

REDWOOD VALLEY COUNTY WATER DISTRICT

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

MINUTES
BOARD OF DIRECTORS
Regular Meeting
Thursday, November 21, 2013

Directors Present: Granville Pool, Jeanette Hallman, Pamela Ricetti, Jack Spilman, Ken Todd
Directors Absent: None
Staff Present: William L. Koehler, General Manager
Recording Secretary: Excused
Others Present: None

CALL TO ORDER: 7:00 P.M.

1. ROLL CALL.

Jeanette Hallman, Board Vice-President
Jack Spilman, Director
Pamela Ricetti, Director
Ken Todd, Director
Granville Pool, Board President

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

No members of the public in attendance.

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

None at this time.

4. ACCEPTANCE OF THE AGENDA.

MOTION: Accept the Agenda as presented.
Ricetti/Hallman Discussion CARRIED
AYES: Ricetti, Hallman, Spilman, Todd, Pool
NOES: None
ABSENT: None

5. 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: Approve the Consent Calendar as presented, with exception of Consent Calendar a, Page 2, at the end of the page: The 'Less Tenant Deposits' entry needs clarification.

Ricetti/Hallman Discussion CARRIED

AYES: Ricetti, Hallman, Spilman, Todd, Pool

NOES: None

ABSENT: None

6. APPROVAL OF MINUTES AS PRESENTED.

Minutes of the October 17, 2013 Regular Meeting were presented.

MOTION: Approve Minutes of the October 17, 2013 Regular Meeting as presented.

Ricetti/Todd Discussion CARRIED

AYES: Ricetti, Todd, Hallman, Spilman, Pool

NOES: None

ABSENT: None

7. DIRECTOR AND STAFF REPORTS AND DISCUSSION OF NON-ACTION TOPICS.

a. Personnel Committee Report.
Committee did not meet.

b. Ad Hoc/Consolidation Committee Report.

GM Koehler reported that the Dual Board's Meeting was held November 13, 2013 at the Barra Facility as scheduled. Most of the Board Members were in attendance.

Director Pool and Director Todd have agreed to meet with two Directors from Willow CWD as soon as possible after Thanksgiving, with the goal of sharing labor between our agencies.

GM Koehler reported he and GM White were able to get the outline and application for the dissolution/annexation process itself from Bruce Barraco and they agree it looks fairly straightforward as far as the initial application. The one issue of most concern is, being able to provide a description of the Metes and Bounds. It may cost some money to get that done right. Both GM Bill Koehler and GM Sean White will meet Monday morning for the purpose of having a teleconference with Bruce, and, the Directors of both agencies are welcome to attend.

GM Koehler repeated his statement made at the Dual Board's Meeting: Although clearly within the Principal Act of what morphed into the Improvement District, it does mention specifically that they have the Right to produce and distribute potable water; it must be noted however, that such a Right is not a drinking water supply Permit.

GM Koehler reported that he had a long conversation with Michelle Frederick at CDPH and she feels pretty comfortable that, although it would require a TMF (Technical, Managerial, Financial) evaluation, ultimately the State would just issue a new Permit for the new entity. GM Koehler has done a TMF evaluation in the past for RVCWD, but we will have to go through the process again for the new entity. Also it is likely that we will need to meet with Congressman Huffman about the debt and GM Koehler has contacted Heidi Dickerson in this regard. Additionally, Bruce Barraco provided Bill and Sean with other valuable information garnered from a dissolution/annexation that occurred about 4 years ago in a different location.

Director Spilman expressed his disappointment in the lack of progress being made by the Dual Boards. He feels like we have accomplished things that should have been accomplished ahead of time, and he wants us to keep this on pace.

GM Koehler reiterated that it was actually quite an accomplishment to get the roadmap out of Bruce, and we have another appointment with him on Monday. Yes the consultants say we can get it done, but we don't know all that 'it' is. The issue of the water supply permit has been resolved. So, we are identifying the issues. The debt is going to be a learning curve, i.e., how do we make this work? Also another issue GM Koehler brought up to GM Sean White is, if RVCWD ceases to exist and is absorbed into a New Agency, one of the steps that must happen is a new name, but also there is the question of what will happen to the General Manager and the Office Manager? The FCD is a Pers District but Redwood Valley is not, and, neither the GM nor the OM wish to participate in Pers at this stage of

their careers. The FCD has its medical insurance through CSDA, Redwood has its medical insurance through ACWA. These issues are not insurmountable, but they do exist.

Director Spilman acknowledged the problems, but he does not want these problems to drag down the whole process.

President Pool said he does not see that they are dragging down the process.

GM Koehler said Barraco's advice is to get all the little stuff out of the way. We are trying to do that and when the little stuff is out of the way, the application process can be quite speedy. But you need agreement. Both GM Koehler and GM White have gathered information for the phone conference on Monday and Bruce will provide them with more information at that time.

Director Spilman was pleased with this information.

c. Discussion of rates.

The Water Rate Protest Hearing is set for 7:00 p.m. on Wednesday, December 4, 2013 at the Redwood Valley Grange Hall on East Road, as posted.

8. GENERAL MANAGER'S REPORT AND ACTION ITEMS, NOVEMBER, 2013.

A. District Operations.

One of the valves on one of the clearwells broke off in the OFF position. This can be repaired during the winter season without duress because we normally close down one of the three clearwells during winter.

Regarding the needed repairs to the clearwell as discussed over the past year, neither of the two local contractors have responded to our Request. As a result GM Koehler contacted Kevin Barnes of Utility Services. Kevin made a presentation at a Board Meeting several months ago, and after GM Koehler's recent call, Kevin has received approval to offer their services for the repair only, for the fee of \$5,000. They will mobilize a crew and a small crane; it will include prepping and the epoxy detoxic coating after the fact. After acknowledging this is a reasonable fee, the Directors decided to contact the local qualified contractors once again before issuing a repair order.

B. New Board Member.

Director Jack Spilman's service on the Board is ending because he has moved outside of the District boundaries, and, the Board has until February 2014 to appoint a replacement Board Member to finish Director Spilman's Term. If that deadline is not met, the County Board of Supervisors will appoint a replacement Board Member.

C. CalTrans ag meter.

An ag water customer, CalTrans, has submitted written confirmation of their verbal request to cancel their ag water service. Our computer records go back to 2001 and show that this customer has had 'zero' usage.

Unfortunately, our ag water distribution system has many flaws which create insufficient water pressure and excessive headloss. As a result of an Engineering Evaluation several years ago, the District installed restrictor plates at several specific meter locations as recommended by Brelje & Race.

Director Spilman urged the Board to consider reassigning this cancelled service and to appoint an ad hoc committee to study the system alternatives, such as rotating usage for example, and to make recommendations to the Board. GM Koehler informed the Board that in 2000 the customer cost to install a 4" meter was \$15,000 + installation. The cost for a 2" meter was \$4,000 + installation. This will have to be reevaluated and updated.

Director Spilman suggested the Board restrict 2" meters as much as possible. The customer should use their metered water to fill their irrigation ponds; the customer should not pump directly off the meter for frost protection or irrigating, as that has potential to dry up the lines. The District should enforce the guidelines that do exist and should consider any other recommendations by the ad hoc committee.

The Board agreed that because the two ag service applications on file were submitted several years ago, GM Koehler would contact the two applicants to find out if they are still interested.

GM Koehler mentioned he attended the contract discussion with the FCD and its contractors. He learned that the FCD customers have to sign a contract for a certain amount of acre-feet of water per year. If they exceed that amount of water for three years, then they have to sign a new contract for the higher amount of acre-feet per year. He wonders if Redwood would also have to contract for a specific amount of acre-feet of water per year? Or are we a part of this entity and therefore do not need a contract?

President Pool stated that he thinks the answer is in the question: As we're moving forward with this now, we are a part of the District, we are not a contractor. He said it seems clear-cut to him.

Director Spilman thinks that is a moot question.

Director Ricetti and GM Koehler agree that the question needs to be asked, probably in the ad hoc meeting.

Director Hallman said, So the question we are asking is, will our customers be subject to the same contracts that their customers are subject to?

GM Koehler stated, If we are, for whatever reason, then our ag customers probably have to be, because the domestic demand is fairly predictable. The ag demand is all over the place.

Director Spilman said he thinks this is a can of worms that doesn't need to be opened.

GM Koehler disagrees.

Director Ricetti commented that they could say, okay, now you're under our contracts - and they can!

Director Spilman responded, And they can; once this is all completed, the Board of Directors can direct whatever it wants to do. Once they are in control, then we are no longer in control. Issues like this, are what have put the big skids on this thing all the times before. It doesn't matter if you try to answer it now, a new Board of Directors can come in to Russian River two years down the road and say, well, I think it's only fair that Redwood Valley customers be subject to this and this and this. It doesn't matter at this point.

GM Koehler explained that whatever the answer is, it will be a part of the CEQA study and it will be written into the annexation document, so, it can't be changed.

Director Hallman asked if GM Koehler was thinking it would be Redwood and not the individual customer?

GM Koehler said if Redwood had to commit to the 1500 ac-ft he expects they'd use, then he would recommend that Redwood turn around and put every one of its customers on contract as well.

Director Hallman, That's actually not that bad of an idea considering how many people have ag hookups that don't do anything with them.

Director Ricetti commented, This is something our customers need to know. They will be voting yea or nay, they need this information.

Director Spilman said, If Redwood Valley is actually merged with Russian River, then customers living in Redwood Valley will be subject to the same as any other ag customer.

GM Koehler said he doesn't want this to be a stumbling block, but it is necessary to have the question answered because whatever the answer is, it goes into the language of the annexation.

President Pool added, They can't contract with us, because there will be no us.

The Directors agreed.

Director Ricetti asked if the Board wishes to vote on this or not? People have strong opinions about these types of issues.

Director Hallman mentioned that many years ago an ag meter service was cancelled and the Board agreed it should not be re-issued. The details are fuzzy because it was so long ago, but there has to be a record of that somewhere.

President Pool commented that the Board should be careful that we don't do something that is completely inconsistent with something we did back then. Or at least we should know so and know why.

Director Spilman suggested that the whole thing should be developed so that new hook-ups can be included; and, a policy should be developed where the system gets utilized a little bit more throughout the year and produces a little more income without jeopardizing the customers that are utilizing it by filling their ponds in a proper manner and then drawing water from their ponds to protect their crops.

President Pool said he agrees that the Board should do that and review and refine the policy that we have. If we're going to continue to have the policy as apparently written, that the customer must have a pond, then we need to enforce that policy.

Director Spilman said, Let's rephrase that. If they are using the ag water for something other than frost protection, then that needs to be clarified.

President Pool concluded, We need to review all that as the policy, and refine the policy and bring it up to date.

Director Spilman added, Yes, and we want to keep the customers that we have that don't have ponds, but because of the map showing low pressure points throughout the Valley, we just can't allow any more of that.

GM Koehler stated, As Fish & Wildlife and NMFS get up to speed, some of the unlicensed ponds are going to go away. That's out of our control and it's something we need to be aware of.

President Pool asked Director Spilman and Director Todd to form an ad hoc committee to work on this until Director Spilman's tenure ends and then Director Ricetti will replace him on the ad hoc committee.

D. Cerro Pacific Fire Protection.

Cerro Pacific has hired Axcel Fire Systems as the contractor to design a fire sprinkler system to avoid another devastating fire such as occurred there in the past. The existing 4" ag water service to this customer will not support

a fire suppression system. The RVCWD has a civic obligation to provide a fire suppression meter and is not in violation of the moratorium by allowing this.

GM Koehler said that Fire Chief Hession estimated the fire department used 1200 gpm for 4-6 hours putting out the fire and then used an additional 5-600 gpm for another 4 hours the next day to make sure the embers in the sawdust bins did not reignite the next day. By contrast, the Fire Chief and David Horner of Axcel Fire Systems are of the opinion that this fire would have probably been suppressed by a maximum of 5, 20-gpm sprinklers within an hour, and it would have set off an alarm and the fire department would have arrived before the entire building was engulfed.

Director Spilman explained his concern: If the District gives them a meter for fire suppression and it comes on, and conflicts with a frost protection event, it would be devastating to the ranchers. He added, Just like a farmer needs to put a pond in, if Cerro Pacific wants to put something like this in, I think they should be required to put a storage tank in.

GM Koehler agreed, adding that a winery is also required to have its own storage for fire suppression.

Director Ricetti thinks the ad hoc committee will make this recommendation for the new policy.

Director Spilman suggested that GM Koehler meet with the Fire Chief to inform him of this requirement before the design is completed.

GM Koehler will plan to meet with Fire Chief Hession in the coming week.

E. Fraud Policy.

President Pool said he feels the way it is written for general policy is fine, however, he has some problems with the semantics of the language. Example, places where wording is 'should' and 'will', should actually say 'shall'.

GM Koehler will make the suggested changes and bring the Policy back next month for Board approval.

F. School Way customer.

The bill has been paid.

G. Road Permit.

Amendment No. 3 to the U. S. Army Corps of Engineers License at their Lake Mendocino Project was presented for renewal and signature. This Amendment is a 5-year extension of the License Agreement allowing the District continued use of the COE road in order to reach the RVCWD lake pump station. There is no cost.

MOTION: Approve Amendment No. 3 to the Department of the Army.

Ricetti/Todd Discussion CARRIED

AYES: Ricetti, Todd, Hallman, Spilman, Pool

NOES: None

ABSENT: None

President Pool will sign the Approved Amendment.

H. Pipeline Contract.

The company that presented on the tank maintenance proposal is moving into similar contracts on pipelines, with the initial cost being spread over several years.

The Directors agree that there are no excess funds available to pay for the service. No need for the agent to come to a meeting for a physical presentation.

I. Lake Mendocino Storage.

As of today, the Lake Mendocino storage is at 32,639 AF. We do not know what is going to happen if the lake gets down to 30,000 AF. Decision 1610 says that if we drop below 30,000 AF we cut back to 50% of historical usage. Our average usage for the last three Decembers is 44 AF, potentially allowing us to divert only 22 AF. The impact for the first month if required would be relatively minimal since we are keeping our 67 AF reservoir full. We will draw that down to maintain flows. A second month would be more problematic; a third month would be a disaster for the entire watershed.

J. Proposition 218 Rate Hearing.

A Special Board Meeting for one item, The Proposition 218 Water Rate Protest Hearing, is scheduled for 7:00 p.m. on December 4, 2013 at the Redwood Valley Grange Hall on East Road. The Notice states that water rate increases will be effective January 1st. The law requires that in order to stop the intended rate increase, there must be written objections from 50%+1 of all eligible customers.

K. Vacation.

GM Koehler will be out of town during the time of the December regular board meeting. The Directors discussed whether or not there were pending business deadlines that would be affected by cancelling the December Regular Meeting. Since there are no pending business deadlines, the Board agreed to cancel the December Regular Meeting.

L. School Way Bridge.

The County DOT School Way Bridge Project is now a 2-year project. Because of this, Rau and Associates has had to exceed and amend their original budget proposal for the waterline relocation and related services. President Pool read the complete package of the Amended Agreement and based upon his many years of service in the Public Works Department, he understands it all and finds it appropriate. The Board agrees. President Pool will sign the enclosed Amendment No. 2.

9. FINANCIAL REPORT.

The Financial Report for November 21, 2013 was presented. After review and discussion, a Motion was made.

MOTION: Accept the Financial Report as presented.

Ricetti/Todd Discussion CARRIED

AYES: Ricetti, Todd, Hallman, Spilman, Pool

NOES: None

ABSENT: None

10. LOCAL AGENCY FORMATION COMMISSION.

Mentioned earlier in the meeting.

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

- a. Report of attendance at IW&PC Meetings.
- b. Consider any correspondence concerning the IW&PC.
- c. Discussion and possible action on IW&PC topics.

GM Koehler reported that the meeting was pretty uneventful. GM Koehler has been invited to attend an IW&PC meeting with the COE to try to keep the Feasibility Study alive. From IW&PC there will be Janet Pauli and Carre Brown, and Candace as a note-taker; also attending will be GM Sean White from the FCD and GM Bill Koehler from RVCWD.

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

- 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.

Their scheduled Regular Meeting date turned out to be Veteran's Day, so they did not meet. Incidentally, although the newspaper reported a few weeks ago that the early Election Returns indicated McMichael was elected, the final count of all mail-in and absentee ballots had a different outcome: Mr. Zellman remains on the Board; Mr. McMichael is not.

13. SONOMA COUNTY WATER AGENCY.

The meeting for modeling of Lake Mendocino storage and Weather Forecasting was remarkably poorly attended; and, nobody got hot under the collar.

14. REPORT OF ATTENDANCE AT AGENCY MEETINGS OR OF ANY OTHER ENTITY NOT LISTED SEPARATELY HEREIN.

No reports submitted.

15. CONSIDER ATTENDANCE AT SEMINARS, TRAINING EVENTS, CONFERENCES AS RECEIVED SINCE LAST MEETING. (Agenda Item No. 18)

The two field personnel will be attending a training/workshop in Ukiah; the District will pay the cost of \$20 each which also includes breakfast and lunch.

The Meeting ended at 9:05 P.M.

Board Meeting Schedule Change: No Meeting in December, 2013.

The next Regular Meeting will be at 7:00 P.M. on Thursday, January 16, 2014 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

Respectfully Submitted,
Linda Groth, Recording Secretary

APPROVED: Board of Directors

DATE APPROVED: January 16, 2014

SIGNED: Paula Berezay
Secretary, Board of Directors