

**REDWOOD VALLEY COUNTY WATER DISTRICT**

2370 Webb Ranch Road  
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Redwood Valley CA 95470  
(707) 485-0679

**MINUTES**

**Special Meeting**

Board of Directors

Wednesday, October 7, 2009

Redwood Valley Grange Hall, 8650 East Road, Redwood Valley, California

Directors Present: Donald E. Butow, Jeanette Hallman, Hal Voege, Granville Pool

Directors Absent/Excused: Merle D. Reuser

Staff Present: General Manager Bill Koehler

Office Manager/Secretary to the Board of Directors Linda Groth

Attended by Numerous Members of the Public.

CALL TO ORDER: 7:03 p.m. by President, Board of Directors, Donald E. Butow

1. ROLL CALL.

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

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

No comments or questions.

3. DISCUSS MANDATORY CONSERVATION.

General Manager Koehler reported that the Mandatory Urgency Change Order expired on October 2, 2009. In the near future, there will be increased releases from Lake Mendocino in order to sustain the Chinook population in the river. Santa Rosa has already lifted its Mandatory Conservation Order and many other Sonoma County cities will be doing the same. The North Bay Conservation Group, consisting largely of Sonoma County Water Agency customers, is actively debating the lifting of the Conservation Order. Also, the General Manager of the Flood Control District has said that he will strongly suggest to his Board of Trustees at their upcoming October 12<sup>th</sup> meeting, that they lift the Mandatory Conservation Order.

Director Butow asked the other Directors to please express their opinion on this topic.

Director Voege said he thinks there are three issues that have to be considered and basically, none of them are under our control. The first issue is, the releases through the Potter Valley Tunnel, which are absolutely crucial to our water supply. Those releases are governed by a Federal Agency called the Federal Energy Regulatory Commission (FERC). Their

decisions are based on a formula that is in error, that has been in error since it was installed, and it's not clear how quickly that Agency will recognize that error; federal agencies are slow to do that sort of thing. The fact of the matter is, if the water flow through that tunnel doesn't increase, or if it decreases, it's going to have a major effect on the amount of water that's in the Lake. Unless we have a really good winter rain, the watershed that's above the dam is not big enough to fill the Lake. Secondly, there are increasing regulatory pressures from both State and Federal agencies to run the Russian River specifically for the fish. That is to say, releases and withdrawals from the river for purposes, for example, such as frost protection for grape growers, are going to be continually frowned upon by those people. We don't know exactly what that's going to mean. And, thirdly, there is climate change. Will we have another dry season? Will it rain like heck? Are you gambling? For all those reasons it seems to me that this District, regardless of what is being done by other Districts, ought to retain its Emergency Conservation Order.

Director Hallman said she understands what Director Voegel is saying and she agrees with several of those concerns, but she is leaning toward lifting the Emergency Conservation Order just because our emergency conservation policy has subjected people to fees or turn-offs. She feels that some of the people are responsible and have cut-back their usages, and the District should lift that Order so we can restore their service; and she doesn't expect that the customers will go turn on a faucet and flood their yards.

General Manager Koehler asked if any of the ag customers in attendance would give him an answer to this question, responding for the ag community in general: How important to your continuing prosperity is the post-harvest irrigation? Is it critical at this point? Is not getting post-harvest irrigation going to make next year another "bad year" for you?

After a brief silence giving anyone else a chance to answer, member of the public Chuck Vau responded that he doesn't think it is overly critical. He also thinks it would be a good gesture for the District to lift the Conservation Order. He added that pretty much every other District around has lifted their Orders; and the RV District has more than reached its conservation target already, as he understands it. He doesn't really think the District will see the excessive use of water from now on, anyway. Director Hallman commented, It would be nice for people. Mr. Vau agreed, It would be a nice thing to do for the customers. It would be a good gesture more than anything.

Member of the public Jack Spilman said, You've got a lot of cooperation from the people, they have stepped up to the plate and done what they were supposed to do, so now it's time for the District to step up to the plate. Let's get the water back on, get it flowing. If all the other Districts are doing it, and you want Redwood Valley to be the martyr, I don't think so.

General Manager Koehler responded, For the record, the Temporary Urgency Change Order was issued last April and we essentially went into mandatory conservation mode in the middle of May because it took that long to "Notice" it and to tell everybody and give some sort of warning of what was to come. But the actual "Conservation Record" started April 1<sup>st</sup>. April was a bad conservation month for us because we hadn't issued the "Notice". Despite that, overall, from April through September, we reduced the diversion by 53%

Mr. Spilman added, Well that tells you right there, that everybody has stepped up to the plate. If you want them to step up to the plate when another emergency happens, you're going to have to lift the Order whenever you can.

Mr. Vau said, I have the impression that you are out of the contract with Sonoma County Water Agency and you don't know if they are going to sell you more water. How is that going to work?

GM Koehler clarified that the Sonoma County Water Agency cancelled all of its contracts with everybody. He said that he has a meeting scheduled with Pam Jeane of the SCWA on Monday, and that our current contract extends to November 15<sup>th</sup>. We have been operating for all practical purposes without a contract with anybody for years. So, that in itself is not an impasse.

NOTE TO DIRECTORS AND PUBLIC: GM Koehler did state at the Meeting that the date for expiration of the Agreement was November 15<sup>th</sup>. However GM Koehler wishes to have these Minutes show that the correct date is actually October 31<sup>st</sup>.

Director Pool said he is concerned, as Director Voegel is, that the coming year is a great unknown. He thinks the District customers are intelligent people and they share that concern. He does agree that people won't go crazy with water usage if the Order is lifted, but he thinks that we could do it with the caution that the Lake is relatively low and we don't know what is going to happen for all the reasons already stated. He added, We encourage people to continue with conservation as best they can.

A lady in the audience asked, If we lift the Conservation Order, where will the District water come from? Director Butow answered that it still will come from Lake Mendocino. And the lady asked if the District has rights to the Lake water. Director Butow said, Only in the winter time and only under certain conditions. Most of the time the water we buy belongs to the Sonoma County Water Agency or the Russian River Flood Control District and we have been paying them for the water that we pump out of the Lake. She then asked if those costs are then passed on to the grape growers. Director Butow answered, They are passed along to all the customers. The first two things that are figured are the cost of the water. This last year we have been buying from Sonoma County Water Agency which is quite a lot higher than the cost to buy from the Flood Control District. Then, the cost of pumping that water up and over the hill to either the plant or to the main transmission line for ag water at Road D. The point is that there is water in the Lake for right now. If it turns out that there is another bad year and the Lake isn't going to fill, then I say we could reinstitute the Conservation Order if we have to. He added, For those customers who need to apply water to prepare for winter, I would caution everybody that we could reinstitute the Conservation Order if the Lake goes down and there is no prospect of it getting filled up again. This year the SCWA petitioned the State to hold back releases during the summer and during the spring; and that allowed water to back up in the Lake. Now they are releasing out of the Lake for the fall run of the Chinook. Once we get some rain, there could be more releases for the fish, and we could be worse off than last year because there would be no replenishment of water. Sonoma County Water Agency is trying to get the new operation of the dam to become permanent so that we will get better storage in the Lake than what we've had in the past. He added, I think we should go ahead with lifting the Order for right now to give the farmers the chance to post-harvest drip irrigate and go from there.

Another member of the public asked, Are you saying then that we domestic users can kind of back off from stepping up to the plate? We've heard a lot of "ifs" and "maybe so's" but can we now start using water at a normal rate or do we have to continue hauling buckets?

Director Butow said, I would think that we would be lifting it for everybody, and Director Hallman agreed.

Mr. Vau asked if he could speak to the lady asking questions a bit earlier as he felt she was couching her questions as an irrigation issue. He wanted to clarify that for the rest of the year the largest volume of water would not be drawn by ag customers, but by domestic customers. He said that lifting the Order would be a good faith gesture for most of the customers and that the ag people would not be using much water. He added, Unless the domestic people continue to conserve at the same level as they have been, it's most likely they will be using more of the water.

The lady responded that she uses domestic water and she sees the use of ag water all around. She added, The way that we grow grapes in this Valley requires a tremendous amount of water. Other countries use far less water for grapes; but at any rate, this is how we do it here. It requires an enormous amount of water and I don't get the statistic on the balance of ag water use and domestic water use.

Both Mr. Vau and Director Voegel suggested that it would be made clear to her when she reads page 1 of the handout. Mr. Vau added, It concerns me because by the way she is talking, it is apparent she feels the ag customers draw water at a proportionately higher volume. He reminded her that the domestic water has added expenses involved for water treatment, for multiple meters, and everything else. And the lady answered that the bottom line is, she is concerned about whether there will be any water left over, at all.

Director Butow said, The water that is produced by the District is first-come-first-served by the domestic customers and the ag usage is secondary at this point. Earlier this year the ag water was cut off so that the District could supply the domestic services.

A Motion was made.

**MOTION: Lift the Emergency Conservation Order.**

Hallman/Pool Discussion CARRIED

A member of the public offered kudos to the ag community for almost 100% installation of drip systems in the vineyards. This is a great improvement over the practice many years ago when most of the vineyards were using overhead sprinklers and there was such a great loss of water due to evaporation. He said he personally opposes the lifting of the Emergency Conservation Order because future water availability is unknown. He wondered what steps the District could pursue to draw out water for use during the winter. GM Koehler answered, That is a topic that has been discussed at numerous Board Meetings and since this is a Special Meeting for specific items, we invite you to attend the Regular Board Meetings. Director Butow said he will add a quick answer, We have explored the options of building an additional storage pond for the District. This would have the District looking at \$100 per month per user in the valley to get us a 2,000 acre-foot pond. That includes buying the property, developing the property and then pumping the water into it. The man then asked if that included looking at storage tanks. GM Koehler apologized to the public for getting a little off-track for this Special Meeting, but he also wanted to inform the public that the cheapest cost that you could ever install a water storage tank would be at \$1.00 per gallon. The District uses 1 million gallons per day.

The discussion returned to the Motion on the Floor. Director Butow continued, If the Emergency Conservation Order is lifted, it will still be subject to weather conditions in the future, and how the dam is going to be operated, and it is conceivable that we are going to have to go right back on conservation again. For the immediate time frame, we are voting whether to lift it or not. This will allow you to use your water in the normal manner. Member of the public Chuck Vau asked if buying water from Sonoma County would make any difference as far as being able to lift the Order, and Director Hallman responded that most of the other Districts are lifting their Emergency Orders as well.

A vote was taken:

AYES: Hallman, Pool, Butow, Voege

NOES: None

ABSENT: Reuser

ABSTAIN: None

MOTION CARRIED.

General Manager Koehler said he agrees that both the ag customers and the domestic customers have done a phenomenal job in conserving. He especially commended the Redwood Valley Rancheria for reducing their usage by 70%. A representative of the Redwood Valley Rancheria thanked General Manager Koehler and said that they will continue with their conservation efforts.

4. RATE STRUCTURE. APPROVE CONTENT OF MAILING FOR WATER RATE CHANGE AND THE PUBLIC HEARING DATES.

Director Butow reminded the audience that this is their Water District. The Board of Directors has done their best to be as fair as they can, and they are trying to make it as viable as possible for everybody. It has already been mentioned that we don't know what the weather conditions or the dam operation conditions will be next year and we don't know what the Sonoma County Water Agency is going to charge the District for water. We don't know if we will be buying water from the Sonoma County Water Agency or the Mendocino County Russian River Flood Control & Water Conservation Improvement District. The proposed water rates are based upon these issues.

General Manager Koehler referred to the handout. The fiscal year for the District is July 1<sup>st</sup> to June 30<sup>th</sup>. Everything on Page 1 reflects actual figures: Water Sales, Revenue, and Costs.

Director Voege pointed out that the chart on page 1 shows two other lines on the chart, for the Debt and for the Sinking Fund. He said, You will see that there is nothing entered on those lines. The technical term for that is, 'living off your depreciation', and it is not a good idea in the long term.

GM Koehler continued, This is a critical issue; for the past number of years the District has not been putting money in the bank, it has been taking money out of the bank. Our bank account is getting smaller. We need to address that; and we will address that on Page 2, Proposed Rates with \$100,000 Future Capital Funding. That is for potential future projects, such as a suggested tank on the hill, or digging a reservoir or buying water rights, we need money to do that. We also need to respect what our CPA recommends, which is \$300,000 per

year for depreciation at \$2,500 per month, plus the \$100,000 but that would completely skew everything for everybody in this economy. The Board decided to put \$100,000 of this budget into helping to replenish our ability to do projects. So this is our annual budget that has been approved for this Fiscal Year 2009-2010, at a total of \$1,127,000. The actual breakdown is proposed at 70% and 30%; so in order to actually meet that budget of \$1,127,000, it calls for \$789,000 to be generated on the domestic side and \$338,000 to be generated on the irrigation side.

On Page 3, after a great deal of deliberation and discussion and input from the public, the Board of Directors made a final decision to expand the Domestic Rate Structure into Usage Tiers as follows:

0-4,000 gallons at \$3.75 per 1,000 gallons  
4,001-8,000 gallons at \$4.00 per 1,000 gallons  
8,001-12,000 gallons at \$4.50 per 1,000 gallons  
12,001-20,000 gallons at \$5.00 per 1,000 gallons, and  
20,001+ gallons at \$5.50 per 1,000 gallons.

This will generate the required amount and these rates are how it breaks down. It is estimated that maybe 10% of our customers are using water at the highest volumes shown above. Usage at the lower volumes will result in a 2%-5% rate increase.

General Manager Koehler explained, Aside from the City of Ukiah, the Redwood Valley County Water District is the only other signatory in the County of Mendocino, to the California Urban Water Conservation Council which makes the conservation tiers mandatory. The reason we are signatory to that Organization is because our contract with the Sonoma County Water Agency requires us to be members in good standing of both the Urban Water Conservation Council and the Ag Water Management Council.

On Page 4, Irrigation Rate Structure. After a great deal of deliberation and discussion and input from the public, the Board of Directors set new irrigation water rates.

In order to meet the annual budget of \$1,127,000 with a ratio of 70% domestic and 30% irrigation, the District needs to receive \$338,000 from the irrigation services. That is the required amount and these rates are how it breaks down.

The District has 102 services with 2" ag meters, 91 services with 4" ag meters and 3 services with 6" ag meters.

The monthly meter fee for 2" meters is \$20.00 per month and for 4" & 6" meters it is \$40.00 per month.

This monthly meter fee brings an annual revenue of \$68,160.

The District needs to receive \$338,000 from ag services to meet the budget.

The annual ag budget of \$338,000 assumes ag sales of 1200 acre-feet at \$225 = \$270,000 plus the \$69,000 in ag meter fees = \$338,000.

The annual rates shown below include the monthly meter fee:

2" meters: 0 to 1 acre-foot, \$465  
2 a-f, \$690  
3 a-f, \$915  
6 a-f, \$1590

4" & 6" meters: 0 to 1 acre-foot, \$930  
2 a-f, \$930  
3 a-f, \$1155  
4 a-f, \$1380  
5 a-f, \$1605  
6 a-f, \$1830  
10 a-f, \$2730  
15 a-f, \$3855  
20 a-f, \$4980

Historically, the rates for ag have been based on the size meter installed.  
The most recent rate structure (since 2006) was:

2" meters, \$450 per year (3 acre-feet @ \$150 each) + overage at \$180 per ac-ft  
4" meters, \$900 per year (6 acre-feet @ \$150 each) + overage at \$180 per ac-ft.

These annual fees (\$450 & \$900) were charged whether or not that volume of water was taken, and was charged in 12 monthly billings with any overage charged as it was used.

General Manager Koehler reported that it has been calculated out that a well-run vineyard uses less water than an acre of land covered with three or four houses. He added, That is something to bear in mind for those people out there that think that irrigation is wasting of water.

Page 5, Rates for 1-5 Residences on One Meter. General Manager Koehler clarified that this is referring to those multiple residences that have been paying an extra monthly fee for the additional water to multiple dwellings. It is not including any homes that might have been added that have not been paying the extra monthly fee.

On Page 6, the Board of Directors has to decide how it wants to apply the rates for the mobile home parks and the additional service with one single 2" meter serving 33 units.

On Page 7, the Miscellaneous Charges for review. These miscellaneous charges are not subject to Proposition 218.

On Page 8, the RVCWD has seen dramatic increases in costs of critical items since 2006 (the most recent rate increase). Just to get water from the lake and over the hill, we are paying \$100 in pumping costs and \$60 per acre-foot for the water, for a total of \$160 per acre-foot. The pumping costs have increased 55%, the purchased water has increased 217%, the mandatory water analysis costs have increased 34%. Additionally, we do expect a water rate increase out of Sonoma County Water Agency, any day. The Flood Control District expects to keep their higher, doubled rates at least until the end of the year.

General Manager Koehler reported, The Board of Directors has elected to not address the COLA or the CPI because the Board feels that it will be back in a year when they get more information to review these topics anyway. Ditto for putting in a mandatory conservation rate increase; for instance if the State comes back in three months and says you are going to cut back to 50% again, then the rates need to go up. This year the Board of Directors debated the topic quite a few times and elected to, with the exception of the surcharge of rates to people using the highest volumes of water, they elected to not increase their rates to deal with the fact

that we are selling 53% less water, which means we have 53% less income. Again, we're depleting our bank account. This year is such a grim year for so many people, that the Board decided to postpone passing on anything that we don't have to pass on in order to run a viable business.

Director Voege added, In terms of the paying issue, what we started out discussing was the current situation, which is in fact, we are going to sell about 1,500 acre-feet. What we said was, gee, that's going to make a really steep price increase. Maybe it wouldn't be an effective thing or a correct thing to say we are going to base it on the worst year. So we raised our estimate of how much water actually would be sold, from 1,500 acre-feet to 1,800 acre-feet, and that has a direct impact on the rates; it lowers the rates.

Mr. Spilman asked how the usages ran during better years?

GM Koehler answered, Going back 6 to 10 years, we're averaging somewhere over 2,000 acre-feet per year. So the Board essentially split the difference between what we really think we're going to sell this year, which is about 1,500 acre-feet and the 2,000 acre-feet average, coming to 1,800 acre-feet. This falls in line, unless we somehow break out of this moratorium, with what our Governor has mandated. Right now the general goal in California is to reduce usage by 20% by the year 2020.

As to the previous introduction of rates for multiple units, Director Butow said he approves of charging each unit with the tiered rate per the example: 3 houses on one meter would have 12,000 gallon tiers instead of 4,000. This is only for the currently registered houses on a meter. It seems fair. He said that should also apply to the mobile home park and the Rancheria.

Director Pool said he supports that idea; but he will disclose that he is a property owner that is affected by this decision. His property has one meter with multiples that he is paying for. He doesn't know why the previous owner set it up this way, but it was registered for three units many years ago before he bought the property. The effect on small users like him with just a few houses, is not huge; and even under the new rates, it's not radical if we don't adjust the tier structure. He also said that he was horrified when he found out how it affected the Rancheria and the mobile home park. He added, If you look at the charts presented, you'll see that those large users will in fact have their bills go down rather than up if the new rate structure is adopted. He thinks it is still completely fair to do it because, the way he sees it, they've been overcharged all these years and subsidizing the other users, and so it is a problem that needs to be rectified.

Director Voege said that basically he agrees with Director Pool; the fairer structure is the one that takes into account that there are separate dwellings rather than lumping them together and enforcing what basically is an inordinately high rate just because they are in a mobile home park or in a multiple dwelling unit.

Member of the public, Chuck Vau, expressed his opinion that we should exclude the reactionary attitude about mobile home parks. He added, It's a totally different deal; when they were hooked up it was known that that was exactly the way it would be hooked up. While I agree with what you are saying, what I am concerned about is what you are calling illegal hookups. When I bought my property out here it had a couple of houses hooked up when I bought it, and I was always under the impression that you can't hook up more than one house per meter. I have since changed the entire system, spent all kinds of money so that one meter

goes to one house and the other one is separate. I went to the County and, in fact, you had to prove your water; so I am totally confused about this thing. Secondly, when you're talking about multiple houses here, are you talking about one ownership, one person owning all these houses?

General Manager Koehler answered, Yes.

Mr. Vau said, So typically, this is a landmark situation. I am assuming you're making money on this deal. So now you want to give a break on this deal when it is a single ownership?

Director Butow responded, Well, you can't very well discriminate. If you have land that has, say, three houses on this land but you have only one meter to the property, what happens is that you use three households of water through that one meter. However this was developed several years in the past, the houses were registered with the District showing they are serving three houses through this one meter and they have been paying an extra fee for these houses all these years, and what we're saying is, in that case let each house stand on its own on this tiered situation. This is for the known services. But for the properties that at some time in the past began serving more than one house through one meter and did not get registered as multiples with the District, those services are not eligible for the multiple minimum tiered billing. Mr. Vau asked, Can these accounts come and register these houses now? And Director Butow answered, Because of the moratorium, there is no provision for these accounts to come to register those houses.

Mr. Vau continued, When the meters were dug in, did the landowner pay the extra \$25.00 for the extra houses? Did he say, hey Redwood Valley Water District, I'm hooking this one meter up to three houses?

Director Butow answered, A lot of the people did do that.

Chuck Vau commented, I spoke with Judge John Golden about this exact situation that we're talking about. And Judge Golden said that when he issued a moratorium on this District, that, in fact was not the case. I may be totally wrong.

General Manager Koehler said that the records indicate that there have been no new granny's developed since 1989 unless they can prove they have a well to serve them. So all of these that we're talking about were registered with the District pre-1989 before the Judge's Order. He added, I think we can all agree that during the late 1970's and early 80's the County Building Codes were being enforced somewhat differently than they are now. Right now what we receive from the County is a Request for A Building Permit for a Granny and we respond "we have no water". So they have to prove they have another source of water and the Building Department will turn around and make them drill a well for the second house even if it is on the same AP.

And in answer to your earlier question, by definition these are all units on the same AP. We're not talking about separate units on separate AP's at all. They can't transport our water from one AP to another. The multiples are out there. We don't like them, we don't approve of them.

Mr. Vau interjected, But in fact you are going to make exceptions for them.

Director Butow answered, No.

General Manager Koehler continued, The ones that have been legally registered with us are in a separate class than the ones that have never come forward and said, look I've got a granny out back.

Chuck Vau said, So, in fact, from the day you guys started putting meters in, it was legal to do that as far as the District was concerned; that is what you're saying.

Director Pool responded, That is correct.

Director Butow added, Up until the time that the Moratorium was place by the Judge.

Chuck Vau asked the recording secretary to "make a note of that. That's what he's saying."

General Manager Koehler added, It does appear that way.

Chuck Vau responded, Like I said, when he reviewed everything back to the inception of the District, he said there was nothing in there that indicated that you needed approval for more than one hook-up.

General Manager Koehler said, My understanding from looking at the old records, is that the vast majority of this, the District was not particularly aware of.

Chuck Vau said, In the old paperwork that I have seen, you couldn't do it.

General Manager Koehler answered, You couldn't do it. But there was a period of time when the County was issuing Building Permits without notifying the District that they were issuing the Permits. The people were submitting applications saying they have water. And at that time it was not mandatory for the County to come forward to the District and ask if the District will provide a Will-Serve Letter. And generally we did not know these additional units were being served water.

Mr. Vau said, My problem is this, if the people are doing things that they are not supposed to be doing, I don't know how the District can condone it and how it can give them breaks on it.

Director Butow explained that the District is not condoning it. If a customer is running two houses off of one meter, he is going to immediately jump into the higher rate tiers and pay the higher rate. He will not get the same benefit as would a customer like the mobile home park who applied for all those units and received a 2" meter for the whole development because it was more convenient for the District. The mobile home park has been paying for the extra units for all these years and that circumstance will now get the minimum unit tier.

The representative from the Rancheria asked for a clarification of the rate they will be charged; and it was explained.

Director Hallman referred back to Mr. Vau's comments and Mr. Vau said he will do further research. He was just under the impression that the District could only serve one house per meter.

Director Butow added, For the past few years the County has been sending formal Requests for Comments on properties within the District that are drilling wells. And the District responds that it has no objection, however, should the wells fail, the District is unable to provide service to the property.

After further discussion, a Motion was made.

**MOTION: Approve the Multiple Unit Rate Structure, including an adjustment for Tiers under certain circumstances as discussed.**

Voege/Hallman Discussion CARRIED

General Manager Koehler informed the Directors that approving these rates can be obtained with one Hearing with a 45-day Notice Period. He offered the Board an option to consider the opportunity to further continue the discussion at the upcoming October 15, 2009 Regular Board Meeting.

Director Butow said, This Special Meeting was called exactly for this purpose. We've already had open meetings and we have received a tremendous amount of input from the public.

Chuck Vau asked, If a person comes to the Board tomorrow and says he wants to put his multiple units on notice and to start paying the extra fee, could he do it?

General Manager Koehler replied, No.

Jack Spilman asked, Just for clarification, the people that have been paying \$10 per month for each house from 1989 to current...

General Manager Koehler explained, These accounts have been paying something all along. The rate structures used to be quite different, so it wasn't the \$10, but they have definitely been paying whatever the going rate was at the time.

Director Hallman said that she will offer a Second to the Motion at this time.

A vote was taken.

AYES: Voege, Hallman, Butow

NOES: None

ABSENT: Reuser

ABSTAIN: Pool

Page 7 was reviewed.

Neither the COLA issue nor will the Equivalent Increase in the water usage rates will be acted upon this year.

The Miscellaneous Charges for Late Notices, Doorhangers, Reconnect Fees, etc., etc. were reviewed.

After review, a Motion was made.

**MOTION: Accept the Proposed Miscellaneous Charges.**

Pool/Hallman Discussion CARRIED

AYES: Pool, Hallman, Voegel, Butow

NOES: None

ABSENT: Reuser

ABSTAIN: None

The Miscellaneous Charges will be:

- \$10.00 10-Day Notice (40 days late)
- \$25.00 Doorhanger (48-hour notice to pay)
- \$50.00 Reconnect Fee (during business hours only)
- \$100.00 + Actual Cost Broken curb stop/Vandalism
- \$200.00 Pull and reset meter (for violations)
- \$50.00 Install and remove flow restrictor
- \$25.00 Return Check Fee
- \$10.00 Admin Fee for Backflow Program

General Manager Koehler said the way the rate increase process works, at the upcoming Regular Board Meeting on Thursday, October 15, 2009 he will present a letter to the Board of Directors, for their approval, to be mailed to the property holders of record explaining the proposed new rates and the process for submitting protests to the rate increase. We have two more Meetings scheduled at the Grange Hall, one of which actually exceeds the required 45-day period. The Wednesday, November 4<sup>th</sup> Meeting at the Grange Hall is strictly informational and will be held to answer any questions that have arisen from the Mailing of the Proposed New Rates. The Protest Meeting will be held at the Grange Hall on Wednesday, December 16, 2009 at 7:00 p.m. Written Protests will be received until the end of this Meeting and all the written protests will be opened and tallied.

The monthly Regular Meeting will be held on Thursday, December 17, 2009 at the Water District Office.

The Special Meeting ended at 8:28 p.m.

The next Regular Meeting is scheduled for 7:00 p.m. on Thursday, October 15, 2009 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

APPROVED: Board of Directors

DATE APPROVED: November 19, 2009

SIGNED: Linda Groth  
Secretary, Board of Directors