

REDWOOD VALLEY COUNTY WATER DISTRICT
2370 Webb Ranch Road
Redwood Valley CA 95470
(707) 485-0679

MINUTES
Regular Meeting
Board of Directors
Thursday, February 17, 2011

Directors Present: Donald E. Butow, Hal Voege, Jeanette Hallman, Granville Pool
Directors Excused: Merle D. Reuser
Staff Present: Bill Koehler, General Manager
Linda Groth, Board Secretary/Office Manager
Others Present: Roy Beck, Bill Hendrie, Will Carson/Millview CWD, Chuck Vau

CALL TO ORDER: 7:02 P.M.

1. ROLL CALL.

Hal Voege, Director
Granville Pool, Board Vice-President
Jeanette Hallman, Director
Donald Butow, Board President

2. HEARING OF COMMENTS OR QUESTIONS FROM THE ATTENDING PUBLIC.

Chuck Vau said he had picked up the RR Flood Control District meeting Agenda and noticed that their Agenda Item No. 14 was a Closed Session meeting – real property negotiations. When he asked what it was about, he was told that they couldn't tell him anything other than it was negotiations regarding Redwood Valley. So he is here tonight to ask if the RV Board can talk about it. Director Butow said if it was Closed Session, we don't know what they were talking about, but if they said it was negotiations regarding Redwood Valley, maybe they were discussing this District looking at property in Redwood Valley for building a pond, although we've been very open in our meetings about that. Director Hallman added, We've had an ad hoc committee meeting with them, would it be about that? GM Koehler stated, We don't know what they were talking about in Closed Session. We are having ad hoc committee meetings with them but discussions haven't gone too far; mostly about exploring options. One of the options is to enter into negotiations with Sonoma and/or to enter into negotiations with Flood Control. Director Hallman recalled speaking with Lee Howard some time ago and he had mentioned that they were looking to have an All Boards Meeting between the two agencies. Director Butow said that the All Boards Meeting will happen, but RV needs more time to get some things lined up and also get answers from SCWA so that RV would have something to bring to the public at the All Boards Meeting. GM Koehler added, One of the things RV is trying really hard to do, is be transparent. When we had those meetings at the Grange Hall, and throughout discussion of the ideas cast about -- let's say we build a \$10 million pond that only holds 2,000 acre feet – this would result in \$1200 an acre-foot for ag water. Obviously that's not workable. Chuck Vau agreed, saying, That's pretty much the consensus with most of the people I've talked to, and I don't think you are going to change the sentiment of most of the people about this extremely high debt to build a facility.

After further general discussion and commentary, the Meeting continued.

3. CONSIDER HEARING OF URGENT ITEMS RECEIVED SINCE THE AGENDA WAS POSTED.

Nothing submitted.

4. APPROVAL OF CONSENT CALENDAR.

- a. Financial Statement.
- b-1. Bills Paid since those approved at last Meeting.
- b-2. Bills Paid as approved at previous Meeting.
- c. Bills Payable.
- d. District Activity.

After review, a Motion was made.

MOTION: Approve the Consent Calendar as submitted.
Voege/Pool Discussion CARRIED
AYES: Voege, Pool, Hallman, Butow
NOES: None
ABSENT: Reuser
ABSTAIN: None

5. APPROVAL OF MINUTES AS PRESENTED.

The Minutes of December 16, 2010 were presented.

MOTION: Approve the Minutes of December 16, 2010 as presented.
Voege/Hallman Discussion CARRIED
AYES: Voege, Hallman, Pool, Butow
NOES: None
ABSENT: Reuser
ABSTAIN: None

6. DIRECTOR AND STAFF REPORT AND DISCUSSION OF NON-ACTION TOPICS.

Nothing submitted.

7. DIRECTOR AND STAFF REPORTS OTHER THAN THOSE LISTED IN GENERAL MANAGER'S REPORT. ACTION ITEMS.

Nothing submitted.

8. GENERAL MANAGER'S REPORT AND ACTION ITEMS.

- a. System Operations.
Operating normally. Water usage low.
- b. Vacation.
GM is going on vacation, but will be back in time to attend the March Board Meeting.

c. Mystery Leak.

Appears to be natural seepage. We are monitoring it carefully.

d. Watershed Sanitary Survey.

Sharing costs with Millview and City of Ukiah as the other two surface water systems in the area. Costs will be included in the next fiscal year budget.

e. Surge Tank.

The replacement combination air valve installation is complete and it works as designed.

f. Project Notice.

Although we only received two responses to our Informational Letter sent to all our customers, both responses were positive.

General Managers Report Action Items:

1. Ag Customer.

The customer submitted nothing. No action.

2. UVAP.

The Ukiah Valley Area Plan Hearings will be held on February 17th and March 3rd.

Director Voegel stated that he is really worried about this UVAP hearing. GM Koehler reported that he had prepared a paper to read aloud at the Hearing stating Redwood's perspective since Redwood is not named in the UVAP. It basically pointed out - you have drawn the line at Hwy 20, but you left out about 6,000 people and while they may sleep in Redwood Valley, everything else they do is in the UVAP including driving the highways and streets - they go shopping, they go to work, they go to the dentist, they go to church. GM Koehler said he was frustrated because while the UVAP is trying to solve the problems of congestion, air pollution and water, it is ignoring the gorilla in the closet. They did listen to his Statement and then they said, Okay, thank you. There was no comment. End of story; no discussion at all. He added, It was ironic, about 10 minutes later when they were having discussions internally they were saying, if we do this UVAP thing and we make it really hard for people to come in and build houses because we are going to require them to put in solar and LEED certified and all this other good stuff, then they just won't build here, they will go outside to places like Laytonville and Lake County and Potter Valley. Director Voegel said he thinks the Board of Directors should write a letter. Director Butow agreed, the letter should be directed to those people but at the same time a copy of it should go to the Ukiah Daily Journal so the public can be informed also. He continued, I have noticed that planning departments, whether in the City of Ukiah or other locations, often ignore water, sewer, transportation and access. He asked, What are they going to do with the extra traffic for another super store with a super gas station? Member of the public Chuck Vau responded, They know. They've had these discussions. I was at their meeting a few weeks ago - and they've already done the count of the morning and afternoon flows on Hwy 101 north of Calpella. They talked about what the flows are to have to come and go from Ukiah. It was a side note, but it was over at the courthouse, and the City of Ukiah stated, We're looking out for the City of Ukiah. Chuck Vau concluded, It was strictly about having tax dollars inside the city limits. It was amazing, I think it's a 30% impact on the City of Ukiah just from the residents of Redwood Valley. It was very interesting that they won't bring the name up but they already know what the numbers are.

GM Koehler continued, It feels like such a waste of time, it's so very frustrating. Last year Roland (Sanford) and I went to an All Boards Meeting with all the water boards. The next day I went to Roland's office and presented him with all the facts and figures that said this is Redwood's projection,

this is our thinking, this is where we are going to be if the moratorium is ever lifted. Here is our usage pattern since 1978, here is the whole can of worms. Well, Roland never wrote it. However, I did take all that same information I had provided to Roland, and I submitted it directly to the UVAP committee during the first comment request period.

Director Hallman suggested that Director Voegel, if he had the time, write a letter and have the Board review it. Director Voegel said he could send an email out to the Directors for their review.

3. SRF application.

Director Butow asked if we can back out of this project without hurting our chances of reapplying in the future and GM Koehler said he feels we can back out if we do it right away. After further discussion, a Motion was made.

MOTION: Back out of the SRF application process right away so we don't hurt our chances of reapplying sometime in the future.

Pool/Hallman Discussion CARRIED

AYES: Pool, Hallman, Voegel, Butow

NOES: None

ABSENT: Reuser

ABSTAIN: None

GM Bill Koehler said he will probably say something to the effect of: Due to the CEQA E.I.R. requirements, the logical way for us to proceed with this particular project, should we choose to proceed with it, is that we would probably go ahead and file the CEQA E.I.R. ourselves and try to segue this into a construction loan instead of a planning loan. The Directors approved.

Director Pool said, Thank you, Bill, for all the work you have put in to expedite this. I feel that all that was done, was worth doing until we reached a point where we knew better.

Director Butow then said, That fire alarm effort you expended, Bill, to see that they received everything on time and in order, and especially because they gave us so very little time to get it done, was very impressive.

4. Domestic customer request.

Member of the public, Bill Hendrie, said he appreciates the opportunity to speak with the Board about a situation that came up. He returned home from a vacation out of state and found very low water pressure in the house. He checked all around the place and then called the Water District. Someone came out and they both looked at the water meter dial and observed numbers were spinning like crazy. It made him sick because he comes from Arizona and has spent most of his life practicing water conservation. He did locate the leak and repaired it immediately, but a huge volume of water was lost due to the leak. The water bill was huge, \$1,350.00. He knows there are some utilities that are willing to assist the customer who has experienced a leak situation and he is wondering if Redwood Valley Water can offer any financial relief. Director Hallman asked if the charge fell into different tiers? GM Koehler responded, Yes it did. Director Hallman continued, This is a man who has a \$7.00 per month average bill. GM Koehler told the Board that Director Reuser had called him about this matter because he would not be able to attend this Meeting. The Board agreed to hear Director Reuser's opinion. GM Koehler reported that Director Reuser suggested that the intent of the tiered rate structure is to discourage scofflaws. Because this is clearly not the case, Director Reuser suggested that the Board agree to vacate the tiers. GM Koehler added that he had asked Paula to do some research and figure

out what the charge would have been without the tiers being applied, and, it was about \$400 less. GM Koehler continued, It's still a \$900 water bill instead of a \$1300 water bill. That's with charging all usage at the base rate, the initial tier. He added, I personally feel that would be setting policy. Director Pool then stated, I agree doing it would set policy and I think that a change of policy would be excellent. I agree with it, but I just want us to consider that if the same thing happened in September in the middle of a drought, would we feel that it was still the right policy. Director Hallman asked what had happened the last time we had this situation. GM Koehler said there was only one time that the Board made a change and it was during the drought specifically. The customer was on vacation, he had a huge leak, about 300-400% of normal usage – it made Mr. Hendrie's bill look cheap. What ultimately transpired was that the surcharge was removed; the tiers were not changed, but the surcharge was removed. That was the decision under one circumstance. As to now, under special circumstances, I could see dropping it down to their normal tier. This would not necessarily be the lowest tier, but it would be their normal tier. Director Voege said he agrees with Jeanette and Merle, we ought to reduce it to their normal tier. Director Hallman clarified, Of course, I'm not talking about people that are negligent or anything else, I'm talking about an obvious accident. After further discussion, the Board directed the General Manager to take all of the concerns and ideas discussed here, and further review the meter histories with staff, and work out a Policy Change Plan to bring back to the Board for action at the next Regular Meeting. In the meantime, the Board will accept that the current cost + \$75 per month fulfills Mr. Hendrie's commitment without penalty, until the General Manager brings details back to the Board. At that time, the final conclusion will be known for the Policy Change Plan and for the balance Mr. Hendrie will owe the District. Mr. Hendrie thanked the Board for their consideration.

8:37 P.M. Break

8:49 P.M. Reconvene

9. FINANCIAL REPORT.

The financial report was presented and reviewed.

MOTION: Approve the Financial Report as presented.

Pool/Voege Discussion CARRIED

AYES: Pool, Voege, Hallman, Butow

NOES: None

ABSENT: Reuser

ABSTAIN: None

10. LOCAL AGENCY FORMATION COMMISSION.

Nothing to report.

11. INLAND WATER & POWER COMMISSION.

Director Voege reported that, after much haggling, and with City of Ukiah's abstention and Commissioner Hatch's (Flood Control District) "No" vote, the Commission did vote to appropriate \$10,000 for public relations. Hopefully the right consultant will be found; he has spoken with three

people so far. He, with the assistance of Supervisor Carre Brown, will guide the work along. He also told the Commissioners that he will do the work if no one else appears, but he will not do it for free.

Director Voege continued, One of the things that Carre and I are going to do, even before we seriously get into conversations with the consultant or consultants - providing they can find somebody to hire - is to look around and see who our audiences are. What we have to do, is look for partners. I'm trying to put together a background paper that just says OK, these are the talking points that we need to address. Now let's go find out how these people feel about it and see if we can make our points valid in their frame of reference. Because if we can do that, I think we can get a real groundswell.

He asked GM Koehler to relate some news about Facebook. GM Koehler said he was talking to his wife about the internet and getting the IW&PC information out there. His wife pointed out that the new reality is social networking, Facebook and Twitter for example. It's instant information, and it is also used as a news source for the all the radio, t.v. and internet news. So, long story short, she went on Facebook and found three (3) Friends of the Eel sites on Facebook. So, they are doing it, too.

GM Koehler reported that Janet's next item at IW&PC was, And the Friends of the Eel are putting together a half-million-dollar fundraising to hire a big powerful lawyer to go over to Sacramento. And let's now move on to the next item. He added, And I was thinking, we're going to spend \$10,000 to counter a half-a-million dollar fundraising plan.

Director Voege reiterated, We've got to look for partners and we've got to look for partners who have money.

Director Butow reported that the Corps of Engineers has a new Project Manager. He said that the RV Board of Directors agreed to discontinue participation in the Feasibility Study for the Dam Raising Project because the Board felt that the Corps was offering zero cooperation and not offering any constructive evidence of where all our money was being spent, and that the IW&PC was being played for suckers. The City and the County and the Flood Control District all sort of toyed around at various times with the idea of dropping out, too. Well, now the COE has a new Project Manager, and what a difference! She put together a schematic of where they're at, where they are going to go and what they will have to do and the probable cost of things. Each of our Board Members has been sent a copy of it. After all the years that we've been after this thing, it just stunned us to receive such a fact-filled document. In addition, she was available by conference call during that portion of the Meeting. The new Lake Manager, Kevin Heep, was also at the Meeting. GM Koehler added, The bottom line is, it's \$330,000 total cost to complete the Dam Safety Evaluation - Seismic, the whole nine yards. The 50% local cost-share is already there, there is no additional funding necessary. A combination of the funds that were already moved from the IW&PC bank account into the COE bank account, plus whatever, there is plenty money left over for the second half of the local half. As to the COE, they have acquired half of their half. The other half of their half, which is about \$80,000, they do not have. It has not been appropriated, it has not been designated by the federal government. But, if the feds can come up with \$85,000 and if they get the go ahead in 18 months from now, in theory they should have completed the Dam Safety Evaluation which is the step that identifies "deal killers". That is critical at this point; if they're sitting on top of a seismic zone, etc., that would be a deal killer.

After further discussion the Board directed GM Koehler to prepare a letter to be signed by Board President Butow, asking these three questions:

- 1) how much of the funds that are available were contributed by Redwood Valley CWD?
- 2) how much would it cost Redwood to achieve parity?
- 3) was the Agreement ever ratified?

The letter will be sent to the IW&PC Secretary for placing on the Agenda for the IW&PC next Regular Meeting.

GM Koehler informed the Board that Benj Thomas is the new IW&PC Commissioner for the City of Ukiah, and the City has no alternate commissioner.

Director Voegel said, One more thing, the Potter Valley Tour has been scheduled for the 20th of April and the Eel River Tour is the following week, the 27th and 28th of April. If anyone is interested in going, be sure to contact Devon Jones at the Farm Bureau Office.

12. MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL & WATER CONSERVATION IMPROVEMENT DISTRICT.

Director Butow reported that the Flood Control District Meeting basically revolved around the ad hoc committee meetings between our two agencies concerning whether we get a better purchase agreement with RR Flood and/or can we do the same thing in regards to SCWA. The result of several things they proposed and we all discussed, and after a great deal of research by General Manager Bill Koehler: 1. How much money did we pay RR Flood in the past to become part of their Place of Use to come up to parity with the tax payments that their customers have paid over the years. In Bill's research, he came up with a copy of the \$276,000 check cut by RV and endorsed by Lee Howard and cashed by the RR Flood years ago. So we have spent our fair share in becoming part of the right to draw water out of that lake. We're taking these discussions very seriously and hoping that they may have something to offer us, and hoping that this can develop into something that we can bring to the Board for consideration. We are having similar discussions with Sonoma County Water Agency as well. We have gone down there and met with them and had a very positive discussion about moving forward and getting that Surplus Contract finished up. They're saying it's with their lawyers now. Mr. Grant, who was the Interim Manager and now has a four year contract as the General Manager, was at the meeting yesterday along with Pam Jeane and their engineer and others. We had a very positive conversation and experience. They would like us to work out something with RR Flood if possible. Director Pool commented, They were extremely non-committal; mostly just letting us talk and ask a lot of questions. Director Butow added, the positive thing that we did talk in detail with some assurity was that, yes, they are going forward with their Surplus Agreement with us. Director Pool added, They seemed to understand that there were some issues about the way the Agreement was constructed, and seemed willing to try to work those things out in the replacement Agreement. Will Carson asked if there are any points of compromise between Sonoma and Russian River Flood and Redwood. GM Koehler clarified, It really is too early for any of that. We are still trying to identify where the minefields are. This really is a process, there are no decisions made at this point.

GM Koehler introduced information not related to the ad hoc committees. Sean announced that he has been in negotiations with the dam operating people. Normally the conservation pool starts increasing as of March 1st; that's when they start going from 68,400 ac-ft of storage to 86,400 ac-ft at the end of the month. They started encroaching on the flood pool already; so this latest storm was captured instead of dumping it. We've already seen about 5,000 ac-ft go into storage that normally, according to their operations plan, would have been dumped. This means that right now, if we get no more rain, we are still pumping our own water (we are above the conservation pool). If we get one or two more storms, we could pump our own water through the month of April.

Also, Sean announced that NIMFS decided not to file a lawsuit on the fish kill that happened three years ago. What that means is, they can no longer say they cannot release the information because there's a pending lawsuit. So Sean has filed a FOIA Request to find out what really happened.

13. REPORT OF ATTENDANCE AT AGENCIES MEETINGS NOT LISTED SEPARATELY HEREIN.

Director Voege reported on his attendance at the Water Commons Meeting. Judith Harwood has applied for a grant to start a demonstration project on using biochar. Biochar is a soil amendment, it puts carbon into the ground which absorbs water which provides micronutrients. It's very similar to what the Indians along the Amazon River have been doing for centuries. So, they will clear the underbrush and the unusable trees out of the redwood forest which will make it much healthier and productive. The RFFI Usal Forest will be about 50,000 acres and also there is the forestry in Humboldt County.

14. SONOMA COUNTY WATER AGENCY.

We don't have anything planned for meeting with them any time soon. As to the new Surplus Agreement, we are waiting for them to deliver the draft to us.

The Meeting Ended at 9:49 P.M.

The next Regular Meeting is scheduled for 7:00 P.M. on Thursday, March 17, 2011 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

APPROVED: Board of Directors

DATE APPROVED: May 19, 2011

SIGNED: Linda Groth
Secretary, Board of Directors