

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

MINUTES
Regular Meeting
Board of Directors
Thursday, April 21, 2011

Directors Present: Donald E. Butow, Jeanette Hallman, Hal Voege, Merle Reuser

Directors Absent: Granville Pool

Staff Present: Bill Koehler, General Manager

Linda Groth, Board Secretary/Office Manager

Others present: Roy Beck, Bill Hendrie, Chuck Vau, Will Carson/Millview C.W.D.

CALL TO ORDER: 7:00 P.M.

1. ROLL CALL.

Hal Voege, Director

Merle Reuser, Director

Jeanette Hallman, Director

Don Butow, President

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

None

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

None

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: Accept the Consent Calendar as Presented.

Voege/Reuser Discussion CARRIED

AYES: Voege, Reuser, Hallman, Butow

NOES: None

ABSENT: Pool

ABSTAIN: None

5. APPROVAL OF MINUTES AS PRESENTED.

Minutes of Regular Meeting on March 17, 2011 were presented.

MOTION: Approve Minutes of March 17, 2011 as presented.

Voege/Reuser Discussion CARRIED

AYES: Voege, Reuser, Hallman, Butow

NOES: None

ABSENT: Pool

ABSTAIN: None

Minutes of Joint/Special Meeting between the Water District and the Flood Control District which was held at Redwood Valley Cellars on March 30, 2011 were presented.

Director Voege remarked that Paula Berezay did an amazing job with her notes and providing the Minutes, especially since the tape recorder was not functioning during the Special Meeting.

Board Secretary Groth informed the Directors that Sean White had mailed a Thank You note to Paula for the nice job she did and for being so helpful.

MOTION: Approve the Minutes of March 30, 2011 as presented.

Reuser/Voege Discussion CARRIED

AYES: Reuser, Voege, Hallman, Butow

NOES: None

ABSENT: Pool

ABSTAIN: None

Directors Reuser and Hallman asked that an update of the ad hoc committee meetings be posted on the District website at least once a month.

Minutes of Special Meeting of April 11, 2011 were presented.

MOTION: Approve the Minutes of April 11, 2011 as presented.

Reuser/Hallman Discussion CARRIED

AYES: Reuser, Hallman, Voege, Butow

NOES: None

ABSENT: Pool

ABSTAIN: None

Board Secretary Groth informed the Directors that the Minutes for January and February are complete and are in the Director Vertical Files for action at the next Board Meeting.

6. DIRECTORS AND STAFF REPORTS AND DISCUSSION OF NON-ACTION TOPICS.

Nothing submitted.

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

- a. Possible approval of thank you letter to Barra of Mendocino.

A thank you letter to Charles and Martha Barra for making their facility available for the joint meeting between Redwood Valley C.W.D. and the Flood Control District was reviewed.

MOTION: Approve the thank you letter to Barra of Mendocino.

Voegel/Reuser Discussion CARRIED

AYES: Voegel, Reuser, Hallman, Butow

NOES: None

ABSENT: Pool

ABSTAIN: None

The Directors agreed that the thank you letter will have the signatures of both the Board President and the General Manager.

- b. Conservation, other than in the General Manager's Report.

A lady who participated years ago on a xeriscape design for a demonstration garden here at the treatment plant front yard came into the office to pay her water bill and she started talking to GM Koehler about that project. She is presently working with the former instructor at the college who also was involved in that design project. GM Koehler authorized \$500 for her to create a design for such a demonstration xeriscape garden ; this is to include an estimate for a design/build. GM Koehler had spoken with Pam Jeane at SCWA some time ago, and Pam said this would certainly qualify for an expenditure of the conservation funds. Director Reuser suggested that the design be either rectangular or square so it could be easily transferred to a private front yard. This could be used as hand outs.

8. GENERAL MANAGER'S REPORT AND ACTION ITEMS, APRIL, 2011.

- A. District Operations.

The lake has been operated at higher levels and the wave action has damaged the bank below our access to the pump station. Two years ago we spent \$68,000 to repair and restore the integrity of the road, but now with the potential higher lake levels, we need to reassess our options. Director Reuser accompanied GM Koehler to inspect the site and he reported to the Board that the damaged area could extend beyond

300-feet and, sooner rather than later, we'll be in the position of having to cut into the bank to get away from the lake. The area isn't very stable. The two sites of the worst damage could be at least \$100,000 each to repair each year that the lake is operated at a higher level. Since the new plan is that the lake level will be maintained at the target storage curve, it will be above the road to the BuShay campgrounds. GM Koehler suggests the District not sink more money into the restoration of the area at this time. In the past, the COE has given the District permission to drive an off road vehicle, a "quad" to get to the pump station. He recommends we abandon the road. It would be much cheaper to clean up the path, probably a 1-day job. GM Koehler is meeting with the outgoing lake manager and the incoming lake manager to have further discussions about it.

B. Waiting List.

The waiting list, spanning 1989 to 2007, contains requests for 140 residential services. Not counting the mobile home parks and the Rancheria, we also have 80 allocations. The 2000 Census reports that there are 2200 homes in the 95470 zip code area.

C. System Capacity.

The treatment plant has a nominal capacity of 1.5 million gallons per day. Since the drought, usage has dropped but we might have a better idea of what the new typical maximum day usage will be after this summer when it's probable that people may start using more water again. The treatment restriction is filtration. A fourth filter would add approximately 400 gpm. It is projected, at current usage patterns, we could probably take on between 400-600 new customers for roughly \$125,000 for a fourth filter.

D. Frost Protection.

It's the frost protection time of year, and ag usage has increased, however we're not headed for a record month yet. We are still pumping under our own permit until May 1st.

E. Ad Hoc Committee.

The RVCWD ad hoc committee met to identify potential problem areas that would need to be addressed during the merger process. These areas include the nature of the relationship between the two existing districts and the nature of board representation, among several other things. During the joint ad hoc committee meeting with the Flood Control District, RV proposed discussion of possibly forming a Joint Powers Agency rather than an actual merger because of the difference between the two districts since the Flood Control District wholesales untreated water to approximately 50 customers with one full-time employee and a significantly smaller annual budget than RVCWD. This suggestion was rejected by the RRFCD saying that JPAs are difficult to establish and maintain. The issue of the difference in operations of the two districts was also dismissed by the FCD because two of their existing Board members, Richard Shoemaker and Lee Howard stated that their backgrounds as contractors sufficiently prepared them to develop policy relating to drinking water operations. The RRFCD also rejected the suggestion that director elections be held by division with guaranteed representation for Redwood Valley. They do propose that RVCWD would be specifically represented on the Board for the first 4 years, but after that, it would be open elections district-wide.

After the joint ad hoc committee meeting, the RVCWD ad hoc committee and GM Koehler later met with Frank McMichael at the LAFCO office. He confirmed that the proper LAFCO term is not merger or annexation, but should be referred to as consolidation or reorganization. He also provided a lot of other information and he recommended the type of District for the consolidation would be a Community Services District. A CSD can provide up to 31 different services including water, waste water, recycled

water, as well as recreation and power generation. There will be a point where legal counsel will be a part of all of this.

Frank McMichael said that he is available for the next 14 months. He has tendered his resignation effective July, 2012.

F. Dam Feasibility Study.

We expect that October, 2011 will bring a decision from the COE as to whether they will be raising the dam and whether they will be putting less water in it, or more.

The amended contract states that a member who has withdrawn from participation through non-payment may rejoin the process. If the party has not participated for two years the amount due must be paid in full with 10% simple interest. In addition the remaining parties may impose other non-specified conditions.

9. FINANCIAL REPORT.

The Financial Report was reviewed.

MOTION: Approve the Financial Report as submitted.

Voegel/Reuser Discussion CARRIED

AYES: Voegel, Reuser, Hallman, Butow

NOES: None

ABSENT: Pool

ABSTAIN: None

Board Secretary Linda Groth reported that the paperwork for the new Money Market Account is ready for signature by each Director and when the completed paperwork is presented to the Bank, the account will be opened. GM Koehler reiterated that this MMA will be used to receive the monies intended for water payments, no matter to whom we pay the money.

10. LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY – LAFCO.

Already mentioned earlier in this Meeting.

11. M.C. INLAND WATER & POWER COMMISSION.

Director Butow said the meeting was relatively short. There was a lot of discussion about the trip to the facility in Potter Valley.

Director Voegel reported that the Committee is still working through the mechanics of selecting a consultant candidate and bringing that information to the Commission. He also reported on the usual commentary from the Friends of the Eel, adding that if there is no rebuttal, then that is what the public is going to believe. He is sorry the Commission has waited so long to get a consultant involved.

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

Director Butow reported they discussed the meeting between the two ad hoc committees, as mentioned earlier in this Meeting. The two ad hoc committees will continue to meet.

GM Koehler added that their Board also discussed that the SWRCB has agreed that it has all the information needed to complete the processing of their application for the 8000 ac-ft.

GM Koehler reviewed the Invoice received from the Flood Control District for water charges for calendar year 2010. He said we are in agreement that we owe the FCD for 1,186.77 ac-ft of water drawn in 2010. We did receive an Invoice for 1,186.77 ac-ft of water, but it was charged incorrectly because they based the fee on their F/Y 2010-2011 budget. According to the Stipulated Judgment, the water charge is to be based on Actual Costs, not the budget. This was discussed with Sean White. Sean told him those numbers won't be available until July, 2011.

GM Koehler said he then proposed that the RV District would pay the FCD \$30,000 now, and then would pay the balance due when the true 2010 costs are known. Sean agreed.

GM Koehler asked the Board of Directors to now consider this option, as we have every expectation that the final balance will in fact exceed \$30,000. After further discussion, a Motion was made.

MOTION: Instruct GM Koehler to issue a progress payment of \$30,000 to the RR Flood Control District for water pumped during calendar year 2010.

Voegel/Reuser Discussion CARRIED

AYES: Voegel, Reuser, Hallman, Butow

NOES: None

ABSENT: Pool

ABSTAIN: None

GM Koehler will let GM White know the RV Board has approved a progress payment of \$30,000 and that the balance to be paid will be based upon the FCD actual costs for 2010 in accordance with the Stipulated Judgment.

13. REPORT OF ATTENDANCE AT AGENCY MEETINGS NOT ALREADY LISTED SEPARATELY HEREIN.

GM Koehler reported that Janet Pauli urged him to attend the Farm Bureau trip to the Potter Valley Project. He contacted Lake County Supervisor Denise Rushing with an invitation to attend and he offered to 'carpool' since he has a further distance to travel and could easily stop by to pick her up at Upper Lake. She agreed. This was the first time a Supervisor from Lake County has attended the tour.

After the tour while speaking with Supervisor Rushing, GM Koehler said the real takeaway message at the end of the trip was, The volume of water that goes through the tunnel is a very small portion of the water flowing down that branch of the Eel which is in turn, a very small portion of the overall Eel River. Therefore blaming all of the "woes" upon the mouth of the Eel on this, is counterproductive. He added, What was really desired was that Lake County would become an active participant on the Eel-Russian River Commission in order to improve the dialog of all the parties.

14. SONOMA COUNTY WATER AGENCY.

GM Bill Koehler and GM Sean White will be meeting with SCWA tomorrow.

15. STATE WATER RESOURCES CONTROL BOARD.

Nothing new to report.

16. STATUS REPORT OF PLACE OF USE ISSUES.

Nothing new to report.

17. STATUS REPORT OF 2800 ACRE-FEET STORAGE RIGHT.

Nothing new to report.

The Meeting ended at 8: 49 P.M.

The next Regular Meeting is scheduled for 7:00 P.M. on Thursday, May 19, 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