

REDWOOD VALLEY COUNTY WATER DISTRICT

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MINUTES

Regular Meeting
Board of Directors
Thursday, February 19, 2009

Directors Present: Donald E. Butow, Hal Voege, Granville Pool, Jeanette Hallman
Directors Absent: None
Staff Present: General Manager Bill Koehler
Office Manager/Secretary to Board of Directors, Linda Groth
Members of the Public: Roy Beck, Dennis Scoles, Merle Reuser, Will Carson,
Supervisor Carre Brown, 2 unnamed members of the public

CALL TO ORDER: 7:00 p. m. by President, Board of Directors, Donald E. Butow.

1. ROLL CALL.

Granville Pool, Director
Hal Voege, Vice-President, Board of Directors
Donald E. Butow, President, Board of Directors

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

Nothing at this time.

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

Nothing at this time.

Director Hallman arrived at 7:02 p.m.

4. 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.

Director Pool expressed concern that water sales shown on Consent Calendar a, were higher this month than they were for this same period last year, in spite of the low water supply being worse this year than last. Also, the Directors asked why the need to purchase the high number of padlocks listed. GM Koehler clarified the padlocks are used to lock-off services for non-compliance. The padlocks deteriorate in-ground after being in use for about a year and need to be replaced on a routine basis; and with anticipated upcoming rationing conditions, the District

needs to have a good supply of padlocks on-hand. GM Koehler also brought attention to the listing of meters purchased and meter registers purchased, clarifying that the District orders meters with registers but also purchases registers separately to upgrade existing recently installed meters.

GM Koehler introduced the possibility of revising the amount of funds to be transferred from the Bureau of Reclamation Water Development Fund into the Local Agency Investment Fund in Sacramento, inasmuch as the transfer of funds hasn't occurred yet. After considering the upcoming payment expected to the Sonoma County Water Agency, the consensus of all Directors was to increase the amount retained in the BuRec Water Development Fund to \$300,000 at this time, with L.A.I.F. receiving any funds in the account exceeding that amount.

MOTION: Approve the Consent Calendar as presented.

Voege/Pool Discussion CARRIED

AYES: Voege, Pool, Hallman, Butow

NOES: None

ABSENT: None

ABSTAIN: None

5. APPROVAL OF MINUTES AS PRESENTED.

The Minutes of the February 3, 2009 Special Meeting were presented. Director Butow commented and the Directors agreed that Paula Berezay did a very good job of stepping into the secretarial duties while Linda Groth was out of the office for an extended period of time.

MOTION: Approve the Minutes of February 3, 2009 as submitted.

Hallman/Pool Discussion CARRIED

AYES: Hallman, Pool, Butow

NOES: None

ABSENT: None

ABSTAIN: Voege (Director Voege was not in attendance at the February 3, 2009 Meeting.)

6. DIRECTORS AND STAFF REPORTS AND DISCUSSION OF NON-ACTION TOPICS.

Nothing at this time.

7. DIRECTORS AND STAFF REPORTS OTHER THAN THOSE LISTED IN GENERAL MANAGER'S REPORT. ACTION TOPICS.

Nothing at this time.

8. GENERAL MANAGER'S REPORT, FEBRUARY 2009. ACTION ITEMS.

GM Koehler reported that the Lake Mendocino water level is currently 25,000 acre-feet lower than it was in 1977. With recent rains of approximately 7,000 acre-feet, the lake level looks good visually, but the District is not in good shape because the level does not exceed the 37,000 acre-feet needed in order to run two pumps at once. We cannot provide frost protection water to all the ag customers at once, because that would draw the reservoir holding levels dangerously low, as occurred last month. GM Koehler said he will probably be paying overtime to have an employee monitor the pumps, since we cannot risk causing the 2nd pump to cavitate. He also said we cannot supply the 10,000 gallons per minute as was provided during frost protection season last year.

GM Koehler continued, stating that Victoria Whitney at the State Water Resources Control Board has said their agents will be monitoring for compliance and enforcement. The recent rains raised river levels high enough to provide water for riparian rights-holders for now. But the gauges at Healdsburg will dictate the releases.

(NOTE: CORRECTION SHOWN IN BOLD LETTERING BELOW WAS APPROVED 4/16/09)

He further reported that there have been many meetings between the water districts to just see who can do what for whom, and how we can move water from where to where. The City of Ukiah expects to have two new production wells on-line by May. Willow CWD thinks they have plenty of water in their Burke Hill wells. The three northernmost Districts recognize that a low flow on the river is going to **wreak** havoc on our production. He gave good credit to Supervisor Pinches for trying to get together access to Masonite Well #6; however it became

clear that Millview CWD is progressing on the Masonite Well #6 and it seems a good idea that the County should probably stay out of it for now, and let Millview proceed.

Other meetings were held at various agencies, also attended by the Supervisors and State representatives. There was talk about habitat restoration in the river. It was noted that 750 gpm at an application of 50 gpm per acre = frost protection water for 150 acres for \$5 M for a temporary pipeline. Not monetarily effective.

GM Koehler reported that the two Redwood Valley public schools were inspected by himself and the Mendocino County Water Agency Water Loss Specialist earlier today. The results were surprising, as everything already installed is low flow and the schools are "on-top of it". Leak detectors show, 'no leaks', and they are doing a good job. He added that another large user will be contacted next week for the same purpose.

There have been meetings between Sonoma County Water Agency, the State Water Resources Control Board and the Mendocino County agencies.

Supervisor Carre Brown added that an upcoming meeting is scheduled for 2:00 p.m. on March 31, 2009 at the Board of Supervisors Chambers. She said that N.O.A.A., Fish & Game, and the Water Rights Division will be there to talk with the Supervisors.

GM Koehler said Will Carson and other Millview CWD representatives have held meetings between Mendocino County water agencies, during which they reviewed the interties where it might be possible to run a temporary main during crisis conditions. Tim and Dave are going to look at upgrading the intertie between Millview CWD and Calpella CWD. Redwood Valley would have to use a pump at any temporary intertie with Calpella, and could probably receive up to 120 gpm but there are other problems to resolve.

Supervisor Carre Brown added, at the Agency Meeting for frost protection, Victoria Whitney of the SWRCB said she has staff going to Sacramento because Governor Schwarzenegger is preparing to declare a water emergency. Supervisor Brown is trying to get Mendocino County included in the counties listed, but she hasn't heard anything back yet.

Supervisor Brown announced the Farm Bureau sponsored tours are scheduled on April 22, 2009 for the Potter Valley tour and on April 30th to May 1st, with overnight at Fortuna, for the Eel River watershed tour. When brochures are prepared, they will be distributed to the Directors.

GM Koehler reported about the recent Inland Water & Power Commission meeting at which he, Director Butow and Director Voege attended, along with Supervisor Brown for the County, and others, at which the Corps of Engineers representative David Doaks, and his boss, attended. Doaks said, in order to make this thing work, maybe you ought to go over and put a pipe to the ocean and put a desalination system on it. Doaks also said he doesn't feel the county can afford the dam project. Commissioner Phil Baldwin rebutted Doaks.

As to the cost of new water that was discussed at the previous meeting, GM Koehler clarified why the cost of water per ac-ft would not be any lower than \$60 per **ac-ft**. He said, if you could get a new supply of water for \$5,000 **per ac-ft** and get the government to pay 3/4's of it, and you got the most favorable Bond Issue you could possibly get, you'd still be paying about \$60 per acre-foot for new water. He said both Janet Pauli and Judy Hatch freaked out at the idea of \$50-\$60 of additional money and said they couldn't possibly afford it.

(NOTE: CORRECTIONS SHOWN IN BOLD LETTERING ABOVE, WERE APPROVED 4/16/2009)

Director Butow interjected, saying, for the rest of the audience, a member of the Redwood Valley Board of Directors sits on the Commission and this is about raising the dam and the issues we have with the U. S. Army Corps of Engineers. Basically, they're spending our money as if it was theirs, and we're getting no accountability. We're trying to get something out of them that makes sense to us. All of you have heard, well, we're going to raise the level of the dam, and we're going back up water, etc., etc. Each agency is to contribute 1/5th of the cost of the feasibility study, matching whatever funds they get out of Congress. Due to various emergencies at Redwood Valley, such as the repair to the transmission main from the lake to the District's holding reservoir, at almost 3/4's of a million dollars of our money, and trying to get reimbursed from FEMA, and looking at other issues going on within the District, Redwood Valley said, We are no longer going to participate -- it's not fair to our customers. He said, we're trying to conserve money. By giving \$25,000 here, \$35,000 there, and we're getting no product, we had to tell the IW&PC that we're not going to participate in the study expenses for the time-being.

Director Voege added, we talked about this at the IW&PC meeting. The fact of the matter is that as long as the Congressional allocations are under \$100,000 per year, it's going to take them forever just to do the Study. We're

talking about 10-15 years to do a \$6 million dollar study. That's just the Study. They haven't built anything yet; that's going to take another 20 years after the Study. We'll all be dead by then. Point of fact, I think the project is going to be dead. It didn't make sense to stay in that money-draining process.

Director Butow added it wasn't official, but to have two Corps of Engineer representatives (Doaks and his boss) show up to try to explain why nothing was getting done, they were going to charge the project \$2-3 thousand dollars for travel and time for this meeting alone. It was also noted that Doaks' boss never uttered a word!

- a. District Operations.
- b. Road J domestic/irrigation hookups.
- c. Intertie.
- d. Double pumping at the lake.
- e. Water shortage.

- f. Employee salary review and CalPERS.

General Manager Koehler said we are looking at going to a 50% reduction of domestic deliveries and to cutting-off the ag deliveries. This would create a 60-70% revenue debt. His recommendation, in light of the potentially disastrous impact on our income for the next month, is to put PERS, salary reviews and rate increases on hold until the District gets out of this water availability mess. We could be facing the same scenario as the County with furloughs; concluding that reduction in sales of water means reduction of income. Director Butow said we'll do all we can to keep our crew together and working full time. Things still need to function. Director Hallman commented, they've got to work just for the double DMV fee's that just came through.

MOTION: Until further notice, place all salary and benefit reviews on hold until we can see the end of the rainbow.

Hallman/Pool Discussion CARRIED

AYES: Hallman, Pool, Voege, Butow

NOES: None

ABSENT: None

ABSTAIN: None

Director Butow commented, it's a sad one. I'm sorry to even have to go there.

Everybody concurred.

The two unnamed members of the public left the Meeting at this time.

Other Action Items:

1st. Item #3: Payment for irrigation service.

In the past, agricultural water service was interrupted for short periods and since the ag rate is an annual fee, we continued to bill the annual rate at the monthly prorated fee. There have been some customer inquiries about not being charged when water isn't delivered. However, the infrastructure is still there; and the infrastructure needs maintenance and support. The Directors will be thinking about this for future discussion. Director Hallman said before we set any policies, the Bighorn Ruling must be analyzed. GM Koehler added that Proposition 218 left a lot of loopholes; the Bighorn Ruling addressed those loopholes. He said he has asked County Counsel to address the Prop 218 issue, which is separate from this one. It was agreed that more research is needed before we move ahead. The matter is carried to next Meeting.

2nd. Item #4. Drought Ordinance.

GM Koehler informed the Directors that, as it exists now, the drought ordinance is incomplete, and at some point we really need to revisit the details. He further stated that it has become apparent that a percentage reduction is unfair and it won't work; it has to be a set number of units. We will need to enforce rules against water wastage, but we need to go out to all customers, fairly.

Director Pool clarified, a defensible fairness, and a workload that works.

GM Koehler confirmed, a defensible fairness. He added that, if by some miracle the whole community really commits to reducing water, we may be able to get by with what we've got.

Director Pool commented, this is a good thing in many ways, I've seen things happen with all the different agencies, and people are becoming much more aware.

3rd Item #5. Willingness to pay letter.

It was suggested that a letter be sent to our customers for their awareness and input, saying something like, In the event the District is able to find more water, or more storage capacity for its customers, would you be willing to pay the assessments required to fund that development?

Director Pool said that sending out a letter is all well and good, but unless we have some sort of scientific process for receiving and processing and evaluating answers, and saying what they really mean, with some assurance, where does that leave us in terms of moving ahead? I don't really know that and I haven't really come up with a way we should do it. We need to have a process.

Director Butow said that would be premature, but what we could do is ask what people are thinking right now - perhaps a very simple straw pole, just like we get in the mail, with little boxes to check off and a little preamble such as, What's It Worth To You? ___\$50 ___\$60 ___\$100

He said the real issue comes when we have to say we need to vote a Bond Issue, or whatever, to go forward and borrow the money from some source. But we can't really tell people that until we actually have a potential project lined up.

GM Koehler said, that's true, but this what's going to happen: we're going to pay \$10,000 per acre-foot for new water. If it doesn't rain in the next couple of weeks, we really need to get a letter out.

This matter was carried to next Meeting, with the understanding that a Special Meeting might be called.

4th Item #6: Water year.

The Water Year for the Russian River Flood Control District (FCD) is a calendar year, January 1st – December 31st. However, in the Stipulated Judgment, the Redwood Valley District was issued a "Water Year" of July 1st – June 30th.

GM Koehler informed the Directors that the unsynchronized "water year" is very troublesome. He said, if both agencies water years were synchronized, we would know each month whether we were on their water, or not. He also said the FCD is actively pursuing more sophisticated metering.

Director Voege added that the FCD is also actively pursuing allocating every bit of water they have.

GM Koehler responded that Director Voege's point is very real.

Director Hallman requested that during his informal talks with GM Sean White at the FCD, would GM Koehler please ask him if we could get a hard contract for water; and then, also ask him if RV District were to pay the same rate as all their other customers, would that benefit the RV District in getting a hard contract with the FCD.

GM Koehler said that Millview CWD is asking for more water as well, and they already have a hard contract. So, they're looking to increase their contracts. He said the FCD's farm acreage is pretty well used up; their M & I water is the only place where they do have the potential to increase their contract.

Director Voege added, the other part of it is, we have the Stipulated Judgment and the Stipulated Judgment says what the rate is.

Director Hallman responded that she's just saying, would the rate of pay make a difference?

After further discussion, GM Koehler concluded that a necessary step is to annex the Districts. We have to annex to the FCD, and in order to do so we have to clean up our own annexation issues. He said the paperwork for Redwood Valley's annexations issues is done and submitted; but it's probably going to sit in Sacramento at the SWRCB for next 10 years. It's a matter of Oppenheimer finding it on his desk and dealing with it.

MOTION: Authorize General Manager Koehler to have informal talks with General Manager Sean White of the Russian River Flood Control District about authorization between Boards, then investigate with our attorney about what is involved in getting a Stipulated Judgment modified for matching the same water years. If the difficulty and expense of doing that is not out of line, then bring the matter back to the Board of Directors for further consideration.

Pool/Hallman Discussion CARRIED

AYES: Pool, Hallman, Voege, Butow

NOES: None

ABSENT: None

ABSTAIN: None

5th. Item #7: IWPC annual dues.

GM Koehler asked the Board of Directors if the Annual Statement for Membership Dues from the Mendocino County Inland Water & Power Commission needs to be preapproved by the Board before remitting the annual payment. Board consensus is to pay the bill as it comes in; no need for preapproval.

6th. Item #2: SCWA Payment.

The water purchase agreement between the Sonoma County Water Agency, the County of Mendocino & Mendocino County Water Agency, and the Redwood Valley County Water District required that an advisory board be created; it is called the Mendocino Water Conservation & Fishery Advisory Board. The District needs to appoint a representative and an alternate to serve on the Advisory Board.

MOTION: Appoint General Manager Bill Koehler as the District Representative and appoint Director Don Butow as Alternate on the Mendocino Water Conservation & Fishery Advisory Board.

Hallman/Voege Discussion CARRIED

AYES: Hallman, Voege, Pool, Butow

NOES: None

ABSENT: None

ABSTAIN: None

Once the Advisory Board reaches a consensus as to how the money will be spent, their recommendation will be submitted to Sonoma County Water Agency for their written approval. Once the SCWA provides their written approval, the Advisory Board will proceed to direct the money to be spent.

7th. Item 7: Board Appointment.

The Board Vacancy Notice has been posted for the required period of time and the District has received only one letter of interest, a copy of which was previously provided to each Director.

General Manager Koehler introduced Mr. Merle Reuser and the Directors thanked him for his nice letter and his willingness to serve the residents of Redwood Valley.

It was determined that Mr. Reuser meets the criteria established in order to serve as a Director. The Directors then conducted an interview with Mr. Reuser, after which a Motion was made.

MOTION: Appoint Merle D. Reuser to fill the vacancy on the Board of Directors, effective immediately upon taking the Oath of Office.

Voege/Hallman Discussion CARRIED

AYES: Voege, Hallman, Pool, Butow

NOES: None

ABSENT: None

ABSTAIN: None

First District Supervisor Carre Brown administered the OATH OF OFFICE with Merle D. Reuser.

8:42 P.M. -- Break

Member of the public, Dennis Scoles, left the Meeting during Break.

Minutes, Regular Meeting

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Board of Directors, R.V.C.W.D.

February 19, 2009

9:01 P.M. -- Reconvene

Newly appointed Director Merle D. Reuser took his seat at the Board of Directors table.

9. FINANCIAL REPORT.

The January, 2009 Financial Report was presented.

GM Koehler led the Directors in reviewing the Report. During review, it was pointed out that 80% of the radio-read meters are installed and when the remainder of radio-read meters are installed, it will be a 3-day labor savings.

MOTION: Approve the Financial Report as presented.

POOL/VOEGE Discussion CARRIED

AYES: Pool, Voege, Hallman, Reuser, Butow

NOES: None

ABSENT: None

ABSTAIN: None

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

Supervisor Carre Brown commented that she has been appointed as an Alternate to LAFCO. The next Meeting is scheduled for 10:00 a.m. on March 3, 2009.

11. INLAND WATER & POWER COMMISSION.

- a. Report of attendance at IW&PC Meetings.
- b. Proposed revision to the feasibility study cost sharing agreement.
- c. Discussion and possible comment on proposed tentative Eel River Settlement.
- d. Consider any correspondence concerning the IW&PC.
- e. Discussion and possible action on IW&PC topics.

GM Koehler said he has received the latest revision of the feasibility study cost-sharing agreement, but it hasn't been distributed to the Directors yet. He did not send a written follow-up because he doesn't get a sense of real enthusiasm or caring about what the language says; there doesn't seem to be much concern about getting-back-in language.

Director Butow said the whole issue was, it was beginning to get political there for a little bit, but when Redwood Valley pulled out of the cost-sharing of the feasibility study, it became apparent that there was a real glitch in the agreement that basically didn't allow for someone to pull out, then come back in. It has now been rewritten about six times and they want everybody to send it off their attorney, have it reviewed, then resubmit it. He said he read the previous revisions and then Chet's comments about it and then the current revision, and it allows for somebody to come back in within a certain timeframe, etc. He said he does not see any problem, if it's agreeable with the Board, he would suggest signing-off on it since Redwood Valley CWD is still a member of the Commission and still obligated to sign-off on the Agreement.

GM Koehler reported that Roland at the MCWA said someone in the County Counsel's office has reviewed it and they have a few minor changes - typo's, etc. The conditions are not onerous, in that there is a minor penalty that goes with it for quite a while. It doesn't even kick-start until a year after the Revised Document is signed; the penalty is perhaps 10% of the missing piece of money. It's not the whole amount, so it's not onerous. In looking at it, one wonders why Redwood Valley is named. It should say, Any Agency, but it doesn't matter. It's not enough to pay for legal services to review and comment.

Supervisor Carre Brown added, the County is going to ask for a correction, as they were omitted even from this newest edition. She added that the County has paid up and has done its due diligence, but the County is still not appearing on that document.

GM Koehler said that Candace is asking for a response by March 5th and he is assuming his response would just be that RV doesn't object to the language as it stands.

MOTION: Accept GM Koehler's response, that Redwood Valley doesn't object to the language as it stands.

Voegel/Reuser Discussion CARRIED
AYES: Voegel, Reuser, Pool, Hallman, Butow
NOES: None
ABSENT: None
ABSTAIN: None

GM Koehler said the IW&PC has requested that Sean White bulldog the expenditures of the monies contributed to the costs of the feasibility study. Sean said he cannot necessarily do that because he doesn't have the time. GM Koehler explained to Supervisor Brown that the Redwood Valley Board is reluctant to have him assist Sean because the RV is not contributing to the costs of the feasibility study and therefore there is no in-kind expense to be reduced. As to Sean's time, the Flood Control District's precondition in approving Sean's time was that it would be deducted from their payment.

Supervisor Brown responded that any party that contributes time, should keep a record of expenses to be applied to in-kind fee's. As to the COE representatives, she is planning to tell Senator Boxer's representative and Congressman Mike Thompson when they come up here, that the Corps needs to change their ways. The rep's, Doaks and his boss, were insulting - Doaks made two statements that were totally insulting.

Director Butow said, in addition to RV not participating in the costs of the feasibility study at this time, GM Koehler has a very heavy workload, including numerous meetings in and out of the County, and he is reluctant to have the Board discuss having GM Koehler assist Sean with tracking the expenditures.

Supervisor Brown added that it's obvious that Sean is swamped also, and that is the reasoning for trying to get this woman from Ukiah, because she has done this, she knows the COE's way and her name was presented, but she has not accepted the job. There is also someone else, she was a consultant tracking the Corps at the Port of Oakland, and caught quite a few things. She has the experience and I've left a message asking to arrange a time we can talk.

Director Voegel said Sean is the only one around here who has experience with the Corps.

Supervisor Brown asked RV to consider the fact that, if RV could be of assistance to whatever is going on, that it be clearly understood that any time given be credited to RV in any situation when you come back into the feasibility study.

GM Koehler said, personally, I think it's time to have a real nuts and bolts meeting at the IW&PC, especially after watching Janet and Judy's reactions to the cost of water. It's inconceivable to me that they don't think that they're going to have to pay more for the water.

Director Butow added that when GM Koehler calculated the cost of water, Janet brought up the issue from about 2-3 years ago when the advisors from Wells Fargo came to the IW&PC meeting after reviewing the information, and they said it's well and good to have a Bonding, but how are you going to pay it back? And you're doing it for a Study? The Feasibility Study may fail or whatever, how are you going to pay this? Meaning, if you are going to get a commitment for a revenue stream out of each and every water district that would guarantee the payment of these bonds, and basically bonding each district to pay for a Feasibility Study that may or may not happen - yeah! And everybody kind of thought, oh yeah well, I don't want to go back to my Board with that!

Supervisor Brown said her second issue with Senator Boxer's person is to try to get Mike Dillabough's funds for O&M through the Senator as well. Hopefully Janet & Bill can also talk to Senator Feinstein about that and get Congressman Mike Thompson on board.

Director Butow said, as I understand it, the monies came through Senator Feinstein's office and then Congressman Thompson endorsed it.

Supervisor Brown said that Senator Boxer can be helpful, also.

GM Koehler said he thinks we're reaching a real crossroads; we need to either go full steam ahead and get this thing moving, or drop it.

Director Voege added that the deal really is out of our control. If Congress doesn't allocate the money, it isn't going to happen, no matter what we do.

Director Butow added, we may not have liked what he was saying, but one thing he did say was the truth and that is, if they get a hundred grand, then we scurry up 25 grand from each of the four agencies, you're not going to see results for 15-20 years, maybe; particularly the way they want to run the show.

Supervisor Brown added that Dillabough's side, the operations and maintenance, does some of those bigger studies, and Dillabough said he would love to do those studies.

Director Butow said he thinks someone has to direct Dillabough to do that and GM Koehler added, and someone has to give him the money.

Supervisor Brown responded that that would be one of the big question marks, as to whether we should proceed; whether it's going to be feasible.

Director Butow commented that there should be some heavy-duty meetings between now and mid-summer to get this hammered out.

Director Voege said, well, if he actually comes up with a decision tree by the next meeting, that will be interesting. That's what he said he was going to do.

GM Koehler said he will ask Candace to put the matter on the Agenda, as we really need to have a discussion about the \$200 million bandied about, with a 25% local match, which would be \$50 million. Again, when playing around with those numbers, and making it absolutely the most optimistic number to come up with, which is, we get it done for one-half the price and the government really does pay for 75% and it happens fast so those dollars don't just get crazy, it still comes out to \$60 or \$150 per acre-foot additional cost. The Potter Valley Irrigation District and the Flood Control District reps were freaking out at the idea of \$50 ... we should just stop.

Supervisor Brown responded that it is because of what the PVID people pay now for running their irrigation systems now; and for the FCD, what they contract for with their people, it would be \$100 per acre-foot.

GM Koehler said, absolutely, and it's also true that the M&I people can absorb that a lot easier than the Ag people can, there is not question about it. However, so be it. That is how much it's going to cost. The process needs to start, educating the farmers, educating the M&I people. You can go to the M&I people and say, Do you want to spend \$100 a month vs \$50 a month, but you have a relatively guaranteed supply. And you can go to the farmer; in Redwood Valley by itself to put in an ag reservoir for the farmers, is about \$700 an acre-foot additional costs, and that's based on 4-1/2% bond rate over 30 years. The farmers are probably going to say No. Then you go back and say, well, sacrifice 10% of your acreage and put that into ponds. If that's cheaper for you, do that.

Supervisor Brown said that Victoria Whitney at the SWRCB wants ponds that hold at least a 1-year supply of frost protection and irrigation water.

GM Koehler added, on the other side, the average vineyard uses 1 acre-foot of water per acre of land. So, if you've got a 10-acre vineyard, that means you sacrifice 1 acre and you dig a 10-foot-deep hole on it. So, yes, if you are putting in ponds, you're going to sacrifice 10% of your vines. That may be cheaper than paying \$700 per acre-foot, forever. But that's a decision that individual farmers need to be presented with. And it's easier for PVID to do that because they have a mandatory pond requirement already. Redwood Valley doesn't; so there are a lot of variables.

Director Butow asked Supervisor Brown if she can offer an update of the Eel River Settlement, acknowledging that at this point things have been handled very quietly. Supervisor Brown said there are some talks going on between committees. Nothing has been presented to the Board of Supervisors yet, and there is a certain amount of protocol to be followed.

Carre said there are numerous examples throughout the nation, where upon a Final Settlement, the Federal Government would pay 100% of the total costs.

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

- a. Report of attendance at MCRRFC&WCID meetings.
- b. Consider any correspondence concerning the MCRRFC&WCID.
- c. Discussion and possible action on Flood Control District topics.

Nothing more to add at this time.

13. REPORT OF ATTENDANCE AT AGENCY MEETINGS NOT LISTED SPARATELY HEREIN.

Nothing at this time.

14. SONOMA COUNTY WATER AGENCY.

- a. Consider any correspondence or reports concerning the Sonoma County Water Agency.
- b. Discussion and possible action on SCWA topics; water audits, conservation, etc.

GM Koehler will be going to Sonoma County Water Agency to meet with Todd Schram in the near future.

Supervisor Carre Brown mentioned an upcoming meeting on March 16, 2009. It is being held in Ukiah, and hosted by the Sonoma County Water Agency, discussing Lake Mendocino and Lake Sonoma water storage projections, potential mandatory water conservation and related impacts, etc.

15. STATE WATER RESOURCES CONTROL BOARD.

Nothing new to report.

16. STATUS REPORT OF PLACE OF USE ISSUES.

Nothing new to report.

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

Nothing new to report.

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

GM Koehler reminded the Board that his one-week vacation begins Friday, February 27th.

Supervisor Carre Brown said she cannot attend the District's March Regular Meeting due to a previous commitment.

The Meeting ended at 9:46 p.m.

The next Regular Meeting will be at 7:00 p.m. on Thursday, April 16, 2009 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

APPROVED: AS CORRECTED: Board of Directors

Corrected at Page 2 (spelling):
change "reek" to "wreak"

DATE: April 16, 2009

Corrected at Page 3:
insert: ac-ft.
insert: per ac-ft.

SIGNED: General Manager Wm. L. Koehler

(Signed by General Manager in absence of Board Secretary Groth)