

Public Comments

Comments will be limited to matters under this District's jurisdiction that are not on the posted agenda and items that have not been previously considered by the Board of Directors.

Comments on a matter not on the agenda are limited to three (3) minutes per person and not more than ten (10) minutes for a particular subject.

No action will be taken. Individuals wishing to address the Board are welcome to do so throughout the Meeting.

Urgent Items

In accordance with Section 54954.2 (b)(2) of the Government Code Brown Act, Two-thirds Vote Required for Action Items. (Upon determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, unanimous vote of those members present, that the need to take action arose after the Agenda was posted.)

ADA Compliance

The Redwood Valley County Water District complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. To assist us in better understanding your request, please notify the District Office no less than 3 working days in advance of the meeting by calling (707) 485-0679.

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AGENDA ITEM NO. 5

August 18, 2016

REDWOOD VALLEY COUNTY WATER DISTRICT

CONSENT CALENDAR - CONTENTS

- a. Financial Statements.
- b-1) Bills Paid during July 2016 & submitted for Board approval.
- b-2) Bills Paid as approved.
- c. Bills Payable.
- d. Report of District Activity.

CONSENT CALENDAR a.

FINANCIAL STATEMENT

Totals Reported are as of July 31, 2016
Unless otherwise noted

1. LIST OF BILLS PAID

(See Consent Calendar b-1, next page)

b-1. During July 2016

\$96,647.71

2. IRRIGATION WATER SALES

	<u>Month</u>	<u>Sales (Billed)</u>	<u>Sales (Billed)</u> <u>Same period last year</u>	<u>Acre-Feet</u>	<u>Payments Rec'd</u>
Monthly	7/2016	\$ 50,003.42	\$ 41,741.61	226.49	\$ 19,273.60
Calendar Y-T-D	7 /2016	\$152,242.10	\$197,288.17	399.27	\$123,789.13
Fiscal Y-T-D	7 /2016	\$ 50,003.42	\$ 41,741.61	226.49	\$ 19,273.60

3. DOMESTIC WATER SALES

	<u>Month</u>	<u>Sales (Billed)</u>	<u>Sales (Billed)</u> <u>Same period last year</u>	<u>Gallons</u>	<u>Acre-Feet</u>	<u>Payments Rec'd</u>
Monthly	7/2016	\$ 83,083.49	\$ 62,657.09	12,650,561	38.82	\$ 64,511.04
Calendar Y-T-D	72016	\$427,871.50	\$405,847.81	555,228.92	179.59	\$422,233.90
Fiscal Y-T-D	72016	\$ 83,083.49	\$ 62,657.09	12,650,561	38.82	\$ 64,511.04

	7/2016 Fees	\$	Return Check Fees, Domestic			
			Late Notice Fees, Domestic			
			Doorhanger Fees, Domestic			
			Reconnect Fees, Domestic			
		1,480.00	Admin. Fees, Backflow Prevention Program, Domestic			
			Late Notice Fees, Irrigation			
			Doorhanger Fees, Irrigation			
			Reconnect Fees, Irrigation			
	72016 Total Fees Billed	\$1,480.00				

4. STATEMENT OF CHECKBOOK BALANCE

As of July 31, 2016 \$169,924.30

5. STATEMENT - MONEY MARKET ACCOUNT

<u>Account Name</u>	<u>Current Balance</u>
Bureau of Reclamation Water Development Fund:	\$169,561.25
	<u>21.54</u> Interest
	\$169,582.79

6. STATEMENT - MONEY MARKET ACCOUNT

Water Payment Account	\$71,729.32
	<u>9.11</u> Interest
	\$71,738.43

7. STATEMENT - Local Agency Investment Fund:

Current Balance

\$723,889.64	Fund for storage of #17593 water
<u>984.84</u>	Quarterly Interest
\$724,874.48	

8. STATEMENT - MONEY MARKET ACCOUNT

Sinking Fund (Depreciation Account)	\$22,291.21
	<u>.94</u> Interest
	\$22,292.15

*The depreciation fund (Sinking Fund) is only accumulated monthly on the Financial Report. To date it is \$1,092,700.00.

Total of usable Balances shown above:	Regular Checking Account/Checkbook Balance: \$169,924.30
	Bureau of Reclamation Water Development Fund: \$169,582.79
	Local Agency Investment Fund: \$724,874.48
	Money Market Water Payment Account Fund: \$ 71,738.43
	Money Market sinking Fund: \$ 22,292.15
	Less Tenant Deposits: (18,123.51)
	<u>Total: \$1,140,288.64</u>

CONSENT CALENDAR b-1.

August 18, 2016

List of Bills Paid since those approved at last Meeting
& Submitted for Board Approval:

\$89,720.35 General Expense
137.36 Customer Deposits
6,790.00 Backflow tests and repairs (reimbursed by customers)
\$96,647.71

NET PAYROLL: \$7,823.92

PAYROLL TAXES: \$3,465.07

HOLDING ACCOUNT FOR DIRECT DEPOSIT PAYROLL & TAXES: \$11,288.99

1. RVCWD Payroll Account
\$5,664.06
Deposit for payroll & taxes for 7/8/16 pay date
2. RVCWD Payroll Account
\$5,624.93
Deposit for payroll & taxes for 7/22/16 pay date

ICMA Retirement Trust, Contribution, Deferred Comp. Plan, \$1,346.16, 7/08/16 pay date
ICMA Retirement Trust, Contribution, Deferred Comp. Plan, \$1,346.16, 7/22/16 pay date

INSURANCE: \$4,235.43

1. #11731: State Compensation Insurance Fund
\$505.04
Revision of deposit premium
2. #11751: State Compensation Insurance Fund
\$1,029.42
Premium, July 20-16
3. #11704: ACWA /JPIA
\$2,700.97
Health, Dental, Vision Premium, life, E.A.P., August 2016

GENERAL OFFICE: \$819.83

1. #11722: Copycats
\$805.00
Printing for 1300 Consumer Confidence Reports & Envelopes

2. #11730: Ricoh, USA, Inc.
\$14.83
Additional images, 6/4-7/3/16

TRANSPORTATION: \$2,144.66

1. #11709: Valley Auto Center Inc.
\$5.41
Ring & spade
2. #11716: U.S. Bank Corporate Payment Systems
\$95.12
Fuel for Honda, headlight bulb for Honda
3. #11717: Thurston Honda
\$1,882.57
Replaced clutch assembly and flywheel resurfacing, Honda
4. #11720: R.V. Gas Station & Country Store, LLC
\$121.80
Fuel for Honda, June 2016
5. #11752: Fast Lube Plus
\$39.76
Oil/fluids for 2008 Honda

COMMUNICATIONS: \$467.21

1. #11721: Tri-Cities Answering Svc & Call Ctr, Inc.
\$239.40
Answering service, July 2016
2. #11745: AT&T
\$122.81
Monthly phone service, 7/10-8/9/16
Calls 5/25-6/24/16
3. #11746: Pacific Internet
\$105.00
Quarterly email service, 8/8-11/8/16

UTILITIES: \$16,642.11

1. #11719: Pacific Gas & Electric Company
\$13,437.00
Booster Pump – Tomki Road, \$115.73
East Road, \$874.28
Master Valve @ Vault, \$13.87
Central Ave. Intertie, \$2,209.20
Lake Mendocino Pump Station, \$10,223.92

2. #11727: Macquarie Holdings (U.S.A.) Inc.
\$3,205.11
Solar power, June 2016

SPECIAL DEPARTMENT EXPENSE: \$58,357.16

1. #11705: M.C. Dept. of Transportation
\$8,964.75
Final payment for School Way Bridge Project
2. #11706: Calpella County Water District
\$2,743.60
Water transfer charge, 5/28-6/29/16
3. #11707: Waste Management
\$54.70
Garbage service, July 2016
4. #11708: Alpha Analytical Laboratories, Inc.
\$146.00
Water analysis, June 2016
5. #11710: McMaster-Carr Supply Co.
\$37.01
Brass & nylon tube fittings, adapter
6. #11711: Mendocino County Auditor-Controller
\$1,960.04
R.V. share of 2016-2017 budgeted cost of LAFCo
7. #11712: Thrifty Supply Company
\$39.86
Pvc ball, pvc nipple
8. #11713: Deep Valley Security
\$52.95
Property security, July 2016
9. #11714: Mendo-Mill & Lumber Co.
\$293.38
Respirator (2), battery-photo, drill bit set, scour pad, grout brush,
paper towels, dustpan, hex bushing, tube braids (73), soap, black marker
10. #11715: Wyatt Irrigation Company
\$98.12
Epoxy short couplings
11. #11716: U.S. Bank Corporate Payment Systems
\$230.20
Internet monthly service, brass nipples, ball valve, washers, screws, sponge,
simple green, cable ties, screwdriver set

12. #11718: Jeanette Wise
\$93.75
Prepare minutes for RVCWD Reg. Mtg. 6/16/16
13. #11723: Wipf Construction
\$1,282.50
Statement 7/6/16
Vactor truck for domestic leak repair at Oak Pond Ct., backhoe and lowbed rental
14. #11724: Hach Company
\$177.82
Lab supplies-buffer, bottle wash, ryton salt bridge
15. #11725: Filtration Technology
\$2,495.75
55 barrels of zinc ortho
16. #11726: National Meter & Automation
\$840.00
Service agreement for Connect Program 6/6/16-6/5/17
17. #11728: Clark Pest Control
\$81.20
Pest control, June 2016
18. #11729: A to Z Construction
\$31.48
Base rock for domestic repairs on 6/23/16
19. #11732: Willow County Water District
\$19,080.00
Service contract field labor, June 2016 & danger signs (2) confined space
20. #11733: Hach Company
\$1,827.37
Lab equipment-maint. kit, stir bar, filter assembly, basic lab ph kit
21. #11738: McMaster-Carr Supply Co.
\$40.86
Aluminum cord grips, steel cord grip
22. #11739: Thrifty Supply Company
\$3.10
Pvc bushing, coupling
23. #11740: Hach Company
\$1,272.16
Digital ph sensor, ryton, convertible
24. #11743: Collin Phenicie
\$2,870.00
82 backflow tests (reimbursed by customers)

- 25. #1744: Collin Phenicie
\$3,920.00
64 backflow tests and 12 backflow repairs (reimbursed by customers)
- 26. #11747: Upper Russian River Water Agency
\$100.00
JPA monthly dues, June 2016
- 27. #11748: Ricoh
\$160.16
Copier rental, 8/4-9/3/16
- 28. #11749: J & M Lock
\$262.33
Labor and set of 3 locks/padlock
- 29. #11750: Millview County Water District
\$8,568.54
Water purchase 5/27-6/29/16
- 30. #11754: Pace Supply Corp.
\$180.97
Brass bushing, repair clamps
- 31. #11755: Jeanette Wise
\$150.00
Prepare minutes for RVCWD Reg Mtg. 7/21/16
- 32. #11756: Underground Service Alert
\$161.20
Annual tickets fee
- 33. #11734: #11735: 11736: #11737: Various customers
\$137.36
Refunds on deposits

CONSENT CALENDAR. C

District Activity, July 2016

Monthly Report of Total Water Pumped during
as reported to Flood Control District 292.16 A.F.

Leaks repaired: 7/13/16 Domestic leak repair Road L
7/19/16 Domestic leak repair Adreveno Way
7/20/16 Domestic leak repair Road B

ACTION ITEMS

1. Cesar Toxqui Winery. This is a place holder to continue discussion of the meter size for a proposed new winery.
2. ACWA. **Discussion and possible decision to propose a Redwood Valley CWD to fill a vacancy on the ACWA Region 1 Board.**
3. Resolution regarding ACWA recommendation. **Discussion and possible approval of a Resolution approving support for a director from Mendocino County for the ACWA vacancy.** This Resolution would allow support for a director from either Redwood or another Mendocino ACWA member agency.
4. JPA/RRFC. The RRFC will be meeting with Boards of the JPA members in order to better understand how they and the JPA might coordinate to facilitate the consolidation of water districts in the Ukiah area. **Discussion and possible decision regarding RRFC joining the JPA.** No specific action is anticipated at this time but this item will be on the agenda until a decision is made. The Redwood Board should reach a consensus on a position regarding this matter to be presented to the JPA and RRFC Boards.

GENERAL MANAGER'S REPORT

- A. District Operations. The district is operating well with no particular problems to report. We are operating the treatment plant at least during the week to keep up with demand. I reviewed and alternative SCADA system in Forestville that looks very promising and will continue to discuss this with staff.
- B. Consolidation. Staff is working well together. We have some personnel issues to work out but things are generally working well. We are proceeding with a six month review of how well it is working. Willow has begun tracking individual employee deployments for a better evaluation of staffing needs. It is possible that we may need to review the contract payments for field labor but need more data to make the determination. It appears that we may need more, and better paid staff than we expected in order to develop the more efficient combined district that is necessary. Dave and I have both interviewed a prospective employee and he has been offered a position. His current employer has requested a four week notice because he is shorthanded so the new employee will be starting in September.
- C. Watershed Sanitary Survey Tour. The Aug 4 tour was successful in showing our consultants the surface water infrastructure. We visited the Potter Valley power plant outflow, the RV intake, RV system, various locations on the West Branch, Ukiah's Ranney and treatment plant, and Millview's treatment plant and river intake. The tour was attended by Luhdorff & Scalmanini, SCWA, Ukiah, and the Division of Drinking Water. Tamara also attended and got a chance to see our facilities as well as those of Millview.
- D. ACWA Tour. Granville and I attended the Aug 5 ACWA tour of the Upper Russian River. The focus of the tour was on habitat and fisheries but I presented briefly on the consolidation effort in the Ukiah area.
- E. Audit. We completed the field portion of the audit Aug 1/2.
- F. SGMA. The next group meeting of SGMA will be Aug 18.
- G. Rate Study. We should begin a preliminary discussion about the possibility of a rate study.
- H. Mapping. We are finally ready to begin the mapping process. Shane will prepare base map layers and train employees in the use of a tablet based GPS marking system. We will be doing this simultaneously for both Millview and Redwood.

RESOLUTION NO. 2016-1
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
REDWOOD VALLEY COUNTY WATER DISTRICT
PLACING IN NOMINATION
AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
REGION 1 DIRECTOR

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF REDWOOD VALLEY COUNTY WATER DISTRICT AS FOLLOWS:

A. Recitals

I. The Board of Directors of the Redwood Valley County Water District does encourage and support the participation of its members in the affairs of the Association of California Water Agencies. (ACWA).

II. Director _____ has indicated a desire to serve as a Director of ACWA Region 1.

B. Resolves

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF REDWOOD VALLEY COUNTY WATER DISTRICT,

I. Does place its full and unreserved support in the nomination of _____ for the Director of ACWA Region 1.

II. Does hereby determine that the expenses attendant with the service of _____ in ACWA Region 1 shall be borne by the Redwood Valley County Water District.

Adopted and approved this _____ day of _____ 2016.

REDWOOD VALLEY COUNTY WATER DISTRICT

ATTEST:

William Koehler, Secretary

I, William Koehler, Secretary of the Board of Directors of Redwood Valley County Water District, hereby Certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the day of 2016 , and was adopted at that meeting by the following roll call vote:

AYES:

NOES:

ABSENT:

ATTEST:

William Koehler, Secretary to the
Board of Directors of
Redwood Valley County Water District

Redwood Valley County Water District
 Financial Report
 Revenue/Expenses/Capital FY 2016-2017
 Agenda Item 9 August 18, 2016

Operating Revenues	July-16	August-16	September-16	October-16	November-16	December-16
1280 Domestic Payments from Water Sales	35,684.64					
1260 Irrigation Payments from Water Sales	10,533.60					
4305 Late Notices (Domestic)						
4310 Doorhanger Fees (Domestic)						
4315 Admin Fees (Domestic) Backflow/Annual	1,480.00					
4320 Return Check Fees						
4330 Meter Fees (Domestic) 1336 x \$20.00	26,720.00					
4330 Meter Fees (Domestic) (2") 9x\$40.00	360.00					
4331 Meter Fees (Irrigation) 2" 102 x 35	3,570.00					
4331 Meter Fees (Irrigation) 4",6" 94 x \$55.00	5,170.00					
4335 Re-connect Fees (Domestic)						
4340 Late Notices (Irrigation)						
4345 Doorhanger Fees (Irrigation)						
4355 Irrigation Re-connect Fees						
4337 Lien removal fees						
4360 Safe Drinking Water Bond Surcharge	266.40					
4365 Domestic Penalties Fees for Overage						
Total Operating Revenues	83,784.64					
4500 Property Tax Revenue						
1859 Grant Funding Intertie (1st check)						
1000 Interest Income Checking Account	6.91					
1105 Management Income/GM Contract- Millview W.D.	6,500.00					
1180 Interest Income Payroll Account	0.16					
1110 Water Payment Money Market Account	9.11					
1120 Interest Income Bureau Reclamation Account	21.54					
1120 SCIF Refund						
1160 Interest (Quarterly) LAIF Account	984.84					
1190 Interest Sinking Fund (Depreciation acct)	0.94					
5695 JPIA Insurance claim check for Truck						
5335 PG&E Refund (Tax Rate Change)						
5561 ACWA/JPIA Property Program RPA Refund						
5564 SCIF Refund						
Total Income Operating & Non-Operating	91,308.14					
Operating Expenses						
Customer Accounts						
Operating Supplies						
2200 Customer Deposit Other						
2240 Tenant Deposits/Refunds	72.50					
2260 Owners Deposits/Refunds	64.86					

Redwood Valley County Water District
 Financial Report
 Revenue/Expenses/Capital FY 2016-2017
 Agenda Item 9 August 18, 2016

Customer Accounts Cont'd	July-16	August-16	September-16	October-16	November-16	December-16
5400 Customers Accounts						
5420 Operating Supplies Customer Accts.						
5430 Backflow Prevention Tests & Devices	6,790.00	(reimbursed by customers)				
Pumping						
1530 Surge Tank Overflow/Mitigation						
5118 Operating Supplies						
5120 Power (Master Valve)	13.87					
5120 Power (Lake Pump Station)	10,223.92					
5130 Repairs & Maintenance						
Water Treatment						
5200 Other						
5220 Mechanical (pumps, pipes, fittings etc)						
5221 Electrical						
5222 Lab Supplies	3,277.35					
5223 Ach						
5224 Chlorine						
5225 Potassium Permanganate						
5226 Zinc Orthophosphate	2,495.75					
5228 Alum						
5229 Filter Media						
5230 Power Costs						
5235 Solar Power	3,205.11					
5236 Solar Power Repair Project						
5240 Repairs & Maintenance	950.51					
5250 Water Analysis	146.00					
Transmission & Distribution						
5320 Operating Supplies						
5330 Power (Tomki Road)	115.73					
5330 Power (East Road)	874.28					
5335 PG&E Intertie	2,209.20					
5340 Domestic Main Repair						
5341 Irrigation Main Repair						
5342 Repair & Maintenance Dom. Svcs.	842.34					
5342.5 Domestic Main Repair						
5343 Transmission Main						
5344 Repair & Maintenance Irrigation Svcs.	170.53					
5346 Repair & Maintenance Other	10.44					
5350 Telemetry						

Redwood Valley County Water District
 Financial Report
 Revenue/Expenses/Capital FY 2016-2017
 Agenda Item 9 August 18, 2016

Transmission & Distribution cont'd	July-16	August-16	September-16	October-16	November-16	December-16
5355 New Installation Costs						
5365 Tank Maintenance						
General & Administrative						
5575 ICMA (employer)	1,346.16					
2180 Payroll Taxes (employers share)	999.55					
5500 Board Meetings/ Minutes/Recording Secretary	243.75					
5500 Election Costs						
5500 LAFCO (RV share of 20011-2012 Budget	1960.04					
5500 ACWA/JPIA Ins. Check/Surge tank overflow						
5501 Payroll expense contract field crew (pd to Willow W.D.)	19,053.82					
5510 Payroll (net all employees)	7,823.92					
5510.1 Payroll Willow W.D.						
5520 Bank Service Charges						
5522 Return Checks						
5523 Return Check Bank Fee						
5540 Dues, Fees, Subcriptions	161.20					
5550 Equipment Rental/Copier/Maintenance	174.99					
5560 Health Insurance	2,550.97					
5560.1 Willow Employee Health Insurance						
5561 Property Program						
5562 Auto Insurance & General Liability						
5564 State Comp. Insurance	1,534.46					
5565 Field Uniforms						
5572 Loan Interest Expense						
5580 License & Permits/CDPH						
5590 Text Book & Training						
5595 Employment Advertising						
5600 Office Supplies	162.15					
5605 Operating Supplies	33.15					
5610 Postage						
5620 Printing	805.00					
5625 Discount for Irrigation credit to customers for 2014						
5630 Website Fees						
5630.5 Willow Service Agreement Contracts						
5631 Legislative Consultant						
5632 Professional Fees Acct./Payroll Masters	132.58					
5633 Core Billing/Badger Service Contracts						
5634 Professional Fees Audit						
5636 Professional Fees Legal						

Redwood Valley County Water District
 Financial Report
 Revenue/Expenses/Capital FY 2016-2017
 Agenda Item 9 August 18, 2016

General & Administration continued	July-16	August-16	September-16	October-16	November-16	December-16
5638 Professional Fees Engineering						
5639 Engineering/School Way Bridge						
5640 Repairs & Maintenance Other						
5642 Repairs & Maintenance Building	262.33					
5644 Repairs/Computer Equipment/Satellite	105.00					
5646 Repairs Equipment						
5650 Small Tools & Equipment						
5652 Safety Equipment						
5670 Business Lunch						
5674 Travel Expense Board/Recording Secretary/Staff	65.88					
5680 Garbage/Pest Control	135.90					
5685 Security Fees	52.95					
1020 Petty Cash						
Communications						
5660 Answering Svc/Tri Cities	239.40					
5660 Pacific Internet (quarterly)	105.00					
5660 ISAN, AT&T	122.81					
Vehicle						
5690 Fuel	205.04					
5695 Maintenance	1934.21					
5696 New Vehicle Payments						
Water System Fees						
5750 Merger RRFCD/RVCWD						
5750.5 Upper Russian River Water Agency	100.00					
1620 County Clerk Recorder/filing/place of use						
1720 SWRCB Water Rights Filing Fees						
2800 State Dept. of Water Resources						
Dept. of Transportation Encroachment Permit						
4500 M.C. Property Tax Admin. Svc. Fee						
MCIW&PC Annual Fee						
1730 Dam Feasibility Study						
1664 Watershed Sanitary Survey						
5000 Calpella/Millview intertie purchases	11,312.14					
5000 MCRRFCD Water Purchases						
State Board Equalization (Mill Creek)						
1668 State Board Equalization (West Fork)						
State Board Equalization (Lake Mendocino)						
State Board Equalization Place of use Lk Mendocino Diversion						

Redwood Valley County Water District
 Financial Report
 Revenue/Expenses/Capital FY 2016-2017

Capital Expenses	July-16	August-16	September-16	October-16	November-16	December-16
1640 West Fork						
1735 Operating Equipment - Excavator	1,207.51					
1821.1 Pumping Plant Building & Improvement						
Capital Expenses continued						
1821.2 Pressure Filters						
1821.3 Production Pumps						
1821.4 Clarifiers						
1821.5 WTP Road Maintenance Project						
1821.6 Backwash Return Pump						
1822.3 Clarifier Sludge Valve Project						
1822.5 Potassium Feed						
1822.9 WTP Upgrade						
1824 Radio Reads-Meters	840.00					
1824.5 Capital tank repair						
1830 Ground Water Study						
1831 Pond Research						
1833 Water Reliability						
1840 Equipment/Operations						
1850 Conservation						
1856 Scada Upgrades						
1858 School Way Bridge Project	8,964.75					
1859 B&R- Intertie Calpella-Millview/Wipf/Laco/Ukiah Const.						
1859.5 Interitie - Ukiah Construction-Pace Supply						
1865 Merger/annexation RRFCD						
Total Expenses (Capital & Operating)	94,097.05					
Backflow tests (reimburse by customers)	-6,790.00					
Return checks and bank fees (reimburse by customers)						
Minus FEMA Project Expense						
Total Expenses excluding projects to be reimbursed	87,307.05					
Project Water Purchases	17,164.40					
Total Expenses + Projected Water Purchases	104,471.45					
5700 Depreciation Expense	22,300.00					
Total Expenses + Depreciation Expense	126,771.45					
Calendar Year Total Income	622,609.75					
Calendar Year Total Expense	-879,532.76	*Includes projected water purchases + depreciation expense from January 2016				
Calendar Year Net Income	-256,923.01					
FY Total Income	91,308.14					
FY Total Expense	-126,771.45	*Includes projected water purchases + depreciation expense from July 2016				
FY Net Income	-35,463.31					

MINUTES

Redwood Valley County Water District

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

Board of Directors - Regular Meeting Minutes
Thursday, July 21, 2016

Directors: Granville Pool, Pamela Ricetti, Ken Todd, Jeff Basili, Marv Talso
Staff: General Manager Bill Koehler

Call To Order: 6:00 P.M.

1. Roll Call

Present:

Granville Pool, President
Ken Todd, Director
Pamela Ricetti, Director
Jeff Basili, Director

Absent:

Marv Talso, Director

2. Hearing of Comments or Questions from the Attending Public for Items Not on the Agenda

Nothing.

3. Consider Hearing of Urgent Items Received Since the Agenda Was Posted

None from staff. Dir Ricetti asked about someone who approached her about their bill for \$140 for backflow while it was supposed to be \$40; there were no repairs involved. GM Koehler asked her to come to him with the information and he'd look into it.

4. Acceptance of Agenda

Motion: Accept the agenda

Motion by Dir Ricetti, second by Dir Basili

In favor: Unanimous

5. Approval of Consent Calendar

Domestic sales are up and irrigation sales are down. Dir Ricetti asks if the State-mandated conservation measures are still in place. GM Koehler says that the measures are no longer in place if the water provider has enough water for three years. Whatever that means.

Dir Todd asks about the labor contract with Willow and that it's higher than he thought it would be. GM Koehler says that this amount is correct and this item will be discussed further at a later point in this meeting.

Motion: Approve the June consent calendar

Motion by Dir Ricetti, second by Dir Basili

In favor: Unanimous

6. Approval of Minutes as Presented

Motion: Accept the June Regular Meeting minutes

Motion by Dir Ricetti, second by Dir Todd

In favor: Unanimous

7. Action Items

1. Cesar Toxqui Winery – Place holder for possible action

Cesar comes forward and reiterates his request to increase the size of the meter on his property. He says that he was asked for some data that he doesn't think he can provide yet and asks about service to a couple of other wineries. GM Koehler reiterates that he cannot allow more meters under the moratorium, but he can increase the size of a meter. At the last meeting, Cesar was going to work with some local engineers to show how little water he will use at his winery. Cesar agrees and says that he is looking for information for a comparison. He says that he will be producing a tenth of what Graziano does. Dir Ricetti says that where the District has had problems before is how much that use has increased years down the line. Her concern is the opening for legal trouble. GM Koehler again brings up the idea using a 50,000 gallon tank and letting the ¾" meter run 24-7. He also likes Dir Ricetti's idea of getting a legal opinion.

Cesar also asks about the cost of the upgrade so he can compare it to a tank. Also, he is using another method to make his wine that won't use as much water, so maybe he doesn't need the upgrade. GM Koehler says that it will be expensive based on \$5,000 for a ¾" meter installed under the "hardship criteria". So a 2" meter would run around \$20,000. Dir Ricetti says that would buy a really nice tank. Dir Pool points out that he'll probably need water at set points instead of continuous, so a tank would be better.

Cesar asks about drilling a well and the Board says they have no problem with that but it's an expensive gamble. He has a neighbor with a well and Dir Ricetti suggests that he try asking them. GM Koehler says that his proximity to Forsythe Creek may be helpful. He suggests that Cesar should check all his options before making a decision. Also, in 2014 he had to have the vineyards shut down because of the drought. His next question has to do with having a tasting room. GM Koehler says that things get sticky when you involve two buildings, so they need to try to keep everything in one building.

GM Koehler tells Cesar that right now, people are using 70-90 gallons per person per day. Another person in the audience asks when it was increased from the conservation of 50 gpppd. GM Koehler tells her that they haven't penalized people for the last two years. She says she never got that memo and GM Koehler says they sent a mailer to every customer saying that the overuse penalty is over but they urge people to continue to conserve. Back to Cesar, GM Koehler again tells him that he needs to bring in some good numbers as to proposed use and that he get those numbers from another small winery. The Board throws out a lot of suggestions.

2. Management Contract with Millview - Discussion and possible approval of Amendment 1 to the Management Contract with Millview.

There was a meeting on Tuesday and that was two meetings since the last Redwood meeting. He has been spending a disproportionate amount of time working on Millview issues. In second to last Millview meeting, he talked with the Board and thought they had reached a consensus that they like what he was doing and that they would be 2/3 of his proposed raise. In the latest meeting, it was like that other conversation had never happened and they started all over again. Two of the members flipped on their position and Dir Mack implied that if Redwood starts paying more for the water they're getting from Millview, they'll give him the raise.

So right now, they're willing to pay Redwood 2/3 of his raise. He has the papers here with him. The original contract is that Millview pays Redwood a certain amount a year for management services, valued at \$78,000 per year which includes his insurance, retirement, care, etc. He is asking for a raise of \$20,000 per year, of which Millview will be paying 2/3. He hasn't had a raise in six years and the last time there was an opportunity, the field guys got the raise because they were really poorly paid. Dir Pool and Ricetti agree that this large of a raise is reasonable based on his knowledge and experience. Dir Basili says that based on his credentials and education, he would be making more pretty much anywhere else.

Motion: Accept that Millview will increase their payment under Amendment 1

Motion by Dir Ricetti, second by Dir Basili

In favor: unanimous

3. General Manager Salary Increase - Discussion and possible approval of salary increase for GM.

He is asking for an increase in his salary from \$100,000 per year to \$120,000 per year. He has two years left and those two years are going to be packed in trying to get the water districts together – a deal 30 years in the making. A few years ago, he and his wife were all ready for his retirement but he decided to stay on to get the water districts consolidated. The Board agrees that GM Koehler is well worth the money.

Motion: Approve the raise for GM Koehler, effective August 1, 2016

Motion by Dir Basili, second by Dir Todd
In favor: unanimous

4. Water Sale to Calpella – Review and possible approval of charge for water supply to Calpella.

We are currently transferring water to Calpella. Moore Street Bridge is shut down right now, so water can't go across the Russian River. So some people in Calpella are upset because they say we're buying water cheaper from Millview than they are, so you're getting cheap water and then selling it back to us on the other side of the bridge. Dir Todd suggests a trade, but it is pointed out that Calpella doesn't produce any water. GM Koehler says that he is currently running the treatment plant because we're running off of only one intertie. There's a lot of expense associated with running the plant. So his solution is to charge them the same rate Millview charges us. There really is an issue in that Redwood already pays less for water from Millview than Calpella does.

Motion: Sell water to Calpella at the same rate they currently pay Millview

Motion by Dir Ricetti, second by Dir Todd
In favor: unanimous

5. Budget – Review and possible approval of 2016-17 Budget.

We've been putting money aside to fully fund our depreciation. Before that, things were looking better, but this is a more accurate representation of how the District is doing. There was about \$440,000 for the bridge and \$250,000 for the tank repairs and that put a dent in our finances. Since 2008 when the first drought hit, water usage has dropped and income along with it. And that has not changed. This will eventually cause rates to go up. Dir Pool asks about any more capital improvements and GM Koehler says that it will be the SCADA upgrade. Dir Pool asks about the valve-exercising machine and how much it has been used on the Redwood infrastructure. GM Koehler says that it hasn't been used as much as he'd like but that's due to a lack of manpower, not that one district is hogging it. What it's been telling us is that the valves that get exercised start working again.

Dir Ricetti asks about the tanks and GM Koehler says that every few years, the insurance company comes up with all the districts to go over the infrastructure. So GM Koehler has been out with them and with GM Redding to look over the systems. Millview has some tank problems and they're watching the City of Ukiah deal with their tanks to see how it goes. Our tanks are looking good.

Motion: Accept the Budget

Motion by Dir Ricetti, second by Dir Todd

8. General Manager's Report and Action Items

a. District Operations

Most of it has been covered. The plant has been running, just cleaning up Ag water, and it's been great working the plant without worrying about any regulations because the water was not for human consumption. Scott has been

doing great and really taking advantage of his freedom from a previous coworker. He's been training the other guys on running the plant and is really stepping up to the plate. He has also been given a raise and is a lot happier.

There is nothing in the district right now in desperate need of repair. Last year, we had a discussion about upgrading the SCADA. TelStar gave a quote of about \$200,000 with a complete replacement. MCC, however, just did a few upgrades, so they can't say the whole system is junk, only that it needs some tweaking. But they are hard to get ahold of and don't seem to care about such a small job. GM Koehler is going to Forestville to hear about a new system that is cloud based. This company, XiO, hasn't done anything this size yet, but they are working on similar districts.

b. District Consolidation

We did have plans to consolidate the offices in early August, but one of the office staff is having some physical issues that require us to wait. It's not a problem.

c. Watershed Sanitary Survey

Things are going forward. We're only looking for 25 pages to talk about any changes in the watershed. GM Koehler went to the same guys that did this for us years ago and they wanted to redo the whole thing, which is much more expensive. The sanitary survey needs to include any possible sources of contamination included drainages, marijuana grows, airports, fires, and anything else. So Luhdorff & Scalmanini is doing a new one for \$20,000 which can be simply added to every 5 years. On August 4, GM Koehler is taking L&S on a tour of the district and the significant parts of the watershed.

9. Financial Report

Motion: Approve the March Financial Report

Motion by Dir Ricetti, second by Dir Basili

In favor: unanimous

10. JPA – Upper Russian River Water Agency

Not a lot happened at the last meeting. The main thing is that the JPA decided to forgo having insurance since they don't have anything to insure and the money can be used elsewhere.

11. Local Agency Formation Commission of Mendocino County (LAFCo)

Nothing to report.

12. Mendocino County Inland Water & Power Commission (IWPC)

There were two interesting things at this meeting. Kevin Doble is the representative from the City of Ukiah at the IWPC. This time, as well, Sage was there and they said they needed help with the Sanitation District. Their position is that they need help in dealing

with the SD because things between them are devolving and it puts their Purple Pipe Project funding in jeopardy. The big question is, who were they trying to get help from on this? The members of the IWPC don't have any influence over the SD and wouldn't want to get involved anyway.

The other interesting thing was that they're paying attention to the JPA. In this meeting, Paul Zellman told him that RRFC is joining the JPA. So it appears that RRFC really is going to join. It seems to be coming about because RRFC is finally asking the questions of themselves that Redwood has been asking of them for a long time.

13. Mendocino County Russian River Flood Control & Water Conservation Improvement District (RRFC)

Things have been changing in the RRFC. They're actually making progress at going to license. The surprising thing is that they actually were having an honest discussion on consolidating the water districts in this area and they see the JPA as a possible vehicle to that end. They aren't going to join yet, but the fact that they're actually thinking about it is a huge step forward. Dir Pool adds that when they were talking about it, there were no dissenting opinions. They also talked about the contracts they have and how they account for their water allocations.

Al White, from the RRFC Board, came in to the JPA meeting saying that the JPA is a waste and just another layer of bureaucracy. But it seems that he has been partially convinced. Rogina Water and the City of Ukiah are out of it, but the other districts in the valley will all benefit from coming together.

14. Sonoma County Water Agency

Nothing to report.

15. Report of Attendance at Agency Meetings

SGMA: Everyone has agreed that there will be a single GSA. Toward the end of the second facilitation they had a list of who can be the GSA. The options are the County or a JPA of some kind. The County and the IWPC have been eliminated, as has the water district JPA because there isn't balanced representation. The County may not be lead, but they need to be closely involved. So they're looking to set up a new JPA. So they're going to form a technical workshop to form this JPA, and GM Koehler volunteered.

Sam Sandoval has been doing mapping for the districts. He's a professor from UC Davis and has graduate students doing studies for him for various scenarios. They demonstrated that to have reliable water in Lake Mendocino we need to raise the dam and keep the Potter Valley Project. We all knew that already, but now we have a very credible source that backs up the opinion. His other graduate student is looking at the demand side of all the valley. And we get all these studies for free.

Millview: We're still working on the backflow problems. Our guy has bailed on us and it turns out that Millview and Willow are looking for backflow programs. Some local guys, though, are upset that they don't get to do things the way they want to anymore. So we're

looking to get one program for all the districts. We don't have to go to bid, but it may be a good idea.

Millview is also having an issue with railroad crossings. It may seem to be their problem, but we have three places in our district where there are conflicts with the railroad tracks. Right now, the railroad is saying they want \$65/lineal foot where putting the pipe in the road is only about \$25/lineal foot for the paving and traffic control part. So that means the railroad is not offering fair market value. So Millview is going to be opening up that can of worms.

Willow: The big topic of conversation with them has been the conflict with the 83 services and the City of Ukiah. It has been detached from Willow's sphere-of-influence. The big deal is that McCowen wants to force the transfer to take place. The same situation may arise on the north end of Ukiah, where Millview serves the houses. And the development down on Ford Rd may also be impacted in the future.

16. State Water Resources Control Board (SWRCB)

Nothing to report.

17. Status Report of Place of Use Issues

Nothing to report.

18. Status Report of 2800 acre-feet Storage Right.

Nothing to report.

19. Consider Attendance at Other

Nothing to report.

Motion to adjourn.

Motion by Ricetti, second by Dir Basili

In favor: unanimous

Meeting adjourned at 8:30 pm.

Minutes submitted by Jeanette Wise

Approved: Board of Directors
Date Approved: _____
Signed: _____