

REDWOOD VALLEY COUNTY WATER DISTRICT
P.O. Box 399
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MINUTES

January 4, 2001 Meeting

Chairman Donald Butow called the regular meeting to order at 7:00 p.m. in the District Offices, 8961 Colony Drive, Redwood Valley, California.

Present:

Donald Butow – Chairman
Sanford A. Dwight – Director
Robert F. Parker – Director
William L. Howe – Vice Chairman

Absent:

Derek G. Ross – Director

CONTINUATION OF PUBLIC HEARING AND TAKE ACTION REGARDING WATER RATE INCREASE.

██████████ spoke regarding the letter she had written to the Board, regarding the fact that they are very unhappy with the fact that she has a vineyard and only a 2-inch meter. For the last 15 years they had been allowed 6 acre feet. She said she didn't mind paying \$200 more if she had to, but that is for only 2 acre feet under the new proposal, not the original 6 she had. She felt she should only have to pay the same as the people who had the 4-inch lines.

Chairman Butow stated that was only the charge for the first two acre feet. Additional acre feet under the new rate would be \$190 each and she would be able to get whatever water she needed or the District could deliver.

Director Parker clarified that the rate was per acre foot. With a 4-inch meter 6 acre feet would be \$1200 under the new rate. People with 2-inch lines would pay \$200 for each of the first two acre feet and \$190 for each additional acre foot after that. They are not limited to 2 acre feet. The only reason the Board set the rates that way was because people who are not using more than 2 acre feet wouldn't then have to pay more than they were using. For each additional acre foot over the first two, 2-inch meter people would then pay \$190 for each additional acre foot used. This would allow people who use less than 6 acre feet per year pay only for what they use. In reality, the 2-inch users would be paying \$40 less than those with the 4-inch meters for 6 acre feet.

Chairman Butow added that when they stated that you could get all the water you wanted that was a misstatement because the District would give water to the users as it was available and it's getting to that point if you have been following the papers, Eel River cutbacks, etc. be an issue.

Chairman Butow stated that a question he had which had come up at the last meeting was in regards to the hookup fee. They had wondered how the Board could make the hookup fees retroactive back to February 2000.

David Rapport said that when the date of the increase had been determined, they had been telling people who had come in during this time and made application for hookups that the rates were going to be increased and therefore they had been given notice of the increase. There was nothing in the Code that would indicate you couldn't do that.

Chairman Butow asked Keith Tiemann how many applications had been made since then and Keith indicated there had only been 8 or 9. A deposit had been paid at that time the applications had been made, but not the full amount because they didn't know what it was going to be at that time.

Director Parker indicated that several people had approached him relative to the fact that the new rates should be phased in.

Chairman Butow said he had heard the same thing. They were also concerned about the new power rate increases that were currently being announced and this would really give the farmers a significant increase to deal with.

David Rapport indicated that indeed they could phase in the new rates. The financial analysis of the rate increase would, however, be affected by that. They would have to have the engineer reevaluate the revenues regarding the modification.

Tom Yokoi of Brelje & Race stated that alternative 1, did not include collection of funds for long term debt. Both Alternative 2a and 2b did include that.

David Rapport stated that you can't have the residential customers subsidizing the irrigation customers. You could phase in the new rates, but as soon as you knew what the repayment of the long term debt would be, you may have to revisit this issue.

Tom Yokoi stated that the difference between alternative 1 and 2 was indicated on page 4 and 5 of the report. The only difference were the 3 items set aside for long term debt.

Discussion ensued relative to whether they should go from alternative 1 to 2a and then 2b. The general consensus seemed to be that they start with alternative 1 and then go to alternative 2b in 18 months.

David Rapport reminded the Board that the report had been based on a budget which was already out of date and they would probably have to revisit the overall picture in one year because of the loan repayment issue. Also, with the power increases due, the budget for the current year was already under funded.

Chairman Butow asked Keith Tiemann what the current budget was. Keith stated that the proposed budget for 2000-2001 is \$925,000 and included the long term debt. He stated that the actuals for 1999-2000 was \$607,000 without any loan repayment.

Tom Yokoi said that historically, the biggest water usage was during the summer months, although Chairman Butow argued that with the ag users, it was during the winter time when they were using water for frost protection.

Chairman Butow suggested that they go with Alternative 1 for 12 months and then go with alternative 2B, after they knew more about the energy costs and the loan repayment.

Director Parker, asked about the matter of the hookup fees. Would the rate determined this evening be retroactive back to February 2000? What about the water rate increase?

Chairman Butow said they were not going to make the rate increases retroactive.

David Rapport stated that whatever rate increase was enacted tonight, would remain in effect until they changed it. What they may wish to do is have a separate motion from the rate increase, expressing the expectation of the Board that they would revisit the rates in a year or on some regular basis. In a year, if they wanted to increase the rate again, they would at least have to go through the notice and hearing process, if 218 is applicable. They wouldn't necessarily have to do a new rate study although they might want to factor in any changes.

Chairman Parker said that 2b did not address the real long term debt resolution, only the one they were postulating when they did this study, and it also did not reflect the massive power increases that were currently being imposed for all our energy sources, so at some point in time, about the time they would go to alternative 2B, they might find it wasn't enough so they might have to do another one. They would have to re-notice it anyway again, but if it's OK, it would then just take place.

Chairman Butow stated that they could go with a motion and phrase it with the full understanding of what they might need to do if they needed to modify it for some reason and they would probably know in about 8 months.

Director Parker stated that the real protest over all this has been the fact that the domestic rate was going up by 20% and the ag price by 300%. What happened was that this did not appear to be equitable. In fact, when they did the rate study, which hadn't been done at all in the last 12 years, it was then they were anticipating the need to go along with prop 218, which basically said that you must charge customers what it costs for services and you can't modify that. When they went back and did the study they found out that all those years that it wasn't the way it was. In retrospect, the domestic customers had been subsidizing the ag users over the years and now when they had to bring it back to the way it should be in accordance with Prop 218, where ag customers have to pay the cost of ag water and domestic customers have to pay the cost of domestic water, that's the reason the 20% jump in one and a 300% jump in the other. The District had been acting outside 218 for some time which was OK, but only had to get into that when they made adjustments, which they had to do now. That's the reason for the significant difference in the rate increases for ag versus domestic users.

Because there was a conflict of interest amongst the directors regarding the issue of ag versus domestic water usage, straws were drawn to make the vote legal. Director Dwight drew the short straw.

Director Parker then moved the Board accept the water rate increases as proposed in the study dated July 2000 as Alternative 1, effective immediately, and furthermore that the Board anticipated moving to Alternative 2B twelve (12) months from now, with the understanding that the Board may have to review this sooner. This motion was to also include the increase in hookup fees be retroactive to February 2000 as resolved at that time. Director Howe seconded and the motion was approved.

Chairman Butow requested that Keith Tiemann draft a separate notice to all rate payers of the new rate increase for signature by the Chairman and Keith agreed.

HEARING OF COMMENTS OR QUESTIONS FROM THE ATTENDING PUBLIC

Chairman Butow introduced Chuck Marshall, a representative from the Bureau of Reclamation with whom the Board has been negotiating regarding the loan. He stated that he was available to answer any questions at this time.

Mr. Marshall stated that he had been waiting for some time to see what action the Board would take regarding the rate increase as it would have an effect on what they were looking at regarding a repayment period, annual fees, etc. He stated that what was really going to "kill" the District in regards to the loan is that if you loose irrigation customers and you only have domestic because the interest rate that is assigned to that loan is variable and depends on how the domestic usage is in comparison to overall usage. Right now it's about 1/3 domestic and 2/3 irrigation. At that rate there you're paying about \$180,000 per year on interest to the degree you can maintain irrigation function, it will help you on the loan. If I were to use what you've proposed in Alternative 2B, you're talking about a 74 year repayment period and I don't know what type of life span your system has, but you would potentially be paying on it long after it's usable and it's probably not the best business deal you could make. I really think you will ultimately look at something more like \$246,000 per year as far as a way to settle unless you have some sort of prepayment on the interesting bearing portion. I'm going to push hard to make sure you have the right to do that. The study that's been done suggests a repayment period of 16-25 years based on the ability of the irrigation users to pay their portion.

Chairman Butow asked if that excludes and ignores the domestic?

Mr. Marshall agreed.

Director Parker added that it would be interesting to see how many of the current ag users "cut and run" because of the significant rate increases since some of them had alternative sources of water.

Chairman Butow expressed the Board's appreciation at his attendance at the meeting.

PRESENTATION BY TOM YOKOI FOR CONSTRUCTION OF AN ADDITIONAL RAW WATER STORAGE POND.

Chairman Butow expressed the fact that he believed this had been discussed at the previous meeting Tom had attended and was not necessary for them to go over it again.

Chairman Butow asked if they would consider an urgent item that required Tom Yokoi's participation, that was received since the agenda was posted. It was a letter from Russian River Flood Control Water Conservation District .

Director Howe made a motion that they hear as an urgent item the letter received by Chairman Butow from the Russian River Flood Control. Director Dwight seconded and the motion was approved.

Chairman Butow continued that it was addressed to the Board from Mark DelPerro, their attorney, and what it was about was the fact that back in November, they requested we supply them with information regarding the metering device on our system at the lake. We responded that we had one, it was located by Road D, etc. He then got talked to by Lee Howard that he was upset that we weren't complying. The letter I got from them was that it was not acceptable the way we were metering our water. I wrote back to them, including the fact that no one had come to our facility to we could show them what we did. We do meter our water and have done since it was installed. We have daily records of how much water was being pumped out of the lake.

Director Parker asked Keith Tiemann what kind of report he sent along with his payment. Do they send them a printout of what the meter said we used or what?

Keith Tiemann responded that he tallies up the monthly usage at their request and sends it to them.

Director Parker stated that this had apparently been acceptable all these years.

In light of that, Chairman Butow read the letter he received. He then asked Keith, that since Tom Yokoi would be at the meeting tonight, to show him the letter and have him write back that our system was accurate.

Tom Yokoi, stated that in order to certify it, there must be an absolute certainly that the numbers are correct. It would have to be tested. Instead of certifying that the information is accurate, Tom suggested that he could explain the circumstances, because he believed that the Russian River Flood Control does not understand your system. I could make a schematic diagram of where everything is and the instrumentation that is used and how we can tell when unauthorized water is being drawn. Just indicate that the meters work as well as if they were at the intake level.

Keith Tiemann stated that the current meter was only about 2-3 years old and had not been calibrated since it was installed. He said that it could be done, but would mean importing a special piece of equipment and running a test on the meter.

Chairman Butow stated that since they had made the statement our equipment was not acceptable, he would like Tom to write the letter explaining the system and also to authorize the expenditure to have our people come in and check the meter.

Director Parker agreed that they should have Tom Yokoi send the system explanation, but hold off on calibrating the meter unless it was asked for. It would just be another cost item.

David Rapport agreed that what they were proposing was the correct thing to do. They needed to make a reasonable response to them and it would indicated that you were being responsible to their request.

Rosalyn Peterson asked that if all the water that comes in from the dam comes here?

Chairman Butow responded that we had 7 pumps going into a surge control box, then into a single line and then over here to the corner of Colony Drive at which time it's measured. There is no diversion of water prior to that point. After that point, there is a diversion into ag and then over here to this facility. It's metered before it leaves that box.

Rosalyn Peterson asked that if someone asked how much water we use, can you just tell someone that's given the meter records that it's recorded there?

Chairman Butow stated that if wanted to come in and audit our records to see how they are maintained, they're welcome any time.

Keith Tiemann stated that what they do is take a totalizer reading every day. It's a running total in gallons of water. You read it one day and then they subtract what the read was 24 hours before. That results in the amount of water you pumped for that day.

Director Dwight motioned they authorize Tom Yokoi of Brelje & Race develop a schematic and explanation of the District metering system in response to the Russian River Flood Control request. Director Howe seconded and the motion was approved.

PRESENTATION BY TOM YOKOI FOR CONSTRUCTION OF AN ADDITIONAL RAW WATER STORAGE POND.

Tom Yokoi stated that a month or so ago the Board had asked him to put together some information regarding this project. One of the most important tasks is the environmental one. He had talked with an environmental staff person and she had said that there should be minimal effects to the pond site itself. The biggest concern was the amount of material to be removed from the site. One acre would be 40 feet deep and that would be a problem. You will need a relatively large site in order to accommodate this amount of material. In his estimate, there was only an allowance of \$3 per cubic foot for a site close by, but if it had to be hauled to a disposal site at some distance, it would depend how far it had to be taken. The key element of this project is where this material is going to go. Unless this can be answered, there is no future in developing this project any further as it becomes a major cost element as well as a major environmental impact.

Tom Yokoi explained the type of construction needed for the pond and why there would be so much material to be disposed of.

Tom Yokoi said he had discussed several possible sites earlier that evening with Keith Tiemann and had looked at them, but one had two creeks on it and made it unfeasible. Another one was about 10 acres, but it looked as if it had been prepared a number of years ago for a vineyard, but was never developed. It was further away and would require trucks to haul the material there. They would also have to check on the environmental impact of placing the fill there to be sure they weren't doing something that would be against any environmental regulations.

Someone from the audience suggested the property south of the shopping center that had been looking for some fill.

Chairman Butow stated that it then appeared their next task was to determine what this cost would be. They needed to determine whether there was a site available for disposal of this material and what the cost would be to haul it there.

Director Parker suggested they might also investigate a larger reservoir as the cost might not be more than trying to build the smaller pond on the District site and then having to haul the material elsewhere.

Tom Yokoi suggested that there had been one other alternative he had mentioned several months ago and that was in order to mitigate the peak days or weeks is to have up to 500 acre feet of storage somewhere nearby, so you wouldn't just be relying on water from the lake.

Chairman Butow stated that they were utilizing that information in the Eel River Project but that the District did not have the money for doing this on their own.

Keith Tiemann added that another way of looking at this would be that if you are going out looking for sites where there could be fill dirt dumped and you would spend a lot of time, then give this information to Tom and he would do the analysis on environmental aspects and that would cost a lot of money. Then the result of that, if you are able to do it, is that you would be able to build a very expensive 50-acre foot reservoir. What Tom was saying was that if you could spend that same energy and that same time to go out and look for a site, a 400 or even 200 acre site which could be utilized to build a stand alone facility for the same amount of money and for the same amount of time that you would be building the 50-acre foot pond here it would be a better use of everyone's time.

Chairman Butow asked if it was possible to build a 200 acre foot reservoir for \$1 million.

Tom Yokoi stated it was possible, but it would depend on whether a site was available.

Chairman Butow felt it might be worth it to do both...look for a dump site as well as a site for another reservoir. Director Parker concurred.

Keith Tiemann stated that he had prepared a staff report that addressed both these issues and asked it be entered here as a matter of record.

The purpose of this report is to place in the record the comments of District staff regarding proposed additional raw water storage and related pumping and piping on the District property adjacent to the existing raw water reservoir.

The proposal is to construct either a 37 acre-foot storage pond for an estimated cost of \$549,000 or a 50 acre-foot storage pond for an estimated cost of \$720,000. The cost per acre-foot of developed storage is \$14,800 for the smaller pond and \$14,400 for the larger pond. Both those amounts grossly exceed the accepted standard for reservoir construction costs of \$1,000 per acre-foot of developed storage. The reason for the excessive cost is because of the large fixed costs involved with any reservoir construction which are magnified when the developed storage capacity is so small. Furthermore, either pond option would use most, if not all, of the available reserves which are already earmarked for other improvement projects.

There have been no provisions to generate the needed funds from either connection fees or from the sale of water, so it is unknown where the funding will be obtained for either pond option.

It is believed that the new pond will provide additional storage of raw water that can be used to supply the water treatment plant and the domestic water service customers once irrigation water service is terminated because of some perceived water shortage.

The existing reservoirs will have something less than their full capacity once that shortage is recognized and declared. It is assumed that the reservoir is full, a maximum of 22,000,000 gallons will be in storage. In any storage reservoir, only 2/3 to 1/2 of that water will be available for treatment because of the concentration of silt and suspended particles toward the bottom of the reservoir as it empties. If the figure of 2/3 availability is used, the amount of usable storage becomes 14,500,000 gallons. That would be 14 days supply during peak demand periods. A 50 acre-foot pond stores 16,300,000 gallons of water when full. A 2/3 availability would reduce that to 11,000,000 gallons, or 11 days of supply during peak demand. A 37 acre-foot pond stores 12,000,000 gallons of water when full. A 2/3 availability would reduce that to 8,000,000 gallons, or 8 days of supply during peak demand. The very best scenario would provide 25 days of supply for domestic customers and none for irrigation customers of which 11 days is supplied by the new storage pond at an estimated cost of \$720,000. That does not appear to be a cost-effective solution.

Aquatic Weed Control

Another function of the proposed storage pond is to allow either bay of the existing 2-part reservoir to be drained down or isolated for aquatic weed control. The only known effective, non-chemical approach to weed control is to empty a bay of the reservoir and manually eradicate the aquatic weeds or allow them to die off. Such an approach could only be used in the summer months when a bay can be empty long enough for the bottom to dry enough to allow men and/or equipment access to the bottom of the bay. To accomplish that, the water level in the other bay would have to be kept below the level of the center dike which would reduce its capacity to 8,000,000 gallons. That amount, added to the maximum capacity of a new, 50 acre-foot storage pond, would be 24,000,000 gallons. The peak demand of the irrigation and domestic water system is 12,000,000 gallons per day, which means that there would have to be a 24-hour per day pumping from Lake Mendocino to keep the reservoirs fully charged and not have to try to process the bottom 1/2 to 1/3 of the reservoirs. Even if irrigation water service is terminated during this process, there would be fewer than 16 days of storage for the domestic customers without pumping to recharge the ponds. Also, pumping from Lake Mendocino would have to be somehow throttled in order to be able to pump into two such small capacity reservoirs without overflowing either the intake structures or the center dike and setting back the weed eradication process.

It is for these reasons that the proposal to build and utilize a new storage pond is not feasible, certainly not for the proposed cost of construction. Instead, the Board of Directors should immediately commence a search for a reservoir site that is large enough to provide adequate raw water storage. The funds for such a project could be generated from increased fees for water service connections for new customers who will benefit from the improvements and from increased water rates for existing customers who will benefit from the improvements.

The new storage pond is not needed for aquatic weed control because the optional intake valve off the transmission line allows treatment plant operators to obtain a raw water supply from the transmission pipeline instead of directly out of the existing pond. If and when aquatic weeds block and reduce the flow at the reservoir outlet pipe, operators can switch to the transmission line outlet and resume operations.

The new storage pond is not needed for emergency supply because agreements with other water agencies in the area allow the District to supplement its supplies with treated water supplies from other water agencies.

District staff hereby recommend against the construction of any small-sized storage pond on the District property as inadequate and far too costly.

PRESENTATION BY TOM TOKOI OF A PROPOSAL TO CONSTRUCT A TWIN SURGE TANK.

Keith Tiemann mentioned that at the last Board meeting, one of the bidders on the project to rehabilitate the tanks had indicated there was \$25,000 in his bid for heating the surge tank to get the proper curing time during the winter months. He had expressed that would go a long way toward providing a second, twin surge tank and asked Tom Yokoi to prepare a proposal on this.

Tom Yokoi stated that many districts have second tanks just for flexibility and reliability of being able to service them at any time of the year. Certainly this is a critical piece of equipment and currently you don't have that luxury. He passed out a sketch of a proposed possibility to the Board as well as a couple of other alternatives. The overall estimated project cost of a second tank would be about \$200,000. This would not include the cost of the additional land needed.

Chairman Butow suggested that the Board take this under advisement. He also asked Keith Tiemann to check into the availability and cost of the adjacent property.

Keith Tiemann said that the contract that was put out a month ago which did not get any bidders included the rehabilitation of three existing tanks plus the surge tank. He suggested to Tom Yokoi that the contract be rebid again without the surge tank so they don't have the time constraints on the rehabilitation of the tanks.

Chairman Butow suggested and the other Board members agreed this should be done.

CONSIDER RESPONSE OF THE STATE HEALTH DEPARTMENT ON THE RECOMMENDATION TO PROVIDE A STANDBY GENERATOR FOR THE WATER TREATMENT PLANT OPERATIONS.

Tom Yokoi stated that he would give the information to a mechanical engineer in his office who could determine the size and cost and prepare a proposal for the Board.

Keith Tiemann said that they received a number of recommendations from the Health Department that resulted from their annual inspection and the District should respond to their recommendations. Although they don't necessarily expect us to implement all of them, we should respond to them. They want to know that you have looked into them and that you know what our demand requirements are and what it would cost to have one and how you would implement that in conjunction with other districts.

The Board recessed at 9:20 p.m. and reconvened at 9:30 p.m.

CONSIDER CONTRACT FOR CONSULTING SERVICE WITH MARY HIATT FOR EEL RIVER WATER PROJECT.

David Rapport stated that he had drafted a contract which could be submitted to Mary Hiatt for her consideration and passed out copies to the Board.

Keith Tiemann asked David Rapport if it would be OK to send the unapproved agreement to Mary Hiatt for her comments in between so that maybe by next meeting the Board will be able to act on it.

Chairman Butow suggested the Board take this under advisement and put it on the agenda for the next meeting.

DISCUSS REQUEST FOR COPIES BY DIRECTOR ROSS.

Chairman Butow stated this was a non-issue at this point since no one has heard from Director Ross. He would like the Board's input about sending a letter to Director Ross since both he and Director Dwight had tried to contact him without success. He had been unavailable to the Board for at least 5-6 months and they wanted to know what his intent is. Director Butow asked David Rapport what the procedure was for this type of thing.

David Rapport said that if he were to declare his seat vacant and fill it, there is a procedure which would involve the District Attorney.

Director Dwight inquired as to how much time was left in his term of office.

Keith Tiemann responded that it was 2 years.

Chairman Butow suggested that a letter should be written to Director Ross.

David Rapport said that the Board should authorize the letter be written and signed by the Chairman. He could prepare a draft for his signature.

Director Howe motioned that a letter be drafted by David Rapport for signature by the Chairman of the Board to Director Ross requesting information as to his intentions regarding participation on the District Board. Director Parker seconded and the motion was approved.

Keith Tiemann mentioned that if he continued without resigning, he had to file a Conflict of Interest form every year and that form would be received shortly by everyone on the Board. If he resigns, he has to file a Leaving Office Statement within 20 days which constitutes the time from the first of this year to the time he resigns, so if he chooses not to do those things, he's either going to have to file those reports when they are due or be fined if he doesn't. If he resigns and doesn't file a Leaving Office Statement he will also have a fine.

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

None.

APPROVAL OF THE CONSENT CALENDAR.

The following items were listed under the consent calendar:

1. Financial report
2. Bills paid since those approved at last meeting
3. Bills payable
4. Special expenditure fund, status report

Sanford Dwight moved that the consent calendar be approved, Director Howe seconded, and the motion was approved.

APPROVAL OF MINUTES OF MEETING OF DECEMBER 7 AND DECEMBER 12, 2000.

Director Howe moved the minutes be approved. Director Parker seconded, and the motion was approved.

DIRECTORS' REPORT AND DISCUSSION OF NON-ACTION TOPICS.

Keith Tiemann reported that the new computer was up and running, but the billing software was not yet loaded nor did they have an internet connection. The billing program was going to be entered next week and Andre has asked to give a demonstration of the billing program to the Board to be sure you are interested. He would like to do that on January 16th (Tuesday).

Director Dwight moved that the Board reconvene on Tuesday, January 16th at 2:30 p.m. for this demonstration. Director Howe seconded and the motion was approved.

Next, Keith Tiemann introduced the item that Brelje & Race had started the analysis and study of the project of the shop expansion and they have come up with a couple of options. The purpose of this shop expansion was to develop additional space for storage and work space. They have recognized and identified a number of options. Keith would like to have the Board appoint a committee to meet with him and decide which one or combination of options that they would like to consider. We need to make a decision without having to wait a month in between each item for the Board to meet.

Director Parker and Chairman Butow agreed to work with Keith on this project.

CONSIDER APPROVAL OF REVISED PERSONNEL POLICIES AND EMPLOYEE HANDBOOK.

Chairman Butow stated that he was going to change the make up of this committee to exclude himself and include Director Dwight along with Director Howe. They would meet with Keith Tiemann to complete the work on the draft for approval.

CONSIDER REIMBURSEMENT TO DIRECTOR HOWE FOR COPYING CHARGES FOR PERSONNEL POLICIES AND EMPLOYEE HANDBOOK.

Director Dwight motioned that Director Howe be reimbursed for this expense. Director Parker seconded and the motion was approved.

CONSIDER ANNUAL SALARY REVIEW FOR GENERAL MANAGER.

Chairman Butow suggested that he and Director Howe meet and decide this issue.

CONSIDER HARDSHIP WATER SERVICE APPLICATIONS.

Keith Tiemann stated that he had written a letter to them and had not yet heard back from them.

Chairman Butow reiterated information regarding the application for a second hookup for the care unit and he would meet with Director Howe and decide how to handle this.

DEVELOP RESPONSE TO STATE HEALTH DEPARTMENT REGARDING DEVELOPING A RELIABLE WATER SUPPLY FOR THE DISTRICT AND OF THE IMPACT OF THE POTENTIAL ELIMINATION OF THE POTTER VALLEY DIVERSION ON THE DISTRICT'S WATER SUPPLY.

Chairman Butow suggested they could reply that the District had applied for a study grant for the Eel River and that's the only reliable water supply on the horizon that might potentially pay off. On the potential elimination of the Potter Valley Diversion on the District's water supply, we don't know what the potential of that will be other than a total disaster. We could direct Keith Tiemann to respond as such.

Keith Tiemann felt it was the Board's responsibility to address this and needed their input. What they want to hear is that you are setting up a meeting with Millview, Willow and the City of Ukiah, etc. and are working with the other districts to mitigate this situation. He stated that he expected something to come out shortly regarding a meeting of the districts in the area regarding the valley-wide water purveyor issue, but had seen nothing yet. Keith said he would draft something for the Board to review.

CONSIDER REQUEST FOR CANCELLATION OF WATER SERVICE TO 2290 ROAD H.

Keith Tiemann said that this property was owned by a woman who is in the last stages of Alzheimer's and has been institutionalized. Her granddaughter is living on the property. The property went into arrears and was foreclosed. They have allowed the granddaughter to live on the property until they decided what they are going to do with it. We got a letter from the granddaughter in November asking the District to cancel water service to the property as of November 13. I reported this to the Board and the Board asked me to go back and explain what the consequences of cancellation of water service would be which I did. She feels she is not being treated fairly and is using this as a way of getting back at the people who foreclosed on the property. Also, she is being made to pay for the water while she lives there. She is using the well on the property, so doesn't feel she needs the District connection. Also, it will prevent the water from being made available to the new owners. In the last few days, I was contacted by Dick Seltzer (one of the new owners) who said he didn't want to lose the service and felt he had a right to the service. I got in touch with the granddaughter again and told her she needed to get some legal advice. I don't know who has the right to cancel this service. Subsequently, he had received a letter from Dick Seltzer requested that the District not disconnect the service. October 6th, 2000 was their date of acquisition.

David Rapport stated that the Board had the option of not canceling the service since this is not the original applicant in the first place. However, you have a delinquent account, so you could notify the property owner, that while you're not going to cancel the service based on the request of the granddaughter, the District will cancel the service due to the delinquency.

Chairman Butow affirmed that the water service had been turned off but not disconnected.

Director Parker felt that since there was a delinquency, a letter should be written to Mr. Seltzer that the water would not be turned on again until the owed balance had been cleared.

Chairman Butow stated that the matter would be deferred to David Rapport for research and then let Keith Tiemann and the Board know what the District's course of action should be.

CONSIDER AUTHORIZATION TO ENTER INTO A CONTRACT WITH AN ELECTRICITY SUPPLIER UPON RECOMMENDATION BY ACWA-USA.

Chairman Butow felt this had been agreed to once before.

Keith Tiemann added that ACWA-USA is an agency that is formed for the purpose of trying to find an electrical supplier for water agencies who are members of the agency. They have been successful in the past in getting the District with energy suppliers. We had a contract with an energy supplier last year going into the summer season PUC changed the rules so that the supplier who was under contract was no longer able to perform under the contract as changed by the PUC. We were switched back to our original supplier, which was PG&E, so we are now back to being supplied by PG&E. ACWA is continuing to look for suppliers even in the deregulated and chaotic market that we are now experiencing. They aren't sure they will be able to find one, and if they do find one with a contract that is advantageous to the District, they are saying the decision would have to be made quickly or they will lose the opportunity.

Reading from their letter, "We anticipate that pricing made available by a supplier at any given point will remain for a very limited time. That would require a member to make a final decision within a few days, possibly a few hours, of the specific price being offered. Since approval processes can take time for many agencies, we are recommending that approval authority within specified parameters be delegated to agency staff so that agreements can be quickly finalized as appropriate." What Keith suggested is that if you feel it's appropriate, that you authorize someone to make the decision on an agreement when it becomes available without having to wait until a Board meeting.

Director Dwight motioned that they authorize staff to enter into a contract for an electricity supplier through ACWA-USA when available. Director Howe seconded and the motion was approved.

CONSIDER ACCEPTANCE OF AUDIT REPORT FOR THE TWO YEARS ENDED JUNE 30, 1999 AND 2000.

It was suggested that this item be continued to the next meeting to give everyone a chance to thoroughly review it.

Keith Tiemann asked if the Board would be willing to sign the letter saying that they did not withhold any information from the auditor or knowingly omit any information required by him.

* David Rapport said this was necessary because they had to rely on information given them by the client; that you did not intentionally misrepresent anything.

Director Howe moved they sign the letter of acceptance, it was seconded by Director Dwight and the motion was approved.

Keith Tiemann asked if the Board wanted the auditor to be at the next meeting to answer any questions the Board may have regarding the report.

Chairman Butow suggested that if no Board member had any questions before the agenda for the February meeting was published, they would let Keith know they wouldn't need him there.

DEVELOP RESPONSE TO REQUEST FOR COMMENTS FROM THE COUNTY PLANNING DEPARTMENT ON MS 16-2000.

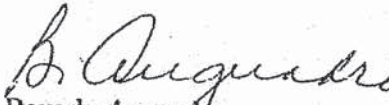
Keith stated that they had requested a response by January 8. The property is south of Redwood Valley School and the applicant is proposing to subdivide it into 3 parcels. Two parcels are without water and the remaining parcel has a well. The applicant is saying that water would be provided to the other two parcels by the existing well on the third parcel.

Keith recommended that the response be that since water is to the existing parcel and a well currently exists on the current parcel and the applicant is not requesting water service from the District, although the District could not supply water to them because of the moratorium, therefore the District has no objection to the proposal.

Director Dwight moved that the Board approve that response; Director Howe seconded and the motion was approved.

Chairman Butow adjourned the meeting at 10:25 p.m. until Tuesday, January 16 at 2:30 p.m. here at the District office to observe the presentation of the new accounting software.

Respectfully submitted,


Beverly Augadro
Recording Secretary

.6 hrs +



Redwood Valley County Water District

Post Office Box 399 • Redwood Valley, CA 95470 • (707) 485-0679

December 27, 2000

TO: Board of Directors
SUBJECT: Agenda, Regular Meeting, Thursday, January 4, 2001, 7:00 P.M.
MEETING LOCATION: District Office, 8961 Colony Drive, Redwood Valley, California
SCHEDULED GUESTS: Tom Yokoi

1. Public Hearing and take action regarding water rate increase.
2. Hearing of comments or questions from the attending public.
3. Presentation by Tom Yokoi for construction of an additional raw water storage pond.
4. Presentation by Tom Yokoi of a proposal to construct a twin surge tank.
5. Discuss option for weed control in raw water storage reservoir.
6. Consider contract for consulting service with Mary Hiatt for Eel River Water Project.
7. Discuss request for copies by Dir. Ross.
8. Consider hearing of urgent items received since the agenda was posted.
Russian River Flood Control Letter
9. Approval of Consent Calendar.
 - a. Financial Report.
 - b. Bills paid since those approved last meeting.
 - c. Bills Payable.
 - d. Special Expenditure Fund Status Report.
10. Approval of minutes of meeting of December 7, 2000 , and December 12, 2000.
11. Directors' report and discussion of non-action topics.
12. Consider approval of revised personnel policies and employee handbook.
13. Consider reimbursement to Dir. Howe for copying charges for personnel policies and employee handbook.
14. Consider annual salary review for General Manager.

BOARD OF DIRECTORS

Derek G. Ross
Sanford A. Dwight
Donald E. Butow
William L. Howe
Robert F. Parker

MANAGER

Keith W. Tiemann

TO: Board of Directors
SUBJECT: Agenda, Regular Meeting, January 4, 2001

December 27, 2000
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15. Consider hardship water service applications.
16. Develop response to State Health Department regarding developing a reliable water supply for the District and of the impact of the potential elimination of the Potter Valley diversion on the District's water supply.
17. Consider response of the State Health Department on the recommendation to provide a standby generator for the water treatment plant operations.
18. Consider request for cancellation of water service to 2290 Road H.
19. Consider authorization to enter into a contract with an electricity supplier upon recommendation by ACWA-USA.
20. Consider acceptance of audit report for the two years ended June 30, 1999 and 2000.
21. Develop response to request for comments from the County Planning Department on MS 16-2000.