

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

MINUTES  
BOARD OF DIRECTORS

Regular Meeting  
Thursday, September 19, 2013

Directors Present: Jeanette Hallman, Granville Pool, Pamela Ricetti, Jack Spilman, Ken Todd  
Directors Absent: None  
Staff Present: General Manager Bill Koehler  
Recording Secretary: Linda Groth  
Others Present: None

CALL TO ORDER: 7:05 P.M.

1. ROLL CALL.

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

**MOTION: Accept the Agenda as presented.**  
Hallman/Ricetti Discussion CARRIED  
AYES: Hallman, Ricetti, 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.

The Consent Calendar was reviewed.

**MOTION: Approve the Consent Calendar as presented.**

Ricetti/Todd Discussion CARRIED  
AYES: Ricetti, Todd, Hallman, Spilman, Pool  
NOES: None  
ABSENT: None

6. APPROVAL OF MINUTES AS PRESENTED.

The Draft Minutes of August 15, 2013 were presented.

**MOTION: Accept the Minutes of August 15, 2013.**

Hallman/Spilman Discussion CARRIED  
AYES: Hallman, Spilman, Ricetti, Todd, Pool  
NOES: None  
ABSENT: None

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

a. Personnel Committee Report.

Nothing.

b. Ad Hoc/Consolidation Committee Report.

GM Koehler reported the Dual Boards held a Meeting at the Barra Facility at which Lee Howard asked GM Sean White to assemble an FCD/RV ad hoc committee meeting. The consensus of the ad hoc committee meeting was to approve a working budget of \$2500 from each District to pursue at least preliminary talks with a qualified consultant. Between Sean White and Bill Koehler, they have names of several potential consultant candidates that qualify. The plan is to send out some Request for Qualifications (RFQ's) and after reviewing the responses, send out some Request for Proposals (RFP's) and see what comes back. The committees also agreed that, in general, it will be a 50-50 split of expenses that will be settled up at the end; and also that the committees will have to go back to their Boards for approval of further activities.

At the Dual Boards Meeting held at the Barra Facility it was reconfirmed that we're pursuing annexation; and the FCD also reconfirmed their statement that Redwood would have full and equal access to a portion of the 8,000 AF. This is a dramatic change from years past, but now it has been stated outright twice by Lee Howard and by Sean White and it was agreed to by Richard Shoemaker. They further discussed the annexation process which allows these two features, 1) a governing Board of up to nine people (SEE

Notation at End of This Paragraph), and 2) the issue of who gets to Protest, which is strictly the residents of the District being annexed. Residents of the survivor district, cannot Protest.

NOTATION: The above 1) statement was made, but the correct information is that the governing Board would consist of five people.

At some point in time RV is going to have to come up with the Metes & Bounds Legal Description of the District. Unfortunately, Brelje & Race cannot locate this information in their records and it is not in the digital version of their files that they gave to RV a few years ago. It is unlikely that the State Water Board has this information because the SWB accepted a map. After a general round of discussion the consensus of the Board is that GM Koehler should contact Jim Ronco for either performing this type of work or for a referral.

President Pool stated he will hear a Motion for the District share of contributing funds.

GM Koehler clarified that he and Sean White would be the only ones spending the funds. The funds would only be spent on a consultant to do the application for dissolution and annexation, and because the information required for the two pieces is virtually identical, also including the California Department of Public Health application for the \$250,000 grant.

**MOTION:** Authorize our contributing \$2,500 to match the \$2,500 contribution from Flood Control to finance initial efforts as far as it will take us in the LAFCO process and the grant application for the CDPH consolidation fund.

Ricetti/Todd Discussion CARRIED

AYES: Ricetti, Todd, Hallman, Spilman, Pool

NOES: None

ABSENT: None

President Pool noted the ACWA Newsletter mention of AB145 being stalled for this Session. GM Koehler said the bill is being amended so that only the SRF Funding portion is to be transferred.

GM Koehler informed the Board that on October 1<sup>st</sup> he will be going to SCWA with Sean White to hear the results of the capacity model that SCWA has been working on. This is one of the key parts of any inclination to withdraw their Protest.

#### c. Discussion of rates.

The RVCWD Rate Protest Hearing is scheduled for 7:00 p.m. on Wednesday, December 4, 2013 at the Redwood Valley Grange Hall. The Notices of the Protest Hearing were mailed to District customers on September 17, 2013 which is well within the legal parameters required.

Our attorney had advised that each assessor parcel number of each property served must be individually identified on each Notice, so this was a lengthy process. Each property owner is entitled to 1 vote per parcel number. The attorney also advised that there is no requirement for a Board Resolution before holding the Rate Protest Hearing.

## 8. GENERAL MANAGER'S REPORT.

### 8-a. Vacation.

GM Koehler will be on vacation and will miss the December Board Meeting.

Recording Secretary Linda Groth will be on vacation and will miss the November Board Meeting. GM Koehler will operate the Recorder during the November Meeting.

8-b. District Operations.

The District is operating well with no problems to report. The variable frequency drive has been repaired. Work has begun on the 'pump 1' control at the lake pump station. After that is completed, work will be started on the communication link between the treatment plant and the lake pump station.

8-c. Payment to RRFCD.

After GM Koehler and GM White at RRFCD reviewed the Stipulated Judgment it was clear that the only thing that is allowed to not be paid is capital improvements that do not benefit Redwood with water. As a result of that review, the entire water statement for 2012 water was paid without objection.

8-d. Booster pump letters.

As per Board directive, letters have been sent to 17 specific customers living at locations where it is likely they have booster pumps in their private lines. The letters remind the customers to take whatever precautions are necessary to protect their pumps from damage in the case of interruption of water service, as the Water District will not be held liable for any such damages.

8-e. School Way high usage.

Nothing submitted.

8-f.-Feasibility Study.

According to the US Army Corps of Engineers, the Feasibility Study has tentatively been categorized to Inactive Status because there has been no government funding for 3 years. Knowing that an Inactive Status cannot be undone and would effectively kill the Study, Janet Pauli is doing everything she can to see that this does not happen.

8-g. Rate Protest Hearing.

The Rate Protest Hearing is scheduled for 7:00 p.m. on Wednesday, December 4, 2013 at the Redwood Valley Grange Hall.

8-h. Water Board response to frost water.

The State Water Board has issued its response to the frost water Finding. The Board, represented by the State Attorney General, has taken the position that preventing frost water diversions is supported by the Public Trust Doctrine and that this support trumps the Constitution. Legal Counsel for the Farm Bureau and Legal Counsel for the Light's are each preparing responses disputing this Finding and they have cited case after case where the Finding was shown to be inaccurate.

8-i. Personnel

GM Koehler asked for direction regarding staffing and whether or not to contract with Willow CWD to operate the system. The concern is that our field crew is mostly working on projects, with little time to take care of maintenance issues. Because the on-call-schedule is 2 weeks on/2 weeks off, we are approaching the likelihood of employee fatigue. What does the Board recommend? The Directors opened discussion of options, such as using 2 part-time employees that would be shared amongst RV and the Willow Group. Also, it is expected that when the upcoming retirement of Willow office staff occurs, RV's Water-Billing/Water-Receiveables Clerk would be merged with the Willow office staff, and would be cross-trained

as are all of the staff. She would also become a Willow employee doing RV's water accounts and whatever other merged duties as necessary, which is agreeable to her. The RV General Manager and the Office Manager would continue with their regular duties and would remain in the RVCWD District Office mostly because they both expect to retire within the next two years. GM Koehler would most likely do individual meter reads and/or turn offs for customers that are moving; it would make sense for him to do that rather than sending an employee from Willow to do it. Also the County DOT will start building the new School Way Bridge this fiscal year. GM Koehler will oversee the District project to relocate the water pipelines from the old bridge to the new bridge.

GM Koehler further expects, subject to Board approval, to reduce his hours if he is not focusing on operations but rather he is really focusing on helping the process go on. He and Sean White would undoubtedly make lots of trips to the Sonoma County Water Agency and to Sacramento.

Director Spilman was surprised at the request for approval and said he thought previous Board Meeting discussions had established this joining of forces as the direction in which the Board wanted to go.

Director Ricetti agreed with that understanding, adding that this sounds prudent to her.

GM Koehler accepted that, and said he would meet with Dave and Tim very soon to discuss this portion of the concept.

President Pool expressed support of proceeding with this as long as RV's talks towards merging with the FCD don't become a stumbling block.

GM Koehler expects to have a much clearer handle on that after his upcoming meeting with Dave and Tim.

#### 8.-j. Merger.

LAFCO will be scheduling a merger discussion in November. It is expected they will address some of the issues discussed over the years, such as during talks with the Valley-Wide Task Force, also the report developed by John Dickerson and also, the Grand Jury Reports.

#### 8-k. Training.

GM Koehler will be attending a two-day ACWA/JPIA Training in Eureka on September 24-25, 2013.

#### 8-l. School Way Bridge.

It is planned that the County DOT School Way Bridge Replacement Project will probably go out to bid in January-February, with the start date expected to be May-June 2014. Since building of bridges is such a specialty classification, the bids will probably go out nationally. The Contractor will undoubtedly 'sub out' the pipeline work and we are hoping it will be someone like Ernie Wipf Construction that gets the job. GM Koehler received the pipeline specs today but hasn't had the opportunity to review them yet. Two of George Rau's staff are doing the design work on our pipeline. The criteria for pipelines in a bridge are very specific. It is a good estimate that RV's costs for the pipeline relocation/replacement will reach the \$400,000 mark rather than the \$300,000 previously estimated. This project requires that our water pipeline will have to cross the PG&E's pressurized 2" gas main, twice.

### 9. FINANCIAL REPORT.

The Financial Report for September, 2013 was reviewed. One entry was missing and the Board agreed to put off Approval Action until next month when the figures will be completed.

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

Nothing to report.

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

Director Ricetti and GM Koehler both attended the IW&PC monthly meeting.

The Legislature has authorized a \$5 fee on boat registrations to support the Quagga Eradication Program and the DMV was authorized to receive a \$3 fee for collecting the Quagga Eradication Program fee.

GM Koehler reported the Potter Valley Irrigation District (PVID) has been buying the abandoned water that comes out of the PG&E power plant at \$1.20 per ac-ft and selling it for \$4.80 per ac-ft. PG&E is now saying they are losing money and they calculated that their inflated price over a 77 year period should be closer to \$20 per ac-ft. Janet Pauli, as President of the PVID is of the opinion that the pear and grape community might be able to pay an extra \$20 per acre-foot but that the alfalfa and beef people would be put out of business.

Director Ricetti added that there was enough of a consensus on the PVID Board to say No to the increase, which in turn PG&E said they would go to the PUC and ask for \$55.

Director Todd said he spoke with the manager at PVID and was told that the guy who came there from PG&E was totally confused. The manager told the PGE person that they should be paying PVID \$20 per ac-ft for the water because there would not be 20,000 ac-ft of water coming through there if it wasn't for Potter Valley Water Rights that brings the water and which PGE is using to turn their turbines. The PGE guy decided they needed to research this.

GM Koehler said that PG&E is concerned they are going to have to do major work on the tunnel, perhaps to the tune of \$20,000,000. GM Koehler added that he has been through several PUC rate-raises throughout his career and he was able to provide Janet Pauli with some insight. Within the PUC structure is something called the Office of Ratepayer Advocacy but that title is misleading because what they do is, advocate for the PUC.

A round of discussion followed during which Director Hallman added that PG&E has this location bundled with several others.

Consultant Paige Poulos is contracting to work with Laurel Marcus on a contract which includes the issue of a separate bank account, etc.

Janet Pauli and Sean White will have a meeting in November with the Army COE and possibly others in efforts to keep the Feasibility Study going.

The Eel-Russian River Commission will meet in Ukiah on December 4<sup>th</sup>.

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

GM Koehler attended. The biggest issue for them was the same thing as RV's discussion, about funding for proceeding with the process of annexation. On a vote, the RRFCD \$2500 contribution matching the RVCWD \$2500 contribution was unanimously approved.

13. SONOMA COUNTY WATER AGENCY.

The SCWA had assured GM Koehler two weeks ago that he would have a copy of the renewed Surplus Agreement, however he still has not received it.

GM Koehler and Sean White will be going to SCWA on October 1<sup>st</sup> to discuss the agency's modeling of a new Operating Manual showing the reliability of Lake Mendocino if it were to be operated using today's

advanced technology of weather forecasting. This would replace the manual that was written in 1959 when weather forecasting wasn't nearly as accurate as it is today, and which is still being used. Our Board has already authorized a \$10,000 budget item to pay our share of costs for the updated modeling and we have recently received a copy of the contract to be signed and returned. President Pool will sign the contract.

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

Nothing submitted.

15. STATE WATER RESOURCES CONTROL BOARD.

Nothing new to add.

16. STATUS REPORT OF PLACE OF USE ISSUES.

Counsel Minasian advises that we should continue to pay the \$2,000 annual fees until we are ready to go to license.

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

Counsel Minasian pointed out that the biggest land mine in the annexation process is that it will 'open the CEQA door' and there is no way around it. At the dual Boards Meeting we were urged to not give up that 2800 acre-feet storage right. All they have right now is 500 acre-feet so the most that can be used now is 500, although they have plans to put in more, none of which would exceed a 49.99 acre-foot pond. Anything over 50 acre-feet is subject to inspection from the Division of Safety of Dams.

GM Koehler clarified, Russian River FCD has a Sphere of Influence. A Sphere of Influence does not give you a right to change your Place of Use. It does indicate that, in your wildest dreams, these are areas that you might at some later date, choose to annex into your District. So you still have to go through the annexation process.

18. CONSIDER ATTENDANCE AT SEMINARS, TRAINING EVENTS, CONFERENCES AS RECEIVED SINCE LAST MEETING.

Nothing submitted.

The Meeting ended at 8:55 P.M.

The next Regular Meeting is scheduled for 7:00 P.M. on Thursday, October 17, 2013 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

Respectfully Submitted,  
Linda Groth, Recording Secretary

APPROVED:            Board of Directors

DATE APPROVED:   October 17, 2013

SIGNED:            Paula Berezay  
                                 Secretary, Board of Directors