

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, August 21, 2008

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

CALL TO ORDER: 7:05 P.M. by President, Board of Directors, Donald E. Butow

1. ROLL CALL.

Granville Pool, Director
Hal Voege, Director
John W. Groth, Director
Donald E. Butow, Director

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

Member of the public, Will Carson, brought the Board of Directors up to date on the efforts of Sean White, General Manager of the Flood Control District to conduct ad hoc meetings with the individual water agencies, further stating that Mr. White met with Millview CWD earlier today.

Director Hallman arrived at 7:10 p.m. during the above comments.

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

After discussion of various items presented on the Consent Calendar, and voicing appreciation to staff for implementing some format modifications, a Motion was made.

MOTION: Approve the Consent Calendar as presented.

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

5. APPROVAL OF MINUTES AS PRESENTED.

MINUTES: Regular Meeting on Thursday, July 17, 2008.

MOTION: Approve the Minutes of July 17, 2008 as presented.

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

MINUTES: Special Meeting on Thursday, August 7, 2008.

MOTION: Approve the Minutes of August 7, 2008 as presented.

Voegel/Pool Discussion CARRIED

During discussion, Director Hallman said she would abstain in voting, as she was absent at the August 7th Special Meeting.

Ayes: Voegel, Pool, Groth, Butow
Noes: None
Absent: None
Abstain: Hallman

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

6-b) Customer discussion of re-connect request.

Mr. Dwight acknowledges he did request a Cancellation of his ag service, but feels there was a complete breakdown between the staff and himself. Since the service was not locked off, he would like to restore the account. He would pay all the back fees, should the Board consider the reactivation. Director Butow stated he was aware that Mr. Dwight has been under tremendous duress with the unexpected loss of his wife, and that this is a rare occasion whereby the request was not well thought out at the time, under the circumstances. It was noted that the ag moratorium is an agency voluntary moratorium and it seems the agency may make a rare exception. It was further noted that this property has always been included in the number of "active" services reported to other monitoring agencies, and that the historical annual usage on this account falls far less than the annual minimum billed.

After further discussion, a motion was made.

MOTION: Reinstate the account.

Pool/Voege Discussion CARRIED

Ayes: Pool, Voege, Hallman, Butow

Nay: Groth

Absent: None

Abstain: None

Mr. Dwight left the Meeting at this time, thanking the Board of Directors for its fairness and justice.

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

This topic is carried forward from the July regular meeting, as agreed. Mrs. Rhodes provided documentation of costs for the 4" water main pipeline extension in 1994 and used that figure as a base for 8% interest for the period of July 1994 to August 2008. She further clarified that the 8% calculation was figured by an Excel Program Roster, compounding interest and she agreed to provide the document to the General Manager so that those figures can be verified.

The Board discussed the current 3-year sunset clause on cost sharing of customer installed main extensions and Mrs. Rhodes' request to extend that period to 25 years. The Board decided to set the policy for cost sharing for new service installations at 10 years from the date of Conveyance. In the case of the Rhodes main extension, no Maintenance Bond would be required at this time since the main extension has already been in place for more than 14 years. General Manager Koehler said that this construction project is at the dead-end of a line that has been sitting in the ground without use all these years. It will have to be massively flushed, which will be scheduled during the upcoming winter (wet) season. Director Butow repeated the Board's decision that the Conveyance Date would be no later than January 1, 2009.

MOTION: Freeze the funds at \$49,637.61 as presented by Mrs. Rhodes, for a 10-year payback period from the date of Conveyance.

AMEND MOTION: Subject to verification of \$26,333.57 compounded at 8% for that total.

Pool/Voege Discussion CARRIED

Ayes: Pool, Voege, Hallman, Butow

Noes: None

Absent: None

Abstain: Groth

General Manager Koehler reiterated that the Board of Directors agrees that Mrs. Rhodes will provide the spreadsheet for verification. The Conveyance is to be made by January, 2009 and payback during a 10-year period from that date.

Mrs. Rhodes left the Meeting at 8:17 p.m.

6-c) Discussion of meter fee.

This matter is tabled for the time being.

6-d) Discussion of Employee Handbook.

General Manager Koehler offered a status report, concluding the new handbook still needs tweaking before presentation to the Board of Directors.

8:30 pm Break

8:55 pm Reconvene

7. GENERAL MANAGER'S REPORT, AUGUST 2008. ACTION ITEMS.

- a. Plant Operations.
- b. Place of Use.
- c. Status of Grant Proposal.

General Manager Koehler reported this was a quickie round for grant monies; applications were ranked in eligibility based upon the amount the grantee can pay. We did not receive any of that grant money.

- d. Current status of disaster repair payments.
- e. Canyon Crossing.

Bid Opening is Tuesday, August 26, 2008. As soon as Bids are awarded, the Board President will have to sign the contract. A Special Meeting will be called for that item when the time comes, probably August 28, 2008.

8. DIRECTORS AND STAFF REPORTS AND DISCUSSION OF NON-ACTION TOPICS. (Agenda Item #19)

Director Voege reported on the recent presentation by Brock Dolman, concluding that there is a lot of water but we just don't have a handle on storing it. It goes to the ocean, etc. with no great benefit to human or fish. Mr. Dolman demonstrated the idea of drainage to storage and provided examples of implementation used in Australia, Japan, etc. Director Voege offered brochures sharing the information.

9. FINANCIAL REPORT. (Agenda Item # 8)

The financial report was reviewed. Director Groth mentioned that some FEMA reimbursements are starting to come in. We are operating within the budget.

10. LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY – LAFCO. (Agenda Item #9).

General Manager Koehler reported that the MSR documents have been submitted to LAFCO.

11. INLAND WATER & POWER COMMISSION (Agenda Item #10).

- a. Report of attendance at IW&PC Meetings.
- b. Discussion and possible comment on proposed tentative Eel River Settlement.
- c. Consider any correspondence concerning the IW&PC.
- d. Discussion and possible action on IW&PC topics.

Director Butow reported that one of the main topics of discussion was the Indian proposal for the Eel River diversion.

12. MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL & WATER CONSERVATION IMPROVEMENT DISTRICT. (Agenda Item #11).

- 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.

General Manager Koehler attended the Special Meeting of August 18, 2008. There was some discussion that, if a settlement is signed, who would be an authorized signer.

Director Groth reported that F.E.R.C. was given a deadline of August 1, 2008 to get everything signed with Potter Valley. They all said, this is fine; sign it and get it off the table.

Strikeout this sentence: Director Groth said it was noted that the City of Ukiah is against the deadline for filing extensions for diversions.

CORRECTION at the September 18, 2008 Board of Directors Meeting:

Director Groth said it was noted that the City of Ukiah is up against the deadline with the SWRCB for filing a Petition for Extension of Time on its diversions out of the Russian River.

13. REPORT OF ATTENDANCE AT AGENCY MEETINGS, I.E. CITY OF UKIAH, COUNTY BOARD OF SUPERVISORS, OTHER SPECIAL DISTRICTS, COUNTY OF MENDOCINO PLANNING TEAM/HOUSING ELEMENT, NOT LISTED SEPARATELY HEREIN. (Agenda Item No. 12)

Director Voege stated that Millview C.W.D. has a draft agreement for emergency wheeling of water. He suggested keeping it as a template.

Director Pool reported on the Board of Supervisors AB2121 workshop, stating that the first speaker shared ideas very similar to Brock Dolman's presentation. Another speaker said, In looking at the issues with fish in the Russian River, it isn't just a flow thing, such a small percentage of the fish successfully get back to the ocean; possibly because bass and other predatory fish have been introduced into the river. Many years ago, before the dam was created, the river had some spots of pools. If that condition could be recreated, it would probably eliminate the newer species. Director Pool added that, among other items at the meeting, Sean White said that a portion of the 6,000 acre-feet will go to Redwood Valley.

CORRECTION, September 18, 2008 Meeting of the Board of Directors:

Director Pool attended two different meetings, the first was an AB2121 workshop at the Water Agency Meeting with the Board of Supervisors at the Conference Center, and the second meeting was at the Ukiah City Hall with the SWRCB.

Director Pool clarified that the speakers referred to above, were members of the public making comments from the floor.

General Manager Koehler reported he was asked to speak as to the Bill Neese property at the Board of Supervisors Water Agency meeting. He told the Board of Supervisors that the Redwood Valley District had already paid for an extensive study of the Neese property several years ago, and that the District has repeatedly told the Water Agency that this is not a workable site. GM Koehler also informed the Board of Supervisors that the Marina Drive dam site did not appear to be economically feasible but that the District was willing to enter into discussions with the Water Agency to see if there was any benefit to the county by developing that site.

General Manager Koehler reported that at the Farm Bureau meeting on Tuesday, August 19th, there was mention that the heavy duty spring frost protection actually resulted in fish-die in Hopland.

He said that Sean White is going to urge Sonoma County Water Agency to work with growers to coordinate their direct withdrawals from the river. Also, to implement the concept of diverting water before it is needed.

At the Farm Bureau meeting, Sean said the draft biological opinion is out; they are probably going to lower the flows in the Russian River, which means there will be more water in the lake.

Director Pool commented that the Board of Supervisors meeting was another time that Sean White said specifically, up to 3000 ac-ft for Redwood Valley at \$47.00 per ac-ft, after the District becomes part of R.R.I.D.

14. SONOMA COUNTY WATER AGENCY (Agenda Item #13).

- a. Consider any correspondence or reports concerning the Sonoma County Water Agency.
- b. Discussion and possible action on SCWA topics; water audits, conservation, etc.

15. STATE WATER RESOURCES CONTROL BOARD (Agenda Item #14).

- a. Updates and possible action.

General Manager Koehler reported the he, Director Groth and Director Butow went to Sacramento yesterday for a meeting with several department heads at the State Water Resources Control Board. The primary reason for the meeting was to determine how the State Board classifies ground water as percolated versus underflow so that the District could evaluate potential pond sites. The State Board explained that there is no specific set of guidelines. The water should be identified as percolated by a hydrogeologist and they would probably accept it even if it is adjacent to a stream bed. However, the State Board also pointed out that any ground water source could be challenged by protest at any time and the District would have to bear the burden of proving that the source was not underflow.

Director Butow added that it was worthwhile to meet face-to-face, and seemed to open up a dialog between the State and Redwood.

Director Groth agreed and added that they offered several topics of information and provided Bill with a couple of websites that should be beneficial.

General Manager Koehler concluded that they had a good dialog.

16. STATUS REPORT OF PLACE OF USE ISSUES (Agenda Item #15).

- a. Updates and possible action.

17. STATUS REPORT OF 2800 ACRE-FEET STORAGE RIGHT (Agenda Item #16).

- a. Updates and possible action.

General Manager Koehler commented that during discussion at the SWRCB yesterday, they suggested Redwood submit a request for a 5-year extension.

The Meeting ended at 10:12 p.m.

The next meeting will be a Special Meeting at 5:30 p.m. on Tuesday, August 26, 2008 to award the bid to the lowest responsible bidder.

The next Regular Meeting will be at 7:00 p.m. on Thursday, September 18, 2008 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

APPROVED as CORRECTED: Board of Directors

DATE: September 18, 2008

SIGNED: Linda Groth
Secretary, Board of Directors

Corrections at #12, MCRRFC&WCID; and #13, Report of attendance at agency meetings.