

REDWOOD VALLEY COUNTY WATER DISTRICT

2370 Webb Ranch Road
P. O. Box 399
Redwood Valley CA 95470
(707) 485-0679

MINUTES

Board of Directors
Regular Meeting
Thursday, July 17, 2008

Directors Present: John W. Groth, Jeanette Hallman, Hal Voege, Granville Pool
Directors Excused: Donald E. Butow
Staff Present: General Manager Bill Koehler
Office Manager/Board Secretary Linda Groth
Members of the Public: Carre Brown, Roy Beck, Will Carson, Annette Rhodes

CALL TO ORDER: 7:10 P.M. by Vice-President, Board of Directors, John W. Groth

1. ROLL CALL.

Granville Pool, Director
Hal Voege, Director
Jeanette Hallman, Director
John W. Groth, Vice-President, Board of Directors

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

No comments or questions.

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

General Manager Koehler submitted an urgent item: Authority to sign a grant application.

MOTION: Hear urgent item.

Voege/Pool Discussion CARRIED

General Manager Koehler informed the Directors of a Petition for Grant monies which must be submitted within a week, the deadline being July 21, 2008. Although the grant monies will be awarded to applicants on a scale based upon "contributing funds" of the applicant, and although there are many water agencies out there that are larger than RVCWD and those agencies will have more "contributing funds" available, it is still worthwhile for RVCWD to submit a Petition.

MOTION: Authorize General Manager Koehler to sign an application for Grant monies available through Proposition 50.

Voege/Pool Discussion CARRIED
Ayes: Voege, Pool, Hallman, Groth
Noes: None
Absent: Butow
Abstain: None

4. APPROVAL OF CONSENT CALENDAR.

The Consent Calendar was presented for Board consideration.

- 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. Special Expenditure Fund status report.
- e. District Activity.
- f. Mail Log.

After discussion and clarification of some entries, a motion was made.

**MOTION: Approve the Consent Calendar with the exception of:
Consent Calendar C, Bills Payable, consultant items #1 and #2, until further review.**

Hallman/Pool Discussion CARRIED
Ayes: Hallman, Pool, Groth, Voege
Noes: None
Absent: Butow
Abstain: None

5. APPROVAL OF MINUTES AS PRESENTED.

The Minutes of June 19, 2008 were presented for Board consideration.

**MOTION: Correct the June 19, 2008 Minutes at Meeting Item 12 (Agenda Item 6) to show that Director Hallman did not vote Aye. Director Hallman voted: Nay.
Approve the Minutes of June 19, 2008 As Corrected.**

Voege/Hallman Discussion CARRIED
Ayes: Voege, Hallman, Groth, Pool
Noes: None
Absent: Butow
Abstain: None

6. DIRECTOR AND STAFF REPORTS OTHER THAN THOSE LISTED IN GENERAL MANAGER'S REPORT. ACTION ITEMS. (Agenda Item No. 7.a, b, c, d)

- b) Customer discussion of California Department of Public Health mandated hook-up.

Member of the public, Annette Rhodes, said she and her husband acknowledge that the State Health Department wants their vineyard housing taken off of ag water lines and hooked up with domestic water lines. She said that in 1994 they were granted one of the last domestic hookups and they installed 1400' of an engineered 4" water main extension with a meter on it. They do provide

bottled water to the houses but they haven't hooked up to the meter yet, although they have been paying the monthly billings for that meter all these years. She said they spent over \$24,000.00 on the main line extension and it was inspected and loaded. They haven't hooked into it because before doing so, they would have to sign a Deed of Conveyance with the District. They feel unprotected, because after a very short period of 3-years, anyone can simply hook up without sharing the costs of the water main extension; and they feel that policy is unfair. They request that the Board of Directors consider a more appropriate length of time and that the update be applied to their project.

The Directors all concurred that this is a reasonable request and that this should be done by updating the District policy. This matter will be brought before the Board for further consideration and action at the August Regular Meeting.

Mrs. Rhodes left the Meeting at 7:56 p.m.

- a) Discuss updated new-connection fee.
Approve Resolution No. 2008-3, Connection Fee Rate Increase.

Resolution No. 2008-3 was presented, substantiating an increase in the New Service Connection Fee to the amount of \$5,000 for residences that meet hardship requirements and stating that further revision would be expected upon the lifting of the new-service moratorium sometime in the future.

MOTION: Approve Resolution No. 2008-3, Connection Fee Rate Increase.

Pool/Voege Discussion CARRIED
Ayes: Pool, Voege, Hallman, Groth
Noes: None
Absent: Butow
Abstain: None

- c) Biennial review of agency conflict-of-interest code.

The Board of Directors reviewed the disclosure categories for the agency conflict-of-interest code.

MOTION: Approve changes in the disclosure categories for conflict-of-interest, deleting the name of Consultant: Brelje & Race, and adding the name of Consultant: Rau & Associates, Inc.

Pool/Voege Discussion CARRIED
Ayes: Pool, Voege, Hallman, Groth
Noes: None
Absent: Butow
Abstain: None

- d) Discussion of Employee Handbook.

The Employee Handbook will be under review.

7. GENERAL MANAGER'S REPORT JULY, 2008. ACTION ITEMS. (Agenda Item No. 8)

- a. Plant operations.
- b. Request for clarification of allocations.
- c. Dam sites.
- d. Project funding.
- e. School Way hardship connection.
- f. Road J services.
- g. Grand Jury report.

After discussion, consensus was that there was nothing controversial in the report, although there are corrections to be made. Corrections and wording of the response will be brought to the Board of Directors at the next Meeting.

h. Water rights.

General Manager Koehler reviewed the contract with Sonoma County Water Agency and feels that RVCWD does not meet their definition of Contractor, as that refers to recipients of SCWA water in Marin and Sonoma counties. General Manager Koehler will continue to seek clarification from SCWA staff.

- i. Proposition 50 drought and conservation grants
- j. Well output.
- k. Conservation notice.
- l. Water usage.

8. FINANCIAL REPORT. (Agenda Item No. 9.c.)

- c. Auditor's Engagement Letter and related invoice.

The Auditor's Engagement Letter and related invoice were reviewed by the Board of Directors. After discussion, a Motion was made.

MOTION: Approve signing of the Engagement Letter to Rick Bowers, CPA for the year ended June 30, 2008. Approve payment of the invoice for deposit on audit of financial statements at June 30, 2008.

Voege/Pool Discussion CARRIED
Ayes: Voege, Pool, Hallman, Groth
Noes: None
Absent: Butow
Abstain: None

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

The June 2008 invoice for agency share of 2008/09 budgeted cost of the Local Agency Formation Commission was reviewed.

MOTION: Pay the LAFCO invoice as presented.

Voege/Hallman Discussion CARRIED
Ayes: Voege, Hallman, Pool, Groth
Noes: None
Absent: Butow
Abstain: None

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

a. Report of attendance at IW&PC Meetings.

The wording of a portion of the Agreement that was signed by the agencies contributing funds toward a local sponsor share of the Corps of Engineers Coyote Dam feasibility study, states that if a Study Participant fails to make payment as required under this Agreement, it shall forfeit its Project Entitlement.

This wording is found to be contrary to precedent already enacted by participants of the Agreement. Example: The County did drop out at one point and later rejoined by paying the make-up fee's at that time.

RVCWD was acting upon that very precedent when it voted in March 2008 to not pay the 3rd Progress Payment at the time. The Board expects to have the same opportunity as the County, by paying the make-up fees and returning to participant status in the future.

At the July 2008 IW&PC Meeting, the intent of the Agreement was clarified to all:
A participant may drop out, and may continue to participate in discussion of the issues, however cannot vote. To return to status of a full participant, the make-up fees would be paid, and the agency returns to full Participant status with full consideration.

b. Discussion and possible comment on proposed tentative Eel River Settlement.

The proposed tentative Eel/Russian River Trans-basin Diversion Settlement prepared by the Round Valley Indian Tribes, was discussed. The Tribes want to protect the water and the fish. This proposal would be an amendment to the FERC Ordered RPA, and this would be the only diversion off of the Eel River.

A letter of support will be mailed to the Tribes, expressing appreciation for their efforts, and finding the proposal as a significant step toward working together to form the basis of a lasting regional water use and watershed protection agreement.

MOTION: Prepare a letter of support for Board President signature.

Voege/Pool Discussion CARRIED
Ayes: Voege, Pool, Hallman, Groth
Noes: None
Absent: Butow
Abstain: None

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

- a. Report of attendance at MCRRFC&WCID meetings.
- b. Consider any correspondence concerning the MCRRFC&WCID.
- c. Discussion and possible action on Flood Control District topics.

Director Groth reported that the Flood Control District received the go-ahead from the State Water Resources Control Board on their Filing for 6000 acre-feet, with stipulation that RVCWD would get 3000 acre-feet out of that Filing, and for which RVCWD would pay toward those costs.

It was noted that the Flood Control District returned Redwood Valley CWD's check for \$250.00 toward sponsorship of the newly developing "tours" of Lake Mendocino, stating they have decided they will not accept "Agency" monies for sponsorship of the tours.

12. 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)

Member of the public, Carre Brown, stated that the Board of Supervisors has scheduled a General Plan workshop for Monday, July 21, 2008.

13. SONOMA COUNTY WATER AGENCY. (Agenda Item No. 14)

Nothing new to report.

14. STATE WATER RESOURCES CONTROL BOARD. (Agenda Item No. 15)

Carre Brown mentioned the upcoming August 5, 2008 meeting at the SWRCB in Sacramento concerning the draft, inflow stream policies. Also a meeting in Napa to be attended by Senator Wiggins and Assembly Member Evans. She also said the Chair has requested some sort of scenario regarding AB2121 – engineering, technical calculations, biological engineering, etc. Carre is trying to set this up, perhaps with assistance of Rudy Light. The Farm Bureau has a draft "alternative" it will be sending. General Manager Koehler said he will be attending.

15. STATUS REPORT OF PLACE OF USE ISSUES. (Agenda Item No. 16)

We are in contact with the State Water Resources Control Board and we are proceeding.

16. STATUS REPORT OF 2800 ACRE-FEET STORAGE RIGHT. (Agenda Item No. 17)

Nothing new to report.

Break: 9:29 p.m.

Reconvene: 9:40 p.m.

17. FINANCIAL REPORT. (Agenda Item No. 9a)

a. Discussion and possible action.

Director Groth lead a review of the work in progress in creating the budget, stating that due to medical leave and vacation leave, the figures are not quite ready for tonight's meeting. General Manager Koehler added that the price of chemicals is doubling this year. It was agreed that when the budget figures are complete, a Special Meeting could be called to approve the budget.

General Manager Koehler reported that RVCWD is allowing hydrant water to be used for the firefighting effort staging area in Potter Valley. Water haulers are taking potable water for showers and for drinking and also non-potable water for dust control at the helipad. They are located two hours away from the water treatment plant, so it is a 4-hour round trip for the water haulers. He further stated the District is not charging them; it is our contribution to the firefighting effort. All of the Directors agreed that this is the appropriate decision and action.

The Meeting ended at 9:55 p.m.

The next Regular Meeting is scheduled for 7:00 p.m. on Thursday, August 21, 2008 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

APPROVED: Board of Directors

DATE: August 21, 2008

SIGNED: Linda Groth
Secretary, Board of Directors