

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

MINUTES  
BOARD OF DIRECTORS

Regular Meeting  
April 19, 2012

Directors Present: Donald E. Butow, Jeanette Hallman, Granville Pool, Pamela Ricetti, Jack Spilman  
Directors Absent: None  
Staff Present: General Manager Bill Koehler  
Recording Secretary: Linda Groth  
Others Present: County Supervisor Carre Brown, Steven Gardner, Paula Berezay, Liz Markowski

CALL TO ORDER: 7:03 P.M.

1. ROLL CALL.

Pamela Ricetti, Director  
Jeanette Hallman, Director  
Donald Butow, Board Vice-President  
Granville Pool, Board President

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

Nothing.

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

Nothing.

4. ACCEPTANCE OF AGENDA.

**MOTION: Accept the Agenda as presented.**

Butow/Ricetti Discussion CARRIED

AYES: Butow, Ricetti, Hallman, Pool

NOES: None

ABSENT: Spilman

Director Jack Spilman arrived at 7:06 P.M.

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.**

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

GM Koehler reported to the Board that the District employees wish to attend the portion of the Meeting listed as Agenda Item No. 8.D. Wages. Those employees will need to be notified by phone when we know what time the topic will be discussed. The Directors agreed to set the topic as a Timed Item, at 8:00 P.M. or 8:30 P.M., whichever is convenient to them. Steven Gardner then stepped outside and phoned the employees with agreement for 8:00 P.M.

Director Hallman expressed concern about making sure to save the recordings of Board Meetings now that the District is no longer using a cassette tape recorder. The new digital recorder system downloads to the Recording Secretary's personal computer. After discussion, the Board agreed that an External Hard Drive System should be purchased, and a second memory card will be added in the future, as to make a father-grandfather safety precaution for the stored recordings. The Board Secretary is to contact her consultant to make certain the EHDS is configured for compatibility and to then make the data transfer. It was guessed that the EHDS might cost in the range of \$50 or so.

6. APPROVAL OF MINUTES AS PRESENTED.

The Draft Minutes of March 15, 2012 were reviewed.

**MOTION: Accept the Minutes of March 15, 2012.**

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

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

GM Koehler reported that the sorting work done by Paula and Liz resulted in a compilation of 12 boxes (approximately 1-1/2 yards) of unnecessary paper files being removed from the storage unit. This will

provide some much-needed space in the unit. The shredding company came to the office today and did the shredding on-site.

GM Koehler reported that we have not known who would be assigned as our District Engineer since Bruce Burton's promotion to the Sacramento Office of the California Department of Public Health. GM Koehler was recently informed that Michelle Frederick is the new District Engineer for Mendo-Lake. Ms. Frederick has served as our Sanitary Engineer in the past and is familiar with our operation. We are very fortunate to have her.

County Supervisor Carre Brown commented that Katherine Coleman, former Head of the Regional Water Quality Control Board has now been promoted to be working in Sacramento with the State Department of Natural Resources. GM Koehler mentioned that, other than the recent remedial action, this District has had no interaction with that particular Agency.

## 8. GENERAL MANAGER'S REPORT.

GM Koehler reminded the Board that the new Fiscal Year starts July 1, 2012. His goal is to have a Trial Budget available for the Board to review at the June Regular Meeting and to have the Budget in place by July 1<sup>st</sup>. In order to do so, he needs feedback from the Directors as soon as possible on what they feel they are willing to spend on capital, depreciation and wages; this can be via a committee, a special meeting or whatever.

President Pool asked for a clearer understanding about budgeting for capital items and for depreciation, per se. His understanding is that depreciation is ultimately capital.

GM Koehler answered, It is; but also, what is called depreciation is the money that is being set aside to replace what we've already got. Capital projects would be getting something that we've never had; and that does become depreciable.

President Pool said that seems like a pretty clear demarcation but when you look through the list of capital items, a lot of them, then, are replacing depreciated items.

GM Koehler explained that his hope in creating these lists, is potentially bringing it home to roost that what we did four years ago going in to the drought, was survival mode. We survived. At that time the talk was, OK once we survive then we will have a better idea of how to go on in the future. He thinks we are in the "new normal" now. This is what we are doing and now it's time to discontinue neglecting some serious money issues just because we are trying to hang on to a certain level of reserves. Basically we've got one year; if we make no money for one year, well until the School Way Project comes along which will chew a giant hole in what we've got left in reserves. What has happened every year for the past four years is that he has come to the Board with potentially about \$150,000 that should be spent on capital and we ought to be putting at least \$50,000-\$100,000 away for the depreciation of the District. The District cost in 1978 was \$7.4 million dollars. Fortunately they did use a good quality pipe because we really don't have many 'main' leaks and the majority of our 'service line' leaks are in the Mutuels that got absorbed into the District over the years, and those are being dealt with. For example, if we have a service line leak it's probably going to be in the Ellen Lynn subdivision. But we need to be prepared that in 15-20 years we may need to replace significant chunks of existing infrastructure. Also, right now we've got some significant work that needs to be done on one of our storage tanks. It's not huge, but it's there.

Director Butow mentioned that the most significant work on existing infrastructure has been done on the treatment plant but not so much in the field.

Director Ricetti asked if GM Koehler is referring to the piping with the thin layer of concrete he spoke of at a previous meeting. And will that need to be inspected?

GM Koehler answered, Yes, that was a 30" pipe that runs 4-1/2 miles. Without that, we have about 30-days of stored water. We will need to have the piping inspected by an engineering firm.

President Pool stated he believes the Board agreed at the previous Meeting that the inspection is necessary, since everything else in the system relies upon the transmission main. We don't have

documentation as to how all those joints were made, so we don't know whether they were properly lined or if they are highly susceptible and could spring a leak at any time.

GM Koehler said he needs guidance on how the Board wants to go about selecting engineers to help write the proposal.

Director Butow said that right now we've got to work on the budget and we only have a couple of months to do it. He suggests that maybe two Directors get together with GM Koehler to review what he spelled out at the last Board Meeting and what he has presented tonight for both capital and depreciation. This would show everything identified and laid out for the Board to see, and then the three committee members show what else they want to add to the list, and bring those recommendations back to the Board at the June Meeting. The Board can discuss the recommendations vs the income we've got coming in. This will dictate what the Board can do in regards to wage increases and other things. Director Butow personally feels this is all leading to a rate increase.

GM Koehler appreciated the suggestion and Director Butow offered to be one of the two Directors working on this with GM Koehler.

Director Ricetti also offered to be on this committee. Most likely the committee will meet several times.

7:30 P.M. Paula Berezay arrived at the Meeting.

## 8.B. SCWA

GM Koehler reported he and Sean White drove to the Sonoma County Water Agency together for their meeting on April 17<sup>th</sup> as scheduled. The key question: Is there a willingness to facilitate some form of transfer? What he and Sean got was, in SCWA's opinion they are already in the process. What Sean and Bill repeatedly stressed to them was, that's all fine and dandy but before we can move ahead on our end, we need a public statement from SCWA stating that we are in the process and that the process is likely to succeed. What they are working on right now is a modeling of what might happen to the population in all of their service areas including Redwood Valley, and what might happen to agriculture in all of those areas if there is some sort of ag conversion. For instance, when the pear trees were pulled out some people put in alfalfa just to 'tread water' and continue to maintain their water right and at least pay their taxes. So is it likely that there is going to be some conversion out of grapes and into something else? Bill and Sean kept stressing that they do not know. SCWA needs to pick some numbers that they are comfortable with and maybe run the model with a 10% conversion out of grapes – 20%, 30%, whatever they want to do. We can't really project that.

GM Koehler defended the numbers that he gave to SCWA in terms of the 3500 acre-feet and they rightly pointed out what he did. He told them that he picked the highest single domestic year and the highest single ag year (which are not the same years) and lumped them together and then added some contingency, and that got to be the 3500. His logic in doing that: 1) he doesn't think we're ever going to get a second opportunity to do this. This is it. He would prefer to give them a number that could be whittled down a little bit rather than coming in at a figure showing our absolute rock bottom minimum that we could survive on. There is some wiggle room in that figure with both the domestic and the ag. He hypothesized that we might see 400 new houses in the District if there is no moratorium. This includes people on the waiting list from 1989, and we don't know the status of those folks.

Director Ricetti mentioned her previous suggestion that we place something in the newspaper and see what kind of response we get.

GM Koehler will certainly do whatever the Board instructs him to do.

Back to the report, in terms of doing the modeling on the ag side, Don Seymour and Todd Schram from SCWA are going to meet with Sean White and go to the US Davis Ag Extension and work with Shane there. They already have the map overlays for agriculture and they can tweak them, they've got the UVAP. SCWA would indeed like to see that whatever water is let loose for Redwood Valley be administered such

that it is essentially blended with RR Flood Control District water; that is their preference. We don't yet know what they will want in return. In general though, what SCWA would like to do is have one entity that they call and say "This is what we need in the river."

Even though our District is pulling water out of the lake rather than out of the river, SCWA would still prefer one entity. Also everyone knows that the City of Ukiah will never participate; also Dan Rogina would have to do something with his privately owned water company.

Now we don't know what that entity is going to look like and we haven't spent a lot of time on it with the ad hoc and with the folks from Flood Control because until we knew there was a light at the end of the tunnel, there was no point in getting hung up in the myriad of small details we're going to have to work out.

SCWA has said they will meet with Shane at UC Davis within the next two weeks and they hope to have some sort of public information within six weeks. So again, this is the first time SCWA has clearly said that they consider themselves as being in this process already.

Director Pool asked if GM Koehler was able to get any sense, when SCWA was talking about 'in our minds we are already in the process', of beginning to look for transferring some water under some circumstances. Where did they figure that water would come from? Did they say that it can't transfer water from a water right?

GM Koehler responded, There are three avenues:

There is the 6,000 ac-ft Application that Flood Control has made which would then presumably be reduced down to whatever it was that is coming our way. But that's an Application; an Application that would have to spend the next 30 years wandering around in Sacramento and/or the Courts. The only outstanding real serious Protest to that Application is from SCWA.

Then there is the 7,500 acre-feet that is specifically set aside for Redwood in Decision 1610. Now Sean keeps saying there are too many caveats and restrictions to that 7,500 to make it very useful, but in reality, there aren't. The caveats and restrictions are, if the lake drops below 30,000 ac-ft, we cut back to 50%. Well if the lake drops below 30,000 ac-ft, everybody is cut 50%. GM Koehler pointed out to SCWA that if the lake drops below the point at which they are releasing it from the dam, Redwood is the customer that can get to it.

The third avenue is a Contract of some kind. North Marin was not a part of the original District and after they paid a large, lump sum to get into the system, then they had a right as a Contractor to buy, just the same as say, the City of Santa Rosa could. But those details need to be worked out. The difference between us and the Marin model is that we are not taking advantage of their infrastructure. That is, not their aqueducts, their pipes, their pumps, not any of their facilities except for the Coyote Dam. So those are the things that need to be worked out. Unless and until SCWA says, yes, there is light at the end of the tunnel, there is no point in hashing out those details.

SCWA is saying that within six weeks they will have some positive news that we can then take back to our various groups.

GM Koehler had a copy of SCWA's 2011 Annual Report showing that sales are significantly down. He told them that Redwood would like to help them fill that gap. He also provided them with additional information about Redwood that they had previously requested.

7:55 P.M. Liz Markowski arrived at the Meeting.

#### 8:00 P.M. TIMED ITEM

#### 8.N. WAGES

GM Koehler stated the District has been in a crises mode, particularly in the last 4 or 5 years. As we entered the drought, our water sales dropped about 50%. One of the decisions made 4 years ago when the Board froze wages and benefits was that we need to wait and see what happens. This much later we know this is the 'new reality' and we need to adjust to it. In his opinion we are not paying competitive wages to our employees and he feels these employees are in attendance tonight because they are getting

frustrated with him. It is time to take a long hard look at that and a decision should be made sooner rather than later.

Director Butow mentioned that last year there was talk about taking payroll funds unspent as a result of the retirement of the Office Manager and the subsequent downsizing of office staff, to then use as payroll funds to provide raises to the remaining office staff. And as he thought about it, he felt it was still going to be pretty thin because there are the 3 field people in addition to the 2 office people.

GM Koehler said he is not actively counting himself and at this time he would only consider 2 of the field personnel because the junior employee has some thresholds he needs to pass before he can be considered for a raise. However, the junior employee is expected to take care of those issues and to obtain at least a T-1 Certification and would then be considered for a raise.

GM Koehler stated that there are 4 employees who in his opinion at this time are underpaid and overdue; it's been 4 years.

President Pool commented that the GM Report indicates some of the field crew employees have advanced their Certification during the past 4 years.

GM Koehler explained RVCWD is a T-3/D-2 Facility. A lot of it is riding on his license (GM Koehler), but as GM, he does not physically run the Water Treatment Plant. The person who is really responsible for the day-to-day operations of the Treatment Plant needs to be a T-3, D-2. It should be noted that Steven Gardner moved up his Certification to a T-3, D-3 which is a higher Distribution Grade than required here. He did not receive raises for these. Also the second treatment/distribution employee, Scott Norcross, is now signed up to take the D-2 course.

Director Hallman inquired about Steven Gardner's qualifications and capabilities to run the Water Treatment Plant in the unfortunate event that something were to happen to GM Koehler.

GM Koehler responded, Legally he has the Certification to run the Treatment Plant, that is correct. He has the Certification to sign the paperwork.

GM Koehler continued, There needs to be a person that has accepted the Title of "Chief Operator", and right now, that is me, although I do not operate. Basically, you need a "fall guy" and right now I'm the "fall guy."

The requirement is to have at least one person who is a T-3, D-2 and then the next person can be one Grade lower in both those categories.

Director Butow suggested looking for a possible Stop-Gap solution to this budget. He asked if there was a figure they should look at as the unspent payroll funds and GM Koehler stated, After deducting the new costs for a Recording Secretary, the balance is about \$35,000 annually. He would like to give the employees an opportunity to speak at this time. The Board agreed.

8:10 P.M. Supervisor Carre Brown left the Meeting at this time. The Directors thanked her for coming to the Meeting.

Steven Gardner explained that for comparative purposes in surface water treatment facilities in the County, the Brooktrails Water District has the closest similar operation compared to RVCWD.

GM Koehler added some other details, concluding that none of the local surface water treatment plants are exactly the same.

President Pool then asked Steven Gardner to continue his presentation.

Steven Gardner continued. Although he contacted both Willits and Brooktrails, Willits hasn't sent their information yet. But Brooktrails provided several pages showing job descriptions and responsibilities and wages. For a T-3 it's \$40 per hour, for a T-2 it's \$34 per hour, for a T-1 it's \$30 per hour. For Liz's position it would be between \$23-29 per hour and he didn't find a comparison for Paula's position (Office Manager/ Board Secretary/Executive Officer).

He did not request a salary study from the City of Ukiah because it's well known that Ukiah pays a lot more than the other utilities. Since City of Ukiah is not a County Water District, we don't have much else that we can compare with them.

Director Hallman wondered about the fact that this District pays all of the Employee Health Benefits and more than half of the dependent premium. The District also pays a 100% match on the Retirement Plan Option. As to the rates just mentioned, were these benefits factored in? Also, it was her understanding that for the field personnel the on-call/standby pay was sort of a pay-back for the lower pay.

GM Koehler said he feels confident that the Board would find the benefit packages a very similar in value, although most agencies would offer the PERS retirement (State) rather than the ICMA this District offers. He encourages the wages and benefits be compared, but he already knows that we are not competitive.

Steven Gardner said he did not do a whole Study of pay and benefits, he just wanted to start off with obtaining the hourly wages. And as to the on-call pay Director Hallman mentioned, that is for the 2 A.M. and sometimes more, calls in the middle of the night which is no fun for anybody.

Director Butow disputed the idea that we offer extra hours to make up for the fact that we give a lower pay. That doesn't compute.

Director Spilman asked Steven if he knew whether those hourly rates were a fully-loaded rate.

Steven Gardner said his intention was just to bring this information to the Board. Not to say what each person deserves. He added; We are not like any other District in the area. We are not going to be able to take any other Agency's pay scale and stamp it on ours, and call it good. It's going to have to be something that the Board works out for what they feel is appropriate pay. Something that encourages longevity so that an employee doesn't jump ship because the next door neighbor pays \$20 more per hour.

Director Ricetti requested the current salaries of the employees and was told that the Lead T-3/D-3 makes \$21 hourly, the T-2/D-1 makes \$15.++ hourly, the ungraded trainee makes \$13 hourly. In the clerical side, the 29-year employee promoted to Office Manager/Board Secretary/Executive Officer makes \$20 hourly and the 8-year employee handling customer billings and accounts makes \$12.50 per hour.

Director Butow feels the Board should consider remuneration also acknowledging Steven Gardner's Certification to T-3 and Paula Berezay's promotion to Office Manager/Board Secretary/Executive Officer.

He added, We sort of have a double whammy here. We need to get our Budget together so we can determine what kind of a Rate Increase we're going to ask for. The Rate Hearings will follow and it could easily be 9 or 10 months before we start seeing an increase in revenue to support the operation of our District. Shall we try to do something with the payroll surplus in the interim?

Director Pool stated, We have been accumulating that payroll surplus for a few months now and by the time we do the Budget there will be another 3 months of that surplus and that would help carry us through some of the time involved in doing the Rate Hearings, the Prop 218 Hearings etc., before we can get the customer rate increase in place.

GM Koehler suggested, Something should be done sooner rather than later since it has been 4 years already. I don't think we should take the surplus and divide it by 4 equally. We should look hard at the issues in upgrading such as, Liz is particularly low-paid; Paula has been promoted and has taken on a whole lot more responsibility; Steven has upgraded and is the defacto senior operator. If I have your encouragement and take that money that's being saved by a reduction in workforce and figure out the most equitable way that I can divide just that piece of money out as we agree to look harder whether that's even going to be enough. But if I could do that now, then I would be more than happy to come back with a recommendation next month.

Director Butow added, I'm looking at this as an interim thing until we can review salaries in the future.

GM Koehler reiterated that this is money that is budgeted for payroll but is not being spent at this time.

Director Butow told the employees, We are not talking about "that's it." We're talking about "you are long overdue." We are trying to give you something in the interim while we try to work out something in the Budget that probably won't take effect until after the first of the year.

President Pool stated, In this Budget we are working on budget numbers and looking at whether and how much we need in the Rate Increase and we're hoping to work up a Draft Budget by the next Meeting.

GM Koehler told the Board that he'll be working on what will be the bones of it for the next Meeting. The Board will have to agree to either a) not meet the July 1<sup>st</sup> deadline or b) have a Special Meeting in order to meet this July 1<sup>st</sup> deadline, which is what we have done in the past.

President Pool suggested that we schedule a Special Meeting in order to meet this July 1<sup>st</sup> deadline. As part of that process, GM Koehler should look at what he feels would be the most equitable way to divide up the surplus that we have in that Budget item. We also need some guidance from GM Koehler as to where he thinks the Board needs to go.

GM Koehler said the committee of Director Butow, Director Ricetti and himself will also be discussing that matter.

Director Butow fully supports getting this interim raise to the employees asap.

Director Hallman told the employees she fully sympathizes with their plight but she wants them to know that she knows many employees that have had their wages frozen or must take mandatory time off.

Paula Berezay reminded the Board that its employees are paid far less than those folks at the County and it's difficult to compare the two.

Steven Gardner also mentioned that the new employees hired here in the past few years could not make the cut. Those new-hires came in at wages higher than a long time employee whose wage was frozen for these 4 years; and it was extremely demoralizing to the long time employee.

The Board inquired as to why Steven felt they didn't make the cut and he explained that you have to be a really quick learner and also have a lot of patience. It's a steep learning curve and there are oftentimes situations that are extremely stressful, and you have to be able to deal with it. A lot of the people just fell apart at even a minimal amount of stress. You can't operate a treatment plant like that. We impose so much stress on ourselves every day; take today for example, the treatment plant basically failed when we're running out of water. Situations like that, they can't cut it.

GM Koehler said he agrees with Stevens's account of hiring at a higher scale. That was clearly a mistake on his part but the intent was to get somebody here and then use that as a springboard to get the other people up even higher. But it didn't work, it was a mistake.

Director Spilman asked, Was that maneuvering?

GM Koehler responded, It was a failed attempt to bring somebody in at what I thought they should be making at the bottom, and then leapfrog everybody else significantly. It didn't pan out and neither did the employee. Again I agree with Steven and I think there is another complement too, it's that unfortunately there are people who view water treatment as, this will be fun, I'm going to sit behind a computer. But that's not the way it works; you learn how to use a shovel and if you can't use the shovel and you can't handle stress and you can't survive on a steep learning curve, goodbye. But that's also tied to the District needing to be competitive so that it can pay people for putting up with those conditions and learning and thriving in them, and in fact retain the qualities that we want for the District.

The consensus of the Board and General Manager is that this is far overdue and an interim raise is 'going in the right direction' for our employees.

The Board of Directors thanked the employees for sticking with the District through thick and thin, and the employees thanked the Board for hearing and dealing with their concerns.

The employees left the Meeting at 8:37 P.M.

#### 8.C. SLUDGE DISPOSAL.

We are in the process of identifying facilities that are able to receive this non-compostable material.

#### 8.D. STATE WATER BOARD/ANNEXATION.

We have a new contact at the SWB and GM Koehler has been speaking with him quite frequently. There are two Change Petitions that have been conjoined; one is for a Time Extension and the other is for Change of Place of Use. GM Koehler was under the impression we were focusing on the Change of Place of Use exclusively, but he was informed today that the two Petitions may not be able to be separated out. The Time Extension was filed to allow us to build off-stream storage. Since we are not progressing on the off-stream storage and aren't likely to, the conjoined petitions could become complicated. GM Koehler has provided the new contact person, Darren Tran, with information and materials to bring him up to speed, as Mr. Tran was unfamiliar with much of it.

Although all of the annexations were approved by LAFCO, it is unfortunate the SWB is also concerned about the Petition for a Time Extension. However, the way the District was originally intended to be, there is a provision for direct diversion for frost protection during the frost protection season; but the diversion for summer irrigation water is supposed to be stored. It's not a direct diversion right, it is a stored right. We don't have that storage. At one time the SWB was trying to pressure the District into claiming all these individual ponds out there for our storage. This is not something we want to engage in. We would be spending tons of money on gauges and we would be going onto private property and telling them how to operate their ponds. I don't see this happening and it would run quickly afoul of AB2121.

#### 8.E. TANK CAPITALIZATION.

GM Koehler spoke with Utility Service Company a contractor specializing in permanent maintenance of storage tanks. Their proposal includes upgrading, repairing and recoating finished water storage tanks. The cost would be spread over a 4-year period. Following that initial period, the fee is reduced to reflect

maintenance. If the Board accepts this proposal, the status of the tanks would shift from an asset that depreciates over time and must ultimately be replaced, to a permanent asset. This is an expensive service that must be compared to the cost of maintaining and ultimately replacing storage tanks. The District can obtain scaffolding to do the spot repairs on the higher walls and ceiling but cannot do full interior re-coating.

It has been discovered that the north clearwell has significant damage to the roof beams in the vent area. Also, the interior coating of the Road B tank is starting to fail, with a lot of small corrosion spots that have not yet caused structural damage but will soon, if not repaired. A request for bids to re-coat the structures has been sent to two different companies.

As to the bid for permanent maintenance, notice the service called "wash down". This is important because the Department of Public Health is looking at the quality of water in a distribution system. The DPH feels they have a good handle on the quality and safety controls in the treatment plant and now they are really focusing on what is happening throughout the distribution system: what is it doing by aging, what is it doing in the tanks; and they will require monitoring of the biofilm as a result of the iron-loving bacteria that can grow in chlorinated water on the inside of the tank and the inside of pipes. GM Koehler told the Board that the inside of the District tank walls are all stained brown from biofilm. We tried pressure washing and that was an absolute failure. A part of this contract offer is that their maintenance program includes washout every 10 years or as needed.

While GM Koehler is not pushing for an immediate decision on all of this; he does want the Board of Directors to be aware of what will need to be faced in the future and the options. After further discussion it was agreed the Board will take all of this into consideration during Budget studies.

9:00 P.M. Break

9:15 P.M. Reconvene

#### 8. F. SURGE TANK MITIGATION.

GM Koehler reminded the Board that all parties have agreed to the project at the Russian River at the base of the Outdoor Education Site (removal of invasive plants, bank stabilization, and gravel capture). Since the proposed project does not cost enough to use up the \$63,000, the project has now been extended farther towards the School Way Bridge. Doing this extension has been approved by the RCD, Fish and Game, and the Regional Water Board and it uses up all the money. Cecile at the Regional Water Board will issue a letter stating that upon payment of the final amount to the RCD, the Cleanup and Abatement Order issued by the Regional Water Board will be lifted. That means the issue will be closed; we will be done.

GM Koehler is also working with SCWA to see if they want to be a part of the PRP we're probably going to roll out to try to get a news release of some kind saying, this is what we are doing and thank you SCWA, thank you RCD.

#### 8. G. SCHOOL WAY BRIDGE.

President Pool and GM Koehler sat through the Hearings. There were no negative comments from the public; the only negative comment was from County Supervisor Pinches who doesn't think that putting a pipe in a bridge is a logical way to put pipe across a river. Supervisor Carre Brown asked GM Koehler to make a comment and he explained the County D.O.T. is moving the bridge. The nature of the relationship between a water district with piping in a county road right-of-way is, the County tells us to move our piping,

we move it. It's going to cost us around \$250,000. Supervisor Pinches said to fire our engineer and find a place either upstream or downstream and go across the river on our own. After several Directors speaking at the same time, a mutual agreement was that if implementing that suggestion, the EIR would probably run close to \$250,000 all by itself.

GM Koehler and the Board of Directors reviewed how the plans are laid out. Tentative start date for construction is May or June of 2013.

#### 8.H. QUAGGA MUSSEL.

GM Koehler reported he had a tentative discussion with Brad Sherwood, the SCWA coordinator handling the North Coast Quagga Consortium. SCWA would like to see some support money for the Consortium coming out of Mendocino County. The RV Board of Directors signed a Support in Principal for the MOU and the Board of Supervisors of several counties are being asked to sign the MOU. For our District, the concern is that the MOU really does involve the monitoring of boating, which is not within our authority. There will most likely be something else coming along later that is more general.

Director Butow mentioned that this was discussed at the monthly IW&PC meeting; and that the policing of this will have to be up to the COE.

GM Koehler agreed, and said that the COE has generally been reluctant to do any policing of anything that might have a negative feel to it even though closing the reservoir to all recreation would be a lot more negative.

Everyone in our valley is vulnerable, Potter Valley is vulnerable, PG&E is terribly vulnerable, any ponds with pumped water are vulnerable, even the downstream Flood Control District customers who are pumping into a pond are vulnerable. Once the mussels are in the system, there is no getting them out. Even in the Great Lakes, quagga mussels and zebra mussels make up 50% of the biomass. We definitely want to keep them out.

GM Koehler would like to receive Board approval for him to discuss with SCWA the possibility of using any remaining or future water payments (when finally approved by SCWA) to assist in paying for monitoring and education.

Director Hallman requested clarification.

GM Koehler said it's about the \$47,000 we paid into the Fishery & Habitat Fund under the Surplus Water Agreement. After the Agreement expired, we continued to set aside funds covering the amount of water we pumped. The intention from SCWA was for those water purchase funds to be used in Mendocino County for fishery and habitat, but now GM Koehler is hearing that SCWA will be extending that out to include conservation. Although some projects have been verbally approved, SCWA has been reluctant to give us anything in writing for issuing those funds. We are looking at paying ourselves back for the \$17,000 we've already spent; and after we pay the \$63,000 for the remediation at the Russian River at the base of the Outdoor Education Site, there is still another \$60,000 that we owe. That totals approximately \$120,000 that's been identified and will come out of those reserves plus the first \$47,000 in the Fishery & Habitat Fund.

GM Koehler would like to urge SCWA to give us permission for these perfectly qualified projects. The remediation at the Outdoor Education Project area is a project that meets every criteria that SCWA established: it's on the West Branch, it's habitat, it's even within the boundaries of our District, it involves every agency that SCWA would want to involve. Also we would like some of those funds to go to the North Coast Quagga Consortium.

Director Hallman mentioned that we will also have to pay Flood Control for a share of the meter.

GM Koehler agreed. He said the FCD hasn't billed us is because the USGS hasn't billed FCD for the meter. It's on paper that we have spent that money; it's accounted for and there will be a billing.

### 8.I. METER REPLACEMENT.

We have replaced or retrofitted all we can of the 2" domestic meters. (NOTE: Although GM Koehler did say 'domestic' meters in this sentence, he wants the Minutes to reflect that he was talking about agricultural meters). We have retrofitted 50 of the 2" Badger Turbo ag meters. The 4" Water Specialties ag meters have demonstrated they don't register any water flows from 0- 40 gpm. That is a loss of water and revenue. Over the past five years our unaccounted for water loss has varied from 12% to 25%. If SCWA agrees that conservation is an important component of what the money is set aside for, and they recognize the problem with the meters, they would allow us to use that money to deal with our ag meters. There is enough money in those funds to pay for 40 + new meters. This will also be discussed in the Budget studies, as these 4" meters will need to be replaced.

### 8.J. SERVICE CANCELLATION.

GM Koehler explained a pending domestic service cancellation on a property with a water service that became delinquent following a total destruction of the residence due to a fire quite some time ago. All attempts to make contact with the property owner have failed, including certified mail being returned for lack of delivery. The District's Resolutions, the current procedure, the Superior Court Decision, and the contract with SCWA are not in complete alignment concerning cancellation of a service for non-payment of account. Further, the SCWA contract contains language specifically prohibiting the adding of new addresses to the established list of service locations.

The Board of Directors discussed these issues and asked that GM Koehler prepare a Resolution reflecting the concern of the Board and to make that Resolution available for discussion and action at the following Board Meeting.

### 8.K. ENGINEERING FIRM.

After receiving no responses to the RFP for a rate/charge study last month, the Board suggested that GM Koehler send out an RFQ to a smaller number of companies to select a firm to work for the District. GM Koehler reported that after speaking with several of the firms, he has come to the conclusion that a written RFQ would not necessarily be the best way to select an engineering firm. In the very near future we are likely to need services such as: minor civil design and inspection; updated Master Plan (latest is 1997); rate and charge study (latest is 2000); assistance with transmission main inspection; and EIR (water acquisition), and various services to the storage tanks.

After discussion and comparisons, and based upon the fact that Brelje & Race Engineers in Santa Rosa has the expertise and has a long history with the District including a previous Master Plan, hydraulic study, rate and charge study, and numerous improvements throughout those years, the Board decided at this time to focus only on this firm. As requested by the Board of Directors, GM Koehler will contact Brelje & Race Engineers with the request that they provide a Packet Presentation for the Board of Directors at the next Regular Board Meeting, and also to provide a list of places they've served that would have needs for services comparative to this District.

### 8.L. TAP WATER.

ACWA has asked Member Districts to approve a Resolution proclaiming support of tap water v. bottled water. This is part of a current state-wide program variously known as "Take it from the Tap" and "Rethink your Drink".

**MOTION: Support the Tap Water Proclamation.**

Ricetti/Butow Discussion CARRIED

AYES: Ricetti, Butow, Hallman, Spilman, Pool

NOES: None

ABSENT: None

8.M. HUMBOLDT BAY MUNICIPAL WATER DISTRICT. (Agenda Item No. 8.O.)

The District received a letter from Humboldt Bay MWD announcing they have 60 MGD of what is now surplus water as a result of mill closures. They would like to find a buyer for this water so that they do not lose their water right and the suggested transport mechanism for this water is by marine transfer. GM Koehler responded that marine transfer is not a likely option for this District, but that we would appreciate being a part of any future discussions that involve a regional pipeline. The Directors were in agreement with GM Koehler's response.

ACTION ITEMS:

10:14 P.M. Director Spilman left the Table of the Board of Directors and sat in the audience.

8.1. Spilman Water Services.

GM Koehler reported that Mr. Spilman has property at 12400 Tomki Road which consists of two Assessor Parcel Numbers and with two District water meters. One parcel has a house on it and the other parcel does not. The domestic meter is located on his northern parcel and the ag meter is located on his southern parcel. Sometime in 2006 he received a letter from this District saying, should the property be transferred to another owner, the water service would be applied to Parcel 2, which is the northern half; he wishes to have a letter removing that stipulation. GM Koehler did not write that letter and neither he nor staff can find a copy of that letter in the records. Further he does not see a logic for that stipulation and recommends a motion stipulating that if the property is ever split, the seller would determine which parcel would receive which service, as neither meter can serve both of the new parcels.

**MOTION: If both parcels stay under a single ownership, the water meters can serve anywhere on the property. If sometime in the future the parcels are split between two owners, the seller would determine which parcel receives which service, as neither meter can serve both of the new parcels.**

Hallman/Ricetti Discussion CARRIED

AYES: Hallman, Ricetti, Butow, Pool

NOES: None

ABSENT: Spilman

10:20 P.M. Director Spilman returned to Table as a member of the Board of Directors.

8.2. ACWA/HBA.

The RV District currently contracts with ACWA to obtain health benefits through their Health Benefits Authority (HBA) a separate entity. Another separate entity, ACWA/JPIA (Joint Powers Insurance Authority)

provides liability insurance. In an attempt to increase efficiency and therefore savings, the HBA Board has voted to dissolve itself and combine with the JPIA.

ACWA is requesting a Resolution from all member agencies supporting this transition.

**MOTION: Approve Resolution 2012-1 in support of dissolving ACWA/HBA and combining with ACWA/JPIA.**

Hallman/Ricetti Discussion CARRIED

AYES: Hallman, Ricetti, Butow, Spilman, Pool

NOES: None

ABSENT: None

8.3. Dam raising feasibility study.

This District is a member of the Inland Water & Power Commission. This District is not currently providing payments for the dam raising feasibility study. The current payment due for work already performed is \$90,000. There appear to be discussions from some of the other participants regarding withdrawing from the project and ceasing to make future payments. Janet Pauli has scheduled an All Boards Meeting on May 17, 2012, from 4:00 – 6:00 p.m. at the Ukiah Valley Conference Center.

President Pool said he feels our Board should attend, even though this is scheduled the same evening as our Regular Board Meeting which begins at 7:00 P.M.

**MOTION: Post the IW&PC Agenda for an All Boards Meeting from 4:00-6:00 P.M. on May 17, 2012 at the Ukiah Valley Conference Center.**

Hallman/Butow Discussion CARRIED

AYES: Hallman, Butow, Ricetti, Spilman, Pool

NOES: None

ABSENT: None

9. M.C. INLAND WATER & POWER COMMISSION. (Agenda Item No. 11).

GM Koehler reminded the Board that Paige Poulos was hired by the IW&PC and authorized the sum of \$10,000 (from money already paid into their bank account as dues by the five member districts) to do a preliminary study on how to properly educate the public as to the truth of the relationship between the Eel and the Russian and the Potter Valley Project. At this last IW&PC Meeting, Ms. Poulos came back to the Commission with a recommendation that she also be given an additional \$10,000 to spend at the rate of 1 day a week, for the next 2-3 months, because Friends of the Eel on the 14<sup>th</sup> of this month, kicked off their 10-year intensive, massive campaign that is 10-years-to-the-day of the reauthorization of the Potter Valley Project, and they are hell bent on killing the Potter Valley Project. Their goal is to raise well over a half-million dollars to make sure that the Potter Valley Project is killed. What Paige suggested was that she really needs to gear up her efforts to combat that campaign. Well, the IW&PC members were unwilling to make that decision, saying they have to go back to their Boards for authorization. This, in spite of the fact that there is still almost \$30,000 of back dues sitting in the bank account.

President Pool stated that the JPIA was created to be able to make decisions, and yet the representatives on the JPIA are unwilling to make the decisions.

Director Butow said someone in the attending public spoke up with disbelief at the inaction of the Commission.

Director Ricetti asked, Friends of the Eel has \$500,000 and Paige Poulos needs \$20,000 – and the Commissioners can't make a decision?

GM Koehler urged Director Butow, as a Commissioner, to have Candace place this matter on the Agenda for their next Meeting: The Commission was formed to protect the Potter Valley Project.

Director Butow recalled when he first came to this Board of Directors and was asked to volunteer to represent the District on the IW&PC, he asked Janet Pauli what the IW&PC was all about. Janet explained to him that the purpose of the IW&PC was to defend the diversion of the Eel River.

GM Koehler said he could fully understand the Commissioners being unwilling to make a decision if they were being asked to contribute over and above what is already in the bank account or what is more than their annual dues, but this just made no sense. He also suggested that during our Budget studies, our Board should consider placing funds in a 'war chest' for the fight to defend the Eel River Diversion.

On another topic GM Koehler reported that he, as well as Paige Poulos, Janet Pauli and Guinness McFadden attended the symposium in Fortuna which was put on by the Friends of the Eel. It was a very interesting meeting and it's going to be extremely interesting to see how Friends of Eel manage to spin this data to prove the science that they are trying to prove, because all of the science that was presented was by the UC Berkeley group that has an environmental research area on the lower reaches of the South Fork. So, all of the science was presented from the South Fork. The endangered yellow legged frogs will have a hard time breeding in a river that's managed with pulse flows for recreation. It should be noted that nowhere on the Russian River system is water managed with pulse flows for recreation. Also, there was someone who presented on Water Law based on the Colorado River compact. Another person spoke about dam removal on the Klamath. All the dams were smaller than Pillsbury and they didn't have the sediment problems.

It's going to be real interesting to see how Friends of the Eel spins this data.

Unfortunately you cannot overcome emotion, with science. These people are functioning on emotion. They are not functioning on science. How they are so willing to throw Russian River salmonids under a bus in the name of protecting the species, makes no sense.

It is so very important to keep Paige Poulos involved in this critical issue.

10. FINANCIAL REPORT. (Agenda Item No. 9).

The Financial Report was reviewed.

**MOTION: Approve the Financial Report.**

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

11. LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY – LAFCO.  
(Agenda Item No. 10).

Frank McMichael is retiring from LAFCO and going over to the Sanitation District.

GM Koehler did meet a gentleman who has applied for the LAFCO position. He has been hired to do the agency service reviews, so he is going around gathering additional bits and pieces of information. GM Koehler tried to give him as much background information as possible, with the expectation that he'll be appointed to the LAFCO position.

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

Both Director Butow and GM Koehler attended the meeting. Most of the discussion was about how much money they are spending on lawsuits.

The Meeting ended at 10:30 P.M

The next Regular Meeting is scheduled for 7:00 P.M. on Thursday, May 17, 2012 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

Respectfully Submitted,  
Linda Groth, Recording Secretary

APPROVED: Board of Directors

DATE APPROVED: June 21, 2012

SIGNED: Paula Berezay  
Secretary, Board of Directors