

REDWOOD VALLEY COUNTY WATER DISTRICT
2370 Webb Ranch Road
P. O. Box 399
Redwood Valley CA 95470

MINUTES
BOARD OF DIRECTORS
REGULAR MEETING
June 17, 2010

DIRECTORS PRESENT: Donald E. Butow, Jeanette Hallman, Hal Voege, Granville Pool, Merle D. Reuser
STAFF PRESENT: William L. Koehler, General Manager
Linda Groth, Office Manager/Secretary to the Board of Directors
OTHERS PRESENT: Roy Beck, Jeff Burrell, Will Carson

CALLED TO ORDER: 7:04 P.M.

1. ROLL CALL.

Hal Voege, Vice-President
Granville Pool, Director
Merle Reuser, Director
Jeanette Hallman, Director
Don Butow, President

President Butow welcomed the members of the public and informed them that the Board of Directors needs to take approximately 15-20 minutes with legal counsel by telephone conference at this time and therefore the meeting will go into Closed Session, (Agenda Item No. 20) as soon as the public vacates the building.

Members of the public vacated the building.

7:06 P.M. CLOSED SESSION

2. (AGENDA ITEM NO. 20)

- d. Discussion referring to legal counsel re: Potential Litigation - Government Code Section 54956.9.
- e. Discussion to consider employment and performance of public employees. -- Government Code Section 54957.

7:25 P.M. OPEN SESSION

Members of the public returned to the Meeting.

3. REPORT OF ACTION TAKEN IN CLOSED SESSION, ITEM #2. (Agenda Item No. 21).

- d. Potential Litigation.
- e. Public Employees.

President Butow reported that the Board of Directors met with legal counsel regarding a personnel issue.

4. HEARING OF COMMENTS OR QUESTIONS FROM THE ATTENDING PUBLIC. (Agenda Item No. 2)

No comments or questions.

General Manager Koehler informed the Directors that a member of the public is present to discuss the General Manager's Report, Agenda Item No. 8.F.

President Butow took a consensus of the Directors and introduced Agenda Item 8.F. at this time.

5. GENERAL MANAGER'S REPORT, AGENDA ITEM #8, ITEM F. SURGE TANK.

The new house that was constructed next to the District surge tank has been in foreclosure for a long time and has finally been purchased. The surge tank is not in use by the District except as a burp valve and a vacuum breaker. And it also supports the antenna for communications between that location and the water treatment plant. It is too small for water storage and too large for chemical storage. The District recently received a letter containing several demands from the buyer of the new house.

Member of the public, Jeff Burrell, said the buyer of the house is out of town and he is in attendance to represent the buyer. He provided an oral history of the property inasmuch as he previously owned it. He stated that the buyer is looking for the District to remove the tank, adding that the buyer a) is paying \$10,000 for engineering; b) doesn't care if the antenna is installed on her property/she will provide the easement; and c) will contribute cost-sharing for the rerouting of the communications antenna. Ernie Wipf is expected to be the contractor on the project. She is asking for some form of cooperation, perhaps man-power in some way; she expects to absorb 98% of the costs. She doesn't want to be adversarial; she just wants cooperation. He added, I don't want this to be contentious.

Director Hallman commented, So she bought a house next to the tank and then she said, what do we do with the tank? You said you don't want this contentious. If she doesn't get her way, is she going to send attorneys after the District?

Jeff Burrell said he does not believe she would do that.

General Manager Koehler stated that he did speak with the buyer before she bought the property, the same as he did with several other prospective buyers. He reiterated, the tank is a support for the antenna at the water treatment plant. It also functions as a burp valve for air escape, and a vacuum breaker which allows air to come in if a line is broken. Originally it worked with a modulating valve; but the valve is dysfunctional and the dysfunction is no ill to the operation of the District. With the rare exception of turning 3 pumps on at once, we don't even fill it. It has overflowed in the past because the modulating function has failed. That modulator has been removed.

GM Koehler continued, In any case, I've spoken with several prospective buyers, realtors, banks and engineers. I've always said it is fully the buyers cost, and I told her on the phone, in letters, and in person, that the District will not put any money into the project, not a nickel.

GM Koehler told the Directors that he could offer to inspect.

Director Voege stated, We have a functioning system. Anybody who wants to change it, has to pay, 100%.

GM Koehler said his recommendation is to leave the tank as is.

President Butow asked if the District owns the property under the tank and GM Koehler clarified that the tank is on a deeded easement.

Director Reuser stated, It serves a function to the District; we need to know the District will not incur any costs and the buyer will replace that system with one that works.

After further discussion, GM Koehler recapped the discussion: the buyer pays 100%, the District will test the signal strength where the antenna could be relocated 40' away next to the drain (he will inspect whenever anything is being done), the buyer will provide an easement change and the engineer will sign off on the tank.

MOTION: The General Manager is to proceed with negotiations as discussed and report back to the Board of Directors.

Voege/Reuser Discussion CARRIED

AYES: Voege, Reuser, Pool, Hallman, Butow

NOES: None

ABSENT: None

ABSTAIN: None

8:15 P.M. Jeff Burrell left the meeting at this time.

6. CONSIDER HEARING OF URGENT ITEMS RECEIVED SINCE THE AGENDA WAS POSTED.
(Agenda Item No. 3).

Nothing submitted.

7. APPROVAL OF CONSENT CALENDAR. (Agenda Item No. 4)

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.

The Consent Calendar was reviewed.

MOTION: Accept the Consent Calendar as presented.

Voege/Pool Discussion CARRIED

AYES: Voege, Pool, Hallman, Reuser, Butow

NONE: None

ABSENT: None

ABSTAIN: None

8. APPROVAL OF MINUTES AS PRESENTED. (Agenda Item No. 5)

The Minutes of January 20, 2010 were considered.

MOTION: Approve the January 2010 Minutes with spelling correction of one word, strata.

Hallman/Pool Discussion CARRIED

AYES: Hallman, Pool, Voege, Reuser, Butow

NOES: None

ABSENT: None

ABSTAIN: None

9. DIRECTORS AND STAFF REPORTS AND DISCUSSION OF NON-ACTION TOPICS.
(Agenda Item No. 6)

Director Voege offered two items:

a. The local office of North Coast Opportunities is no longer funded. The database for Grant Funds is now located at the Foundation Center in San Francisco.

CORRECTION, BOARD OF DIRECTORS Meeting 8/19/2010: insert: Catalyst Program

"The local CATALYST PROGRAM of North Coast Opportunities, Inc. office is no longer funded."

b. Kudo's to General Manager Bill Koehler on his written introduction to the Annual Water Quality Report.

10. DIRECTORS AND STAFF REPORTS OTHER THAN THOSE LISTED IN GENERAL MANAGER'S REPORT. ACTION ITEMS. (Agenda Item No. 7).

a. Conservation, other than GM Report.

Director Voege reported that he attended the Water Commons Meeting last week. Joe Scrivens was also in attendance and he mentioned to Director Voege that the Board of Supervisors is cutting staff, so he expects to be available to teach the procedures for in-home water audits as part of the Conservation Program.

Director Voege also suggested that the RV District use the Conservation Fund money for presenting a workshop on Lining Irrigation Water Ponds to help control water loss. He suggested that Parducci Winery would be an excellent location for the workshop.

President Butow commented that when he attended the Farm Bureau meeting last week there was some talk about how the Conservation Fund monies could be of help to water customers in the area.

GM Koehler reported he met in committee with Supervisor Carre Brown and MCWA GM Roland Sanford. A letter from the committee is being prepared by Roland, and GM Koehler has told Pam at Sonoma County Water Agency that the letter is coming. So hopefully the money will get released. GM Koehler commented that he met with the North Bay Conservation Group which includes Cotati and Rohnert Park (Conservation Managers) and all the contractors. It's impressive; these agencies have dedicated Conservation Managers, and here we are in Mendocino, just trying to start up.

11. GENERAL MANAGER'S REPORT AND ACTION ITEMS, JUNE, 2010. (Agenda Item No. 8)

G. UUSD Well.

General Manager Koehler said a copy of a proposed agreement is coming from UUSD with a tentative cost of about \$50,000 to double pump the 500-feet. He is trying to put together a packet. Interestingly, he hasn't been able to find any source, either here or Sacramento, with record of the development of that well.

President Butow asked if this will help the District with its issue with the State and GM Koehler responded that in theory, the 70 gpm would resolve the issue of annexations.

Director Hallman expressed concern about spending the money on something whether we take water or not and President Butow commented that we spent \$50,000 to drill the almost-dry well at the treatment plant.

Director Reuser stated, During the rates discussion, many, many times we were asked "what are you doing to search for more water?" He feels strongly that the Board has to show its customers that the District is searching for more water.

The Board is in agreement that the next step is for GM Koehler is to ask the Dept. of Public Health if we can get a waiver for only the chlorination of this water.

9:10 P.M. Director Reuser had to leave the Meeting at this time.

Member of the public, Will Carson also left the Meeting at this time.

9:11 P.M. BREAK

9:25 P.M. RECONVENE

GENERAL MANAGER'S REPORT, CONTINUED:

A. District Operations.

Operations are running normally. The clearwell and the South West tank will be put back in service soon.

As a result of the paving overlay on West Road between Mohawk and Tomki, we will need to raise the seven valve boxes that were covered. This is the standard arrangement for utilities that are located within a public utility right of way.

B. RRFC Wheeling Agreement.

We have not received anything yet on the wheeling agreement for ag water between Flood Control, RV Cellars, and a small parcel adjoining RV Cellars.

C. Solar Insurance Claim.

After several conversations with the CFO of our insurance company regarding the impact of filing a claim on the solar damage, the claim has been filed. The impact of a claim of this size is an increase in the premium of \$8K per year for three years. After that, if we have not incurred any additional claims our premium will drop back down to the current level with a refund of the \$8K per year over three years.

D. RCHDC Project.

Nothing has been received yet.

E. Grand Jury Report.

We have received a copy of this year's Grand Jury Report. It should be on their website soon but has been released for public distribution. There will be a meeting the 24th at 2:30 to go over the Findings & make corrections of the bunch of small stuff; there was nothing horrendous. GM Koehler felt the report wasn't well thought-out. He noted that they did not contact RVCWD but they did contact Sean at Flood Control and Janet at Inland Water & Power Commission. GM Koehler will attend the Meeting and report back to the Board of Directors

12. FINANCIAL REPORT. (Agenda Item No. 9).

a. The financial report was reviewed.

b. The Board of Directors agreed to schedule a Special Meeting in order to have some reasonable dedicated time for reviewing the new Fiscal Year Budget. GM Koehler will contact the Directors when work is ready to review.

13. LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY – LAFCO.
(Agenda Item No. 10)

Nothing new to discuss.

14. INLAND WATER & POWER COMMISSION. (Agenda Item No. 11)

Both President Butow and General Manager Koehler attended the meeting.

GM Koehler reported that the Eel/Russian Commission meeting has been rescheduled to 9:30 A.M. on July 9th in Ukiah.

The response issue is still going back and forth between Roland Sanford and Janet Pauli together with Supervisor Carre Brown and also Hal Voege and others.

As TO 501c3, the idea of creating a mutual benefit corporation is being discussed at the Farm Bureau Water Committee Meetings.

15. MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL & WATER CONSERVATION IMPROVEMENT DISTRICT. (Agenda Item No. 12)

There was no Meeting on the regular date. It has been rescheduled.

16. REPORT OF ATTENDANCE AT AGENCY MEETINGS, I.E. CITY OF UKIAH, COUNTY BOARD OF SUPERVISORS, OTHER SPECIAL DISTRICT'S, COUNTY OF MENDOCINO PLANNING TEAM/HOUSING ELEMENT NOT LISTED SEPARATELY HEREIN. (Agenda Item No. 13)

General Manager Koehler reported the Sonoma County Water Agency meeting held in Ukiah was poorly attended. Pam Jeane's presentation included proposed conservation efforts in Sonoma County. Although Lake Mendocino is fuller than it's ever been, the Corps will begin dumping water in September and October. Redwood Valley will have to announce that we are following best management practices, etc, doing water audits, and going down the conservation road. This will include the Commercial grass people also, they will have to restrict their water consumption.

GM reported the AWEPP application period is closed for this year.

501.3.c. The URSA, Middle Russian group has appointed a subcommittee to deal with the State. The Russian River Water Conservation Council was signed into existence as of May 2010; it is non-profit. The specific purpose is to advise and coordinate ag users on the Russian River watershed. All of this is supposed to be done by July 1st, which won't happen, so the question being kicked around by URSA & MRSA is, does this trump the State or does the State trump this. Conclusion: this really muddied the 'governance' waters.

Also, Victoria Whitney said that farmers are turning water on when frost is anticipated, and going to bed. She apparently has a videotape of pumps running in the wee hours before an expected frost event. The Bureau is asking to see the tape. The State has admitted it will be another year or two before all their regulations are in place. General Manager Koehler will continue to attend the meetings.

The Meeting Ended at 10:00 P.M. The next Regular Meeting will be held at 7:00 P.M. on Thursday, July 18, 2010 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

**CORRECTION: Page 4, Item 9.a.
Insert: Catalyst Program**

APPROVED AS CORRECTED: Board of Directors

DATE: August 19, 2010

SIGNED: Linda Groth
Secretary, Board of Directors