

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

MINUTES  
BOARD OF DIRECTORS

Regular Meeting  
July 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, unknown member of the public

CALL TO ORDER: 7:00 P.M.

1. ROLL CALL.

Pamela Ricetti, Director  
Donald Butow, Board Vice-President  
Jeanette Hallman, Director  
Jack Spilman, Director  
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.

Vice President Butow announced to the Board that although it won't be happening immediately, it is quite likely that he will be moving outside the District boundary before the end of this year. His term of service would ordinarily end in December 2013, which would be the culmination of 14 years of service on the Board of Directors. Whomever the Board should appoint to fill his vacancy will serve until the end of his scheduled term and then will be subject to the election process.

President Pool stated he will be sorry to lose Director Butow but he understands and he appreciates the early notice.

7:05 P.M. County Supervisor Carre Brown arrived.

4. ACCEPTANCE OF AGENDA.

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

Hallman/Butow Discussion CARRIED

AYES: Hallman, Butow, Ricetti, Spilman, Pool

NOES: None

ABSENT: None

5. APPROVAL OF CONSENT CALENDAR.

a. Financial Statement.

b.-1. Bills Paid since those approved at last Meeting.

b.-2. Bills Paid as approved at previous Meeting.

c. Bills Payable.

d. District Activity.

The Consent Calendar was reviewed.

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

Butow/Hallman Discussion CARRIED

AYES: Butow, Hallman, Ricetti, Spilman, Pool

NOES: None

ABSENT: None

6. APPROVAL OF MINUTES AS PRESENTED.

President Pool asked the other Directors if they feel the Meeting Minutes should be required to be a word-for-word transcript. The June Minutes were 55 pages long and that runs into longer hours to produce and at a higher cost to the District.

Director Spilman said a 5-hour Meeting is too long.

Director Butow said he hopes the goal of the Board would be to do their job in fewer hours and hopefully the Board Meeting would not extend beyond 10 – 10:30 P.M.

GM Koehler reminded the Board that the digital recording is transferred onto a removable hard drive for permanent archiving, which would be easily available if there are any questions in the future.

President Pool mentioned that at least one of the other Special Districts doesn't even record their Meetings, which surprised him to hear. He then asked Supervisor Brown if the County Minutes are verbatim.

Supervisor Brown said there is a legal debate, but currently the Minutes are reflecting only the Actions taken by the BOS. However, everything is backed up with Agenda Summaries, and they also have Attachments for what the subjects were all about. There are other entities within the County that provide Minutes with more details. Supv. Brown added, It's just whatever your policy is.

President Pool would like to see the District Minutes be detailed enough and copacetic enough to capture the essence of what was discussed; and then of course, to reflect the Motions.

After further discussion, the Board agreed to go forward with receiving much shorter Minutes and also to have the occasional 'time of meeting' posted within the Minutes.

(7:21 p.m.)

The Draft Minutes of June 21, 2012 were reviewed. A notation will be added on page 45, Item 12, stating that Director Hallman's comment meant to say that both Sonoma County and Rudy Light had Filed on the same day.

**MOTION: Accept the Minutes of June 21, 2012 with notation.**

Hallman/Ricetti Discussion CARRIED

AYES: Hallman, Ricetti, Butow, Spilman, Pool

NOES: None

ABSENT: None

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

GM Koehler reported that as of today, the District's internet provider is Digital Path. It is the same cost but it's 3 times faster than Hughesnet and is far and away a better product.

**a) Personnel Committee report.**

President Pool stated that the Personnel Committee did not meet. Director Spilman requested updated, detailed listings showing the job descriptions and responsibilities. Both he and President Pool will receive the information.

Director Ricetti said her IT programmer contact has provided a Compensation Analysis Format that can be adapted to accommodate the District's needs and it will update automatically. GM Koehler has been working with the programmer so that all the data we require will be shown.

President Pool mentioned he has requested that GM Koehler provide a printed hardcopy of the Dickerson Report for reference. It is an actual analysis of all the water and sewer districts in the Russian River Basin in Mendocino County and the proposals made over the years to consolidate them and why it hasn't happened. President Pool feels that whether or not RVCWD wishes to consolidate with other Districts, this Report provides some very useful guidelines.

GM Koehler reminded the Board that the report is also available at [www.rffc.org](http://www.rffc.org). He will provide each of the Directors with a written path to follow at that website in order to find the Dickerson Report and the Neary Report.

(7:38 p.m.)

**8. GENERAL MANAGER'S REPORT.**

**8-A. District Operations.**

The District is operating well with no specific problems to report.

**8-B. Surge Tank.**

Regarding ownership of the tank itself, Dr. Benrazavi has verbally agreed to send the \$10.00 check at which time GM Koehler will provide her with a receipt for the tank.

**8-C. Former Surge Tank Location.**

Jim Ronco has sent a note saying he hasn't had time to look into this matter yet. However GM Koehler has continued to pour through old boxes of historical files, and has found what he feels is the answer. He said there was a condemnation trial in 1981. The District actually purchased that site in 1981 at the value set by the Judge, which was \$15,000 for the 2/10ths of an acre the District needed. It was the best building site for the District on that 33.80 acre parcel.

GM Koehler has in hand, the Memorandum of Intended Decision from 1981, and the subsequent 1981 Legal Judgment with a legal description of the site. He does not have a copy of the Complaint filed, but he does have the Case No. of that Complaint, so he will go to the County Recorder and obtain a copy. He suggests the Board of Directors, upon agreement with Dr. Benrazavi, get a satisfactory easement to that portion of the project for which we do not have an easement. In exchange and for a very nominal fee, we would then transfer the property back to her because it's useless to us and we can't sell it to anybody else, and he doubts she is in any position to give the District any money for it.

President Pool wants to make sure the language we do end up with would let us go and do whatever is necessary to dig up the conduit and replace it if needed. He also urges that at the end of the document, it should include the wording "and appurtenances thereto".

GM Koehler suggested, as a courtesy to the property owner, we should make it as unrestrictive as possible.

President Pool agreed, he just wants to make sure we don't shoot ourselves in the foot in the process, especially since we're giving back something for which we paid quite a lot of money.

GM Koehler will take care of it.

The Board and GM Koehler continued general discussion and clarification of the physical layout including the easement and antenna at the surge tank site, including the history of litigation, prejudgment, judgment and legal description. The surge tank site is a legal survey.

#### 8-D. Budget.

The Adjusted Budget, as requested last month by the Board, was presented and discussed.

It was noted that the income was lower than expected. Also there are some numbers that GM Koehler will review for the Directors.

GM Koehler stated that once the Budget is approved he will be able to go forward with the early survey work and the valve exercising project.

**MOTION: Approve the Budget in its final presentation by Staff so that they can go forward with the budgeted expenses.**

Butow/Ricetti Discussion **CARRIED**

AYES: Butow, Ricetti, Hallman, Pool

NOES: Spilman

ABSENT: None

President Pool clarified that the specific numbers the Board asked the GM to review do not affect the Budget for this coming year.

As an aside, Director Spilman asked about our current standing with the State Water Board regarding the mitigation monies the District paid.

GM Koehler reported that the District has received a formal letter from the State Water Board, with a cc to J.R. Ashcraft at Rau & Associates, Inc., stating that there is nothing more expected from RVCWD. The only thing the State needs is a final report from Rau & Associates. JR has replied to the State asking for details of the type of report they require, i.e., an Executive Summary, or else a compilation of all the reports he has sent them over the last couple of years. His estimate is anywhere between \$500-\$1,500,

depending on whether they want a few pages or a bound hundred-page book. Our letter from the State Water Board says that Redwood Valley has paid. No more money required, no more surprises. All they need is a Final Report, and the books on this are closed. The State is satisfied, and, the RCD has the money.

#### 8-E. Tank Maintenance.

GM Koehler advised that he doesn't feel the District needs to spend a lot of money this fiscal year on professional tank maintenance. He has staff doing all the maintenance that can be done in-house this year. The oldest tank in the system, built in 1978, does have structural damage by the vent that needs to be taken care of.

President Pool feels an important point for the Board to absorb in this matter is the kind of expenditure the Representative presented last month for the Tank Maintenance Agreements, and not only for the sake of the tanks but for all of our infrastructure. The next big thing is all of our pipes and valves in the ground. So when you look at that staggering huge expenditure the reality is that whether we spend it that way or we plan for spending it some other way, such as our own maintenance and ultimately replacing the tanks or whatever, it's probably some sort of an indication of the kind of money that we need to be figuring has to be planned for and budgeted. The tanks are just one part of it. President Pool continued, Again I'll say, if you read Dickerson's Report, you'll see a pretty good discussion of what all that means and why small water districts nationwide tend to be heading for a train wreck because of trying to ignore this. Dickerson had some guidelines about how you should be budgeting for capital, maintenance and depreciation, and if I remember correctly his number was about 10% set-aside, which is a little more attractive than the 15%-17% that the State is suggesting. He got these numbers from a nationwide survey. President Pool urged all the Directors to read the Report.

Director Hallman reminded the Board that, again, 10% is what was discussed and agreed upon in the past.

GM Koehler said he feels there is nothing in the Budget that can be cut. In order to put 10% aside we need to either sell a lot more water or else we'll need to raise the rates.

(8:08 p.m.)

President Pool referred back to a discussion the Board had regarding the base rate which is ostensibly for capital. It seems that maybe the Budget should be structured so that the money that is taken in that is supposed to be for capital, would go into a separate capital account and all capital expenditures then would be budgeted to come from and would be drawn from that account. We would have an operating budget and a capital budget that are accounted for separately and discreetly. There probably will be times of exceptional circumstances when funds would have to be transferred from one account to another, but that is the way it should be structured.

Supervisor Carre Brown agreed and mentioned that the County is structured that way.

Director Ricetti asked GM Koehler what his feelings are about how much of this can be done in-house or what is too dangerous for staff to do.

GM Koehler said the tank needs some serious work, the exterior coating could be done by staff. The valve vault, the control valve, a lot of that can be done in-house. As to the interior, he is having trouble obtaining budgetary quotes on tank coating. The contractors that have responded are requesting photographs because they don't want to travel this distance to see the structures. So once we obtain 2 or 3 budgetary

quotes and have some sort of ballpark figure, we'll put that together and send it to Brelje & Race and they will put together a Bid Package.

#### 8-F. Rate Increase Discussion.

GM Koehler referred back to the committee discussion of a rate increase being carried entirely by residential customers and he realizes that the Board needs to rethink that because the transmission pipeline inspection and any repair of the transmission pipeline is 2/3's agricultural. Also the bridge crossing is 50-50 ag and domestic.

President Pool added that the Board needs to be looking at maintaining and depreciating and ultimately repairing and replacing all of our pipelines and all of our valves and so on.

GM Koehler offered an example, adding \$10 to the domestic (treated water) base rate, and based on our current consumption, translates into a \$400 per acre-foot increase in revenue. He noted that Redwood Valley consumes approximately 90 gallons per person per day, which is less than the California low average of 125 gallons per person per day. The California high average is 250 gallons per person per day. The untreated water typically represents an 18% share. Carrying that out, 18% is in the range of \$65-\$75 per acre-foot.

GM Koehler reported that Kevin Barnes from Utility Services Company came by to check in with us after his presentation to the Board last month. He told GM Koehler that he was sitting in a vendor booth at a water industry show and he met a guy there who inspects undersea pipelines. GM Koehler said, Obviously for someone like that, a 4.5 mile pipeline would be 'nothing'. Perhaps it's possible that our lines could be inspected without digging up the mains and installing access points.

President Pool referred to the Dickerson Report: A full cost rate structure is not only planning properly for depreciation and capital expenses, but also providing clear, understandable information to your customers so that they can understand what those costs are and why they are, and why, for their long term availability of their water supply, they are necessary.

President Pool mentioned the matter of how we value our fixed assets and he suggested that before we hire an engineering firm to do this perhaps we could have a discussion with the County Auditor or Chief Auditor-Appraiser regarding the approach of the County for personal property taxation. He asked Supervisor Carre Brown if she thought a couple of people from RVCWD could go in and talk to that person. Supervisor Brown agreed to assist the District in contacting County personnel.

#### 8-G. Consumer Confidence Report.

The annual CCR has been mailed to most customers and hand delivered to the mobile home parks and other combined customers. There were no violations to report. The CCR is also posted on our web site so any Directors who are not domestic water customers may either request a copy for their records or may prefer to look it up on the website.

#### 8-H. Annual Audit.

The Directors reviewed the annual audit included in their Board Packets.

**MOTION: Approve the Annual Audit as presented.**

Hallman/Butow Discussion CARRIED

AYES: Hallman, Butow, Ricetti, Spilman, Pool

NOES: None

ABSENT: None

GM Koehler offered the Board the standard engagement letter with Rick Bowers CPA. He asked the Directors if they still wish to issue an RFP soliciting other auditors.

(8:26 p.m.)

President Pool said the consensus is to approve an RFP for a new auditor, and certainly Mr. Bowers can also submit a Proposal for Services. President Pool still needs to take a little more critical look at things such as the way building improvements and water rights and source of supply are valued. He has never been really satisfied with the way those numbers are derived. He suggested this review be done at staff level and with whatever support is needed from the Board. He also wants to look at the value of land and of right-of-way. After further discussion and clarification of concerns stated by President Pool, GM Koehler stated it would be advantageous to have the abbreviated RFP ask for experience with small public entities, preferably water districts.

8:30 P.M. Unknown member of the public left the Meeting.

8-1. Overlap Area.

Director Spilman expressed hope that the Water District could expand its customer base by making a transfer of Redwood Valley customers in the southern area, which is overlapped by both the Water District and the Russian River Flood Control, to the Flood Control District. This would allow the Redwood Valley District to add new services in the remainder of the Water District's place of use. He feels doing so would generate more income by adding more services and selling more water, which we need to do very badly. He asked, Is there a problem with doing that?

GM Koehler suggested that the first decision that should be made by the Board of Directors is whether or not the Board wishes to renew the Surplus Water Contract with Sonoma County Water Agency. If it is renewed, the contract will contain the same language as before: No new services.

Director Spilman replied that he feels we should tell SCWA that we want to lift the moratorium we have on the ag hookups even though we still need their water.

GM Koehler explained that he has already asked SCWA if a renewal of the Contract will allow any changes to the customer service area. Their reply was clear: SCWA will require both Appendix A (list of domestic service addresses) and Appendix B (list of agricultural service addresses) to remain intact and unchanged as part of the Surplus Water Agreement.

GM Koehler referred to the Board Packet chart showing the amount of water we pumped under the SCWA Contract, saying, Without that Surplus Agreement we would have pumped zero water during those months. Another chart shows approximately 400 acre-feet pumped when Flood Control said, "we're out of water". So we had to pump under the SCWA Contract and then later Flood Control came back and said, "it turns out we did have water". In the past, this was a chronic occurrence with FCD saying we have no water to sell you, then we'd pump under the Surplus Agreement with SCWA, then FCD would later say, turns out we did have water, pay us.

President Pool commented, If I understand what Jack is looking for, it's specifically to acquire new customers in the overlapped area that are not actually our customers but are RRFCFD customers and we would be wheeling the water to them, right?  
Director Spilman answered, That's one method of doing it, yes.

GM Koehler said he was under the impression that Director Spilman was asking to take the 8 ag services and 43 domestic services that are in the overlap area and remove them off the Water District rolls and add 8 and 43 into the area north of the overlap.

Director Spilman said, That would allow us to wheel water into that area and also create the opportunity of taking on more customers.

President Pool stated, Not under the Surplus Agreement.

GM Koehler explained that the Stipulated Judgment lists "the number of customers". But the Surplus Agreement with SCWA lists "the specific service address", with the wording that not only can you not add new addresses but you cannot increase the volume.

Director Spilman repeated his idea to pick up the 8 ag and the 43 domestic accounts and relocate them into the District and then be able to service people within the District that are without service, and then also wheel FCD water into the overlap section.

President Pool remarked, Clearly that would be a violation of the Surplus Agreement. He asked GM Koehler, Have you gone to SCWA and told them this? And have you received a reaction from them?

GM Koehler said Yes. He had spelled it out to Todd Schram and Don Seymour, the Engineers he deals with, and they follow the directive of Pam Jeane and Grant Davis. GM Koehler continued, And, Yes I got a reaction. The reaction was: No.

GM Koehler explained, I believe what happened that derailed the Renewal of the Surplus Agreement in the first place, was that I asked for changes. This discussion tonight is for a far more significant change than what I had approached them with. GM Koehler continued, You will note that there are several pages in the renewal package that say, No changes to Appendix A and No changes to Appendix B.

Director Spilman asked what SCWA's reasoning is for that restriction.

GM Koehler said it puts more water into the District system and it changes the Addresses. It also is not guaranteed that we're not just cutting off our own noses to spite our face in terms of access to Flood Control water. We're chipping away at our own surplus with the FCD. These are decisions the Board has to make; I will do what you direct me to do.

President Pool said, Given what you've spelled out tonight which is clearer to me now than it was previously, I have to say I'm not terribly enthusiastic about the idea of going back again to SCWA on this matter.

Director Spilman remarked, What we're doing right now is that we're having to force ourselves into a budget situation that we're letting a Surplus Agreement with Sonoma County control. The District is not growing, we're just sitting here stagnant and if you sit stagnant long enough I can tell you which way you're going to go. You're going to raise your prices, you're going to put the District in a corner and you're going to use less water. Somehow or another we've got to get away from that. We've got just one window and we can't just let Sonoma County dictate to us exactly what we can do and what we can't. We've got to get past that.

Director Butow stated that the original negotiators for the Surplus Water Agreement with Sonoma County were himself and two other Board Members. We went down there and met with Randy Pool. Why? Because Russian River Flood Control put us through the wringer. They would commit the amount of water to the users in their District, and then offer Redwood a small balance. And then, they would go to the State Water Resources Control Board and say Redwood isn't pumping our water, we don't know whose water they're pumping. The State would then send Redwood a letter asking who we're getting water from. Then we'd go to our Water Rights Attorney and he would respond to the State that RR Flood had no meters, they were relying specifically on contracts and don't really know who is taking what amount of water. He continued, That issue went away after our years of approaching SCWA trying to get a contract and finally getting that Surplus Water Agreement. They were cooperative with us. SCWA is not the bad guy. However, RR Flood still goes through the exercise of telling us they have no surplus water to sell us, so now we are able to pump under our SCWA Surplus Agreement. But then later in the year RR Flood says, Well we ended up with surplus water, so you need to pay us instead of paying Sonoma County. Director Butow continued, Now, what you're saying is exactly true Jack, this District because of the moratorium has been placed in a situation where there are fewer customers than the system can handle, and those fewer customers are responsible for supporting our infrastructure. So we're stuck; we'd like to have more customers and we'd like to sell more water.

Further discussion continued.

(8:47 p.m.)

GM Koehler mentioned that the change he would like to make with the SCWA contract is to allow Redwood to withdraw from the Urban Water Conservation Council which is really for large water agencies. He added, We are such a small entity and our lower usage is a conservation mode of itself and we're likely to stay at the same per capita and same usage per day.

During general discussion, Director Ricetti said she feels we shouldn't jeopardize the Surplus Agreement.

GM Koehler commented that for the past four years SCWA has been our savior.

Supervisor Carre Brown mentioned as a point of interest that at a SCWA-BOS Meeting a couple of years ago, they projected out that they won't have enough water to supply the population after the year 2025 unless they get access to the Lake Sonoma water.

Director Hallman requested we postpone further conversation on this particular matter for three months. Since we've been waiting three years for the surplus water agreement renewal, she would like to see if we actually do have a signed Contract in three months or if we might be able to pursue other things.

Director Ricetti wondered if that would make SCWA mad.

GM Koehler repeated his conviction that we would have had a renewed contract if we had not requested any changes to the Contract at that time. If we would have said Yes we want to re-sign that Contract, then we would have just re-signed the Contract and it would have been done.

Supervisor Carre Brown mentioned that the five-year Contract was signed in 2005 and it expired in November, 2010 and GM Koehler repeated he felt it wasn't renewed at that time because he had requested a change in it.

As part of that Contract, the Mendocino County Water Conservation and Fishery Advisory Board was created. Originally it was comprised of Supervisor Carre Brown, RVCWD General Manager Bill Koehler and MCWA Director Roland Sanford. There is \$95,000 sitting and waiting to go into the account. GM Koehler will place this topic on the Agenda again in three months as requested.

9:05 P.M. BREAK

Supervisor Carre Brown left the Meeting during the Break.

9:21 P.M. RECONVENE

8-J. SCWA.

Discussed previously in the Meeting.

8-K. Fishery and Conservation Contract.

GM Koehler reported, In theory there will be \$95,000 to add to the \$47,000 that is currently sitting in the Mendocino County Water Conservation and Fishery Advisory Board fund. The way it works is that the Advisory Board Committee gets together, makes a recommendation and submits that to Mendocino County to get their blessing and then sends it down to Sonoma County to get their blessing. GM Koehler repeated, Again, verbally I have been informed that Sonoma thinks that replacing flow meters is a wonderful idea.

A discussion followed on various options with meters of different sizes etc. Also, the agreed share of cost for the USGS stream gauge is \$8,000. As to other potential projects, the Lions Club retrofit is out, the Schools are out, the Audits are out.

GM Koehler mentioned that the Quagga/Zebra Mussel Program is heating up. The Sonoma and Mendocino water agencies are meeting next week and they are looking for some seed money to go out and get State Grant money. President Pool has done a lot of thinking about this topic and he is in total favor of some kind of support.

GM Koehler said Sonoma is spearheading the program and they recommend \$5,000 in support money. The intent is to get a regional approach of Mendocino, Lake and Sonoma Counties, not to fund the program, but to support the program to educate the boaters and to avoid infestation of the quagga which could become 50% of the biomass in the lakes. The only way to kill the mussel is to drain the lakes, as the quagga cannot survive without water.

GM Koehler suggests taking the support money out of the preexisting \$47,000 that is already in the account. He recommends the Board agree to spend the fund monies on the following four categories: USGS Meter; reimbursement of conservation funds already spent by RVCWD; quagga mussels; and then whatever is left over would go to the replacement of ag meters.

Director Spilman requests that none of this money goes out the door until Sonoma approves it. Director Hallman also wishes that to be the prerequisite.

GM Koehler will go to the Meeting in Sonoma County and at the appropriate time will state that, Contingent upon approval by the Committee and also the SCWA approval to release the conservation funds, the RVCWD will place a \$5,000 contribution in support funds to the Quagga/Zebra Mussel Program.

(9:35 p.m.)

**MOTION:** Take the reimbursement, the stream gauge, the water meters and the quagga mussel proposals to the Committee and once they are approved and the funds released, GM Koehler will pay them. None of the money comes out of the general fund, it comes out of the Conservation Funds. If the Committee approves the quagga program support right away, those funds may be distributed right away.

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

8-L. CSDA Training.

CSDA's Special District Leadership Academy Courses are coming up on August 8 & 9, 2012 in Pleasanton, California. This is directly related to the GASB34 accounting. The first day is "Board's Role in Finance & Fiscal Accountability". The second day is "Board's Role in Human Resources". If any Board Members wish to attend, please contact GM Koehler.

8-M. Sick Time Accrual.

The employee handbook states that "sick time accrues at one day per month (12 per year)..."  
There is no distinction as to how to differentiate accrual between the different hours in our 4 different hourly/weekly structures.

President Pool suggests GM Koehler contact the County to peruse their standard of accrual for this same situation. The Board consensus is to also establish an End Cap to sick leave accruals.

(9:42 p.m.)

8-N. Neary Proposal/Ukiah Valley Sanitation District evaluation.

Previously discussed in Meeting.

President Pool and GM Koehler urge every Director to read the documents.

9:50 p.m. Steven Gardner left the Meeting at this time.

Upcoming Meetings -- GM Koehler plans to attend and the Directors are welcome to also attend:  
July 30, 2012 - The Eel Russian River Commission will meet in Eureka.  
November 2, 2012 - The Russian River Watershed Symposium 2012 will be held in Cloverdale.

9. FINANCIAL REPORT.

The Financial Report of July 19, 2012 was reviewed and discussed.

**MOTION: Accept the Financial Report as presented.**  
Ricetti/Butow Discussion CARRIED  
AYES: Ricetti, Butow, Hallman, Spilman, Pool

NOES: None  
ABSENT: None

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

LAFCO is going ahead with the Municipal Service Review (MSR).  
(9:57 p.m.)

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

They are pushing hard for all the Commissioners to submit information for what their Board Members feel is reasonable for an hourly rate for management services. Also the COE is claiming that the IW&PC owes \$90,000 to the COE, and IW&PC is wondering if they can prove time spent as an in-kind amount of money.

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

Apparently the FCD's Legal Counsel Mark Del Piero is close to getting elected to Supervisor in his home county, so the FCD is in a search for his replacement.

13. SONOMA COUNTY WATER AGENCY.

Already discussed.

Closed Session, Section 54957 (b) (1) Evaluation of performance: General Manager.

GM Koehler confirmed that pursuant to Section 54957, he was given the formal notification 24-hours prior to this meeting and as is his legal option, he chooses to go into Closed Session.

10:01 p.m. Recording Secretary left the Meeting.

CLOSED SESSION:

19. Evaluation of performance: General Manager, William Koehler.

No specific complaints or charges will be considered. Government Code Section 54957(b)(1).

OPEN SESSION:

20. REPORT OF CLOSED SESSION ITEM 19.

GM Koehler was directed to divert sufficient emphasis from local political involvement in order to effectively direct the plant and field supervision and to improve District operations. Specifics include:

Increased direct supervision of field and treatment plant activities.

- Development of effective hierarchy of authority and responsibility with field crew including assigned crew leader.
- Improved capital and maintenance project planning, scheduling and completion.
- Review operational scheduling with a goal of reducing overtime. Consider staggered schedule to provide weekend coverage.
- Improved public perception of District efficiency.
- Keep the work environment professional – no blow-ups, vulgar language, etc.
- Improved communication with Board of Directors.

The Meeting ended at 11:35 P.M

The next Regular Meeting is scheduled for 7:00 P.M. on Thursday, August 16, 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:    August 16, 2012 \_\_\_\_\_

SIGNED:                    Paula Berezay \_\_\_\_\_  
Secretary, Board of Directors