local property tax revenue to the State (pursuant to Proposition 1A). The Prop. 1A Securitization Program would allow counties, cities or special districts who decide to participate in the program to "sell" their Prop 1A State receivable to the California Statewide Communities Development Authority (California Communities) who will issue bonds and remit cash proceeds to the local public agencies. Bondholders would receive their repayment from the state by June 30, 2013. Legislation provides that local agencies participating in the securitization program receive 100% of their Prop 1A receivables. At present, over 900 agencies have enrolled in this option. Mr. Palmquist reported that Stephen Strawn, Humboldt County Treasurer-Tax Collector, saw no negative down side to this option. David Martinek, legal counsel, stated that he reviewed the documents required to participate in the California Communities securitization program and from a legal stand point, he did not see any problems with it. Mr. Palmquist pointed out several benefits of participation in the program including immediate cash relief, all costs of financing are borne by the State of California and the District has no obligation on bonds. If the Board decides to participate, next steps include 1) adoption of Resolution 2009-4, "A Resolution Approving the Form of and Authorizing the Execution and Delivery of a Purchase and Sale Agreement and Related Documents with Respect to the Sale of the Seller's Proposition 1A Receivable From the State; and in Directing and Authorizing Certain Other Actions in Connection Therewith" and 2) approval of the Purchase and Sale Agreement. After a brief discussion, on motion by Director Prucha, seconded by Director Hecathorn, the Board unanimously adopted Resolution 2009-4 by roll call vote and voted 5-0 to approve the Purchase and Sale Agreement and related documents.

**Financial**

Director Hecathorn provided the financial report for September 2009. Director Rupp reviewed the vendor details and said that all was normal. On motion by Director Rupp,



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seconded by Director Hecathorn, the Board voted 5-0 to approve the September financial report and vendor statements in the amount of \$165,219.93.

**Operations**

Mr. Van Sickle provided the September Operational Report. He stated that three operators took the D-4 distribution exam. They spent numerous hours on their own time studying for the exam. He noted that this is a very difficult exam with a high failure rate statewide. He was pleased to report that all three received notification they had passed the exam. Ms. Rische also added that it is very unique for a District our size to have a D-4 operator.

**Management**

Ms. Rische stated that given the increase in Board activities such as the WRP Advisory Committee, staff needs some clarification regarding the Director's Compensation Policy and what is considered a compensable meeting. It was requested that the item be brought back to the November meeting for discussion and possible changes.

Ms. Rische also informed the Board that she received a call from a reporter regarding the former McNamara and Peep site and PCP levels due to leakage. She noted that District samples all show non-detect for the PCP/TCP. She recommended staff learn more about the data, and send a letter of support for remedial action plan, if warranted. The Board concurred that this should be brought back to the next Board meeting.

**Directors**

a) **General reports/comments from Directors**

Director Laird stated that he was invited to speak on sustainability of water at Humboldt Bay Initiatives and at Plan It Green. He will be discussing the District's management history and the estuary.

b) **Performance Review**

Director Sopoci-Belknap stated she would like to see better forms developed for the General Manager performance review. The current form doesn't allow for feedback and perhaps the process could be changed for next year. She also felt that Ms. Rische had a rushed review and the Board should have spent more time with the process. She recommended the Board discuss the review with Ms. Rische at the next Board meeting.

c) **Start Time of Regular Board of Directors meeting**

In an effort to make meetings more accessible to the public, the Board had committed to a four month trial period in which the meetings began at 1:30 pm and continued into the evening. October is the end of the trial period. Director Sopoci-Belknap noted that there was no increase in public attendance, in fact, the attendance decreased. On motion by Director Laird, seconded by Director Hecathorn, the Board voted 5-0 change the start time of the meetings back to 9:00 am effective with the November 2009 meeting.



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d) Drink Local Water Campaign

Director Laird stated he and Director Prucha met with Humboldt State University to help coordinate their drink local water efforts with those of the City of Arcata. During the meeting, it was suggested that perhaps a presentation to the Humboldt County Board of Supervisors could be made with the possibility of the County adopting a Drink Local Water resolution.

Ms. Rische provided an update on the water bottle status. At the August 2009 Board meeting, the Board decided to purchase stainless steel water bottles for District employees. Ms. Rische stated the bottles have arrived and provided the Directors with the amount due from each of them. Ms. Rische offered to contribute as well, however, her offer was declined. After a brief discussion the Board agreed to disperse the bottles to the employees at the end of the year.

ACWA

Director Laird reported that he participated in two ACWA meetings. The first one was a regional meeting called to provide a legislative update and the second was a State meeting which he participated in via phone since it took place in the Owen's Valley. Another legislative update was provided.

The District had previously agreed to host a Region 1 meeting/tour. The meeting/tour has been scheduled for June 7-8, 2010. The tour will include a visit of Ruth Lake and the Gosselin Hydroelectric plant.

RREDC

Director Rupp and Director Sopoci-Belknap were not able to attend the regular meeting. Director Rupp was able to attend the RREDC Executive Committee meeting and reported that Gregg Foster has returned as the Executive Director and the future looks good for RREDC. He also noted that they now have Paul Brisso as their counsel.

RCEA

Director Hecathorn was unable to attend the meeting.

F. CONSENT AGENDA

Director Laird requested Item 1 be pulled. Directors Hecathorn and Prucha requested Item 5 be pulled: Director Hecathorn requested the article submitted by Director Laird, "Republicans vote against expanded water supply for drought-stricken California" be pulled and Director Prucha requested the Atrazine article be pulled. On motion by Director Hecathorn, seconded by Director Rupp, the Board voted 5-0 to approve the consent agenda, less items 1 and 5. Director Laird expressed his appreciation for the hydroelectric production graphs being included. He stated it was very informative and he'd like to see it included on a regular basis.

Director Hecathorn stated she pulled the article submitted by Director Laird because she felt a political statement was being made. Director Rupp commented that each Director has their own beliefs and the Directors work well as a Board; bringing in items such as this tend to fragment the Board. Director Laird stated his intent was for informational purposes only and that he was not advocating or supporting any positions.



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Director Prucha stated she pulled the Atrazine article because she believes Atrazine is a risk and would like to find alternatives to its use for landowners in the watershed. She asked if the Board would like to participate in this effort. Ms. Rische stated the District's water has been tested several times and all the samples have returned non-detect for Atrazine. Also, since the Atrazine topic was not on the agenda, no decisions could be made. She recommended the item be brought back to the November meeting.

On motion by Director Hecathorn, seconded by Director Prucha, the Board voted to approve items 1 and 5 of the Consent Agenda.

G. CONTINUING BUSINESS

Retail Water Rates

Mr. Palmquist provided a status report on the Samoa Peninsula Fire District meeting that he and Director Hecathorn attended. He discussed the proposed retail rate increase and invited them to attend the public hearing on Thursday, November 12<sup>th</sup> at 5:30 pm. Director Hecathorn said she initially expected to be at the meeting for about twenty minutes, however, there were lots of good questions regarding water rates and before she knew it an hour had gone by.

Mr. Palmquist briefly reviewed the process for the Proposed Retail Rate Increase. Two informational letters were previously sent out to retail customers. On September 21, 2009, A Notice of Public Hearing was sent out to the District's retail customers notifying them of the date of Public Hearing and included information on the how to be included in a protest count. Once the Public Hearing is closed, if the Board decides to implement the rate increase, they will need to adopt Resolution 2009-5, changing the District's rates and service charges for retail water service.

Water Resource Planning

President Sopoci-Belknap provided a status report regarding recent activities of the Advisory Committee. She also summarized the agenda for the upcoming public meetings. Board roles during the introduction, and the meeting itself were discussed. Director Prucha asked several questions regarding how the public input would occur in regards to the proposed evaluation criteria. She emphasized how important she feels public input is, and wants to make sure the input is really emphasized and invited. Directors Rupp and Sopoci-Belknap assured her that was absolutely the intent, and that the advisory committee even spent time discussing how to word this part of the agenda. Director Prucha also inquired if WRP Advisory Committee meetings would be made public. In July 2009, this topic was brought up and the Advisory Committee had requested their meetings not be open to the public until they have completed the public participation process.

Director Laird expressed appreciation regarding the opportunity to see a draft of the evaluation criteria – as developed thus far based on public input provided at the Citizens' Study Group meeting. They will be shared at the three upcoming public meetings for feedback, additions, changes, etc. Director Laird indicated they looked good, but that he would like to see a couple of additions, and asked if this is the time to provide input. Director Sopoci-Belknap responded not yet, in that public input to the Advisory Committee is still in



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progress, and the Board will receive the final recommendation from the Advisory Committee later, at which time comments are appropriate.

Director Sopoci-Belknap shared frustration she has felt based on feedback from a couple of Board members regarding the process and recent press releases. The Board had a constructive discussion about this and all Board members reiterated their support of the process.

Carol Rische reported briefly on several items. 1) She reported that a sub-committee is working on the agenda for the Workshop and that it will be held on Tuesday January 19, 2010 at the Wharfinger. She stated that David Aladjem (water law attorney) will be attending to do the water rights presentation and to answer questions and participate as necessary. She added that she has asked David to stay through Wednesday morning for a possible meeting with the Advisory Committee. She suggested that if this occurs, it be a joint meeting of the Advisory Committee and the Board of Directors. Director Laird concurred with this. He added that he listened to the audio recording of David's conference call with the Advisory Committee and prepared a series of questions. He submitted them to Carol Rische to forward to David. She recommended that questions not be sent to David "piece meal" rather that questions be gathered from the Board and Advisory Committee and submitted as a group before the next call of meeting with him. 2) She summarized the e-mail Terry Spragg sent to the Met and other water districts sharing the recent Times-Standard article. He continues to try to generate interest in his demonstration project. 3) She also summarized a meeting that she and an Advisory Committee member (Bill Thorington) had with Eureka's economic development staff. It was very informative. They explained the process at the state, regional and local level in regards to attracting and retaining businesses. The City is a member of the regional economic development forum (Upstate) and their annual meeting happens to be in Humboldt County next week. Marie Liscomb, who serves on the Upstate Board, invited the District to attend the meeting. It would provide an opportunity to meet key people at the State CalBiz office and the Executive Director of Upstate, and to invite them to attend and possibly speak at the Workshop. It would also introduce us to this group which may be a valuable resource in the future. Bill Thorington offered to attend to advance the economic development portion of the Workshop agenda. Director Sopoci-Belknap suggested Director Rupp attend if he is available. Director Rupp agreed to attend.

**ADJOURNMENT**

The meeting adjourned at approximately 8:25 pm

Attest:

  
Kaitlin Sopoci-Belknap, President

  
Barbara Hecathorn, Secretary/Treasurer