

REDWOOD VALLEY COUNTY WATER DISTRICT
2370 Webb Ranch Road
P. O. Box 399
Redwood Valley CA 95470
(707) 485-0679

MINUTES
Regular Meeting
Board of Directors
November 19, 2009

Directors Present: Hal Voege, Granville Pool, Merle Reuser, Donald E. Butow
Directors Absent: Jeanette Hallman
Staff Present: General Manager Bill Koehler
Office Manager/Secretary to Board of Directors, Linda Groth
Others Present: Myron Sawicki, Mr. and Mrs. Coughlin

CALLED TO ORDER: 7:01 P.M.

1. ROLL CALL.

Granville Pool, Director
Hal Voege, Vice-President
Merle Reuser, Director
Donald Butow, President

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

None

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

None

4. APPROVAL OF CONSENT CALENDAR.

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.

MOTION: Accept the Consent Calendar as presented.

Voege/Pool Discussion CARRIED

AYES: Voege, Pool, Reuser, Butow

NOES: None

ABSENT: Hallman

ABSTAIN: None

5. LAUGHLIN WAY HARDSHIP HOOKUP. (Agenda Item No. 8. H.)

A brief introduction was given to the status of the Laughlin Way Hardship Hookup Application previously approved a few years ago by a previous Board of Directors and promptly forwarded to the California Department of Public Health for final approval. At that time Mr. Bruce Burton of the CDPH stopped the process until such time in the future as certain conditions were met. The District has recently received a letter from Mr. Burton at the CDPH now approving the award of and installation of this Hardship Hookup. The District has forwarded the current information and the CDPH letter to its own legal counsel for review and comment. The District thought the original owner was serving two homes with one water meter for one parcel of land. As it turns out, the original owner was serving two homes with one water meter for two adjoining parcels of land.

Mr. Sawicki, legal counsel for Mr. and Mrs. Michaels stated, These were separate parcels owned by one couple. The couple is long since deceased and now the parcels have separate owners, but they have been using the one water service meter. It needs to be emphasized that this all happened pre-moratorium, back in 1982. In the past the Applications have been denied under two concerns, first, the fear that the existing mobile home on 751A Laughlin Way may be enlarged, therefore creating a greater demand on the District, and secondly, the belief is that since 751A Laughlin Way is getting its water through the meter on 751 Laughlin Way, they actually are receiving water and therefore there really is no Hardship Condition. Mr. Sawicki continued, Since then, certain things have happened. The owners of 751 decided for reasons that are known to them, to no longer allow metered water service to 751A and they resorted to self-help and literally shut off the water supply. That necessitated my filing a lawsuit and obtaining a temporary restraining order and a temporary injunction. However at the time the judge did make it clear to me that just because he was granting a temporary restraining order, don't assume that he is going to issue a permanent injunction. So therefore we cannot continue to rely on 751 being our source of water. On that basis, I researched the facts on the original hardship application that was submitted, and also the State Department of Public Health said that they will approve a separate hookup provided certain conditions are made. We now have a binding agreement to assure that the structure will not be replaced by a larger one. I am the drafter, and I worked diligently to create a binding agreement that protects all of us. I researched the files of the two lawsuits that were brought against this District and read all the judge's rulings to find out what are the parameters; and that's why it is eight pages long reciting the history. And the objective is to make it bullet-proof. It is very important; this is a problem that if ignored, will not go away. Instead, we have a window of opportunity. After reading my contract the State feels that this is sufficient, and the State is willing to grant the installation of the hardship water service. And now it is in your hands.

GM Koehler clarified that this will be a separate meter for the adjoining parcel which is a separate assessor's parcel and it has now been approved by the California Department of Public Health. The applicant understands that the capacity expansion fee for the meter will be \$5,000 and they will also be responsible to pay the actual cost of the installation by Wipf Construction which will likely be \$10,000.

President Butow remarked that this thing has been dragging out for several years.

GM Koehler agreed, stating that the Board of Directors had already approved this application, and had sent it to Mr. Burton at the CDPH, twice. This is the third time, and because of the conditions that were found to have not been correct -- it is and always has been two separate assessor parcel numbers, and it is pre-moratorium -- there are now two binding ccr's that are attached to the property permanently. These ccr's state that, yes, you can move the mobile out and put in a stick-built, but it must stay a 2-bedroom, 2-bath structure. GM Koehler added that it is his opinion that the lot itself is not really big enough to put in a mansion.

Director Pool commented, To add strength to that argument, because of what I have been going through recently with the County, I am aware that even now - and much more so starting with the new regulations of the State and Environmental Health that go into place the first of the year - the septic regulations make it extremely hard, especially on a small parcel, to expand the number of bedrooms in a house; so I think that makes it all the more unlikely that such an attempt would be made.

GM Koehler added, And they can't drill a well for the same reason. The lot is too small; there is no place to get away from the leach field. I would suggest approving the CDPH recommendation to approve the hookup.

President Butow said he was pleased that the applicants and their legal counsel were finally able to resolve this issue in a constructive manner.

MOTION: Accept the CDPH recommendation to approve the hardship hookup.
Pool/Voege Discussion

Director Reuser stated, My understanding of this is that it was a mess from the beginning, it was never done correctly. I don't like having a gun held to my head to make it correct right now under the threat of a lawsuit, so I am going to vote no on this when you call for a roll call vote.

Mr. Sawicki asked to address that. He said, Number One, I'm not the one who threatened the lawsuit. It was the Michaels' attorney who said that if he has to respond to this lawsuit, he would be the one that would be filing a cross complaint against the various agencies under the reasoning that if we are going to have a judge decide this, the idea is to have all the players in court and decide it once-and-for-all. And Number Two, once Mr. Carter, the Michaels' attorney, were to file a cross complaint then I would have to consider doing the same. My concern is, I don't want this to mushroom.

Director Reuser responded, Neither do I. But I feel like the Water District is being put in a position to clean up a bad real estate deal. But that's just my opinion, so, we have a motion and a second.

President Butow asked if there is any other discussion. There was none. President Butow called for a vote.

AYES: Pool, Voege, Butow
NOES: Reuser
ABSENT: Hallman
ABSTAIN: None

The Motion CARRIED.

7:27 P.M. Members of the public, Mr. Sawicki and Mr. and Mrs. Coughlin thanked the Board of Directors and left the Meeting at this time.

6. APPROVAL OF MINUTES AS PRESENTED. (Agenda Item No. 5)

The September 3, 2009 Continued Regular Meeting Minutes were presented.

MOTION: Approve Minutes of the September 3, 2009 Continued Regular Meeting as presented.

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

The October 7, 2009 Special Meeting Minutes were presented.

MOTION: Approve Minutes of the October 7, 2009 Special Meeting as presented.

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

The November 4, 2009 Special Meeting Minutes were presented.

MOTION: Approve Minutes of the November 4, 2009 Special Meeting as presented.

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

7. DIRECTOR AND STAFF REPORTS AND DISCUSSION OF NON-ACTION TOPICS.
(Agenda Item No. 6)

General Manager Koehler reported in reference to the budget. The Board previously had approved the municipal lease of a Ford Ranger, however we had to wait for the next filing cycle. The window opened again very briefly, for October and November, to get a new standard shortbed Ford Ranger under the municipal lease plan for about \$12,500 before taxes. President Butow signed the paperwork for a municipal lease and then GM Koehler hand-carried it to the local Ford dealership and reminded them that they had lost a sale the last time around and that this is what we can buy it elsewhere for this time around. So they met the price and we are going to purchase a Ford Ranger locally and we'll get it delivered two weeks sooner. Instead of going through the Ford Motor Leasing program in Detroit, we are going to finance it through our local Savings Bank of Mendocino County, and we are going to get the financing for, actually, a couple of points cheaper than the municipal lease.

Upon hearing the report the Director comments included, 'excellent' 'good job'. The Board President and the Board Secretary will be the agency signers on the loan from the Savings Bank of Mendocino County.

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

a. District Operations.

There is a Tier 2 violation from the Department of Public Health. GM Koehler is working closely with the Agent at the CDPH and following her directive. It is felt that there is a bad design in the backwash process. What is happening is that during backwash, the water comes down the hill and goes to the filters, cleaning them from underneath; it blows them out, then we close that valve and bring in the water from the clarifier. There is about an 8-foot dead-end when the valve gets closed that forces the water to go from "filter-to-waste". It goes to the ponds and then we pump it up the hill again and it gets recycled, so even though that's the term for the procedure, it's not really "waste". So, when that valve opens on the dead-end, a tiny (less than a moment) spike of turbidity occurs; but technically, that is a violation. Again, it's no impact; we know that the filters are clean, we have turbidimeters on each filter and we have another turbidimeter on the combined effluent. But, because of that dead-end, the combined effluent spikes, and CDPH doesn't want that to happen. It is going to cost money for that not to happen. Obviously we are going to try the cheap fixes first. We are probably going to put in some 4" ductile iron pipe and relocate the entire drainage system so that there is no dead-end. In addition, one of the other deficiencies that we've known about all along, and CDPH may issue some kind of mandate of what to do, is that the individual filters do not have flow meters. So we are guessing how much water is going through each filter. Also because of the way the manifold works, more water is always going to go to Filter #1 rather than #2 or #3. Filter #1 loads up more and as it loads up it gets headloss and that drives the water to #2 and on to #3; so the filters are loading up unevenly and we have no way to monitor the headloss or the flow within each individual filter. The cost of a flow meter is about \$3,500, so this could end up costing \$20,000. A Tier 2 violation means that I have to send a letter to every customer saying, We had a Tier 2 violation; we had a turbidity spike which is in violation of the Long-term One (1) Surface Water Treatment Rule. There is no health risk associated with this, but it is a violation. I have never had a Tier 2 violation. I've never had to do that ;and I don't like the idea. But basically, it is a bad water treatment plant design.

As to the District Inspection by the U. S. D. I. Bureau of Reclamation, basically, the inspector was happy. His last inspection occurred when Darin McCosker was the General Manager and at the end of the inspection he left behind a Check List of items to take care of, and when he came this time, all the items on the list had been taken care of.

b. Surge Tank Overflow.

The good news is, the work is done, the system is reconfigured. It is physically impossible for this same event to happen again. Fish and Game was very happy with the work; the Regional Board is very happy with the work. A 'Close' on the Abatement work will be coming any day. We don't know yet what the final costs will be. Simpson did an exceptional job; got in there real fast and got out before any more rainfall and did very good work. The bulk of the 3-year monitoring will be a visual inspection of the upper sites, and a visual inspection of the lower site including silt removal if necessary and periodically he is going to have to go shoot the evaluations right at the confluence to make sure there is no additional silt being deposited (getting past the check dam).

c. Cell Tower.

Everything is set, except the adjacent property owner wants more money from the cell phone company. If they can't agree and the adjacent property owner does not allow access, the contract with the cell phone company for that location will fall through.

d. Water Line Marking.

Vice-President Voege reported that he spoke with ag customer Frey again, informing him that at some time in the future the District is going to have GIS mapping that will show pipeline locations throughout the District system. He asked if that would be suitable for him and Mr. Frey agreed that he would be fine with that. Vice-President Voege concluded that he would like to provide the GIS information to the customer rather than reinstalling markers at this time.

e. Conservation.

Vice-President Voege mentioned that the Customer Survey Results showed interest in several areas of conservation, and he had asked General Manager Koehler to call several customers that have reduced their water usage during the drought and ask if they would be willing to be interviewed.

General Manager Koehler reported that he had made ten phone calls, and only one person answered the phone. That person told GM Koehler that he would be willing to be interviewed, however, his method of conservation was to let his lawn die. GM Koehler will attempt to reach the others again, as none of them have returned his calls.

Vice-President Voege referred to the Customer Survey Results and offered to work on putting a set of presentations together and to publicize the District response to the customers stated interest. He feels that we at least owe the customers that.

f. Tire Bark.

General Manager Koehler reviewed that he was contacted by a tire bark company who informed him that Grants are available for purchasing tire bark and after thinking about it, he felt that installing tire bark around the solar array would be beneficial, as we already had one solar panel that was broken due to damage caused by using a weed-eater on the weeds under the panels. He asked the caller how thick the tire bark should be in order to keep weeds from growing through it and he was informed that installing tire bark at 6" thick should do the job. It turns out that 6" is the same thickness of the railroad ties, so we put together a volume and they put a price tag on that. The Board of Directors has already given approval to proceed with the Application for a Grant, so GM Koehler put together the paperwork and the District actually was awarded the grant monies. Before placing a purchase order, the GM sent out rfq's to four tire bark companies including the first one, and two companies responded, including the first one. They of course offered the 'primo, colored' tire bark that is used in playgrounds, but the GM ordered the industrial bark (all of the metals have been removed), not the dyed bark. It turns out, the volume of 'industrial' bark covered by grant monies is vastly greater than the volume of the 'primo, colored' tire bark, and we ended up receiving 11 trucks loaded with 20, 1-ton bags each (this is the equivalent of 36,000 tires). We obviously have far more tire bark than is needed at the solar array. GM Koehler contacted the Administrator of the Program and was told that that as long as it is used for weed control, we can apply it anywhere on water treatment plant property.

g. Sonoma County Water Agency.

GM Koehler reported that the Directors had been provided with the agenda item for an upcoming Flood Control District Meeting. President Butow, Vice-President Voege and General Manager Koehler attended the FCD meeting; and it turns out that they went into Closed Session to discuss the agenda item. GM Koehler also gave the Directors the email that he received from Pam Jeane alluding to the fact that there are some deals floating around out there. Ever since that meeting, GM Koehler has

been sending emails to Sean asking him if they have gone public yet on the details of the closed session and just today he received an email from Sean saying they are not going public on it because it's a bad deal; they feel that what it would do is bring back a bunch of animosity into the valley. So they are going to make a counter-proposal to SCWA. Now, Judy Hatch of the FCD somehow didn't seem clear on where the 7,500 ac-ft came from and who it was earmarked for, which is Redwood Valley. The 7,500 ac-ft is mentioned in the 1986 Decision 1610 right off the bat. Clearly there was a deficiency noted, but it was like the most junior water right in the world; it's not a whole lot better than our surplus agreement, in fact, it is surplus water. It is essentially the basis of the 3,000 ac-ft purchase agreement with SCWA in Decision 1610, and that's why they were comfortable with it and that's why they put essentially the same conditions on it. If the Lake drops under 30,000 you cut it in half; it's got to be surplus. I think everybody is in agreement that, this year, there was no surplus water. In theory, what is going to be happening is that the 7,500 that is in Decision 1610 will be traded to FCD in return for FCD dropping their application for the 6,000 and in return, FCD will have an additional 7,500 to dispose of but we will somehow co-mingle/annex/merge—we will somehow get a real contract. That is my understanding of the conditions that are important to us. Obviously there are problems with wording – I hate to use the terms annex or merge because those have specific legal meanings in the eyes of LAFCO. If we were to co-mingle somehow, we would have to resolve our debt; you can't annex or merge when carrying debt, you can't dissolve your entity if you still owe money. As a Special District carrying debt, we can't dissolve our entity, which is what we would need to do in order to form a new entity. I have been waiting to sit down and talk with Frank McMichael after hearing what the deal was, and now I'm not hearing what the deal is.

Vice-President Voegel said he had attended the recent Millview Board Meeting and in the middle of it, Chet Van Vleet came up with the statement that there were too many stipulations attached.

GM Koehler said, It's obvious that that information was leaked to Chet, but they won't leak it to me, and the 7,500 has got Redwood's name on it, which is the plea that I made at their meeting, was, Please, bring us on-board. It seems ridiculous that Redwood is not involved in discussions over something that is, granted it's an earmark, it's not a very good deal but it's got our name on it. At some point, it will have to go public. He added, That, combined with the email from Pam – it's pretty obvious that since Randy Poole is retiring at the end of February, that they will bring a new person on board and let that new person make some of the decisions, so that could be quite a while yet.

Member of public, Will Carson from Millview CWD, said, At one point Sean indicated that Randy wanted to wrap this up before he left the Agency.

All the Board Members agreed, saying they had also heard that comment.

GM Koehler stated, We want to keep this whole thing on a friendly basis, is there anything in addition to the 3,000 acre-feet or do we want a real contract?

President Butow commented, If we are denied access to the West Fork and other tributaries for frost protection water, because the State is on the prod to turn this back into a fish nursery and if that's the case, the District is going to be faced with additional requests for ag hook-ups. This is the only way the ranchers are going to be able to survive, is through the District.

Director Pool added, This would also create a greater demand from our existing ag customers.

Director Reuser asked what the political ramifications might be if we do ask for more water. He added, We don't want to step on anybody's toes.

GM Koehler said he does not know, and that's why he wants to sit down with Sean and have a casual conversation. He is comfortable with starting at 4,000.

8:35 P.M. CLOSED SESSION

9. (Agenda Item No. 19)

- a. Real Property Negotiations - Government Code Section 54956.8.
Conference with Real Property negotiators.
Address of Property: Water within Lake Mendocino available to Russian River Flood Control & Water Conservation Improvement District, Sonoma County Water Agency, Mendocino County Water Agency or other water by substitution.
Action Proposed: No formal Action is anticipated.
Action will be provided to the Real Property Negotiators consisting of the Attorney and Board of Directors representatives.
- b. Real Property Negotiations; Report of Negotiator, Donald Butow, in regard to progress or lack of progress in negotiations for access to water sources, rights of way, easements or interests in real property related to transmission and storage of water. No address available.
Negotiations with County interests and other possibly effected landowners. Government Code Section 54956.8.

8:49 P.M. OPEN SESSION

10. REPORT OF ACTION TAKEN IN CLOSED SESSION ITEM NO. 9. (Agenda Item No. 20)

President Butow reported that Director Merle Reuser and General Manager Bill Koehler were appointed as an ad hoc committee to participate in negotiations.

8:50 P.M. Break

9:05 P.M. Reconvene

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

- a. Monthly Financial Report.

The Monthly Financial Report was reviewed.

Director Pool noted that the County Auditor's letter indicates we have lost \$2,000 in property tax revenue sharing so far. Since the State of California is in dire financial straits and has given notice to all Special Districts that the State will draw on those property tax revenues, the question becomes, are we going to get more hits or is this it?

GM Koehler said he will investigate and report back to the Board.

MOTION: Approve the Financial Report as presented.

Pool/Voege Discussion CARRIED

AYES: Pool, Voege, Reuser, Butow

NOES: None

ABSTAIN: None

ABSENT: Hallman

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

Nothing at this time.

13. INLAND WATER & POWER COMMISSION. (Agenda Item No. 11)

President Butow reported that a committee of the IW&PC went down to the Corps of Engineers office and met the new Project Manager. They were impressed that he was likeable and spoke very directly with them but the downside was, he didn't tell them anything they wanted to hear. He told them the Seismic Study will cost \$100,000 - that would be \$50,000 from IW&PC and \$50,000 from the Feds, to scope out what they need to study and how much it will cost, and then they will get back to us.

GM Koehler added that the Scope of Work has to include melding together the Safety Study they have to do as well as the Seismic Study, so that whatever work gets done satisfies both requirements. They are required to do a Safety Study on their own nickel, but they figure it will be at least 10 years before they get the funding to do that. In other words what they're saying is, But if you guys pay for a Seismic Study that we can then turn in to satisfy the requirement of our safety inspection – then we don't have to spend our money, but it gets done fast enough to mean something. But yes, it's \$100,000 to do the Scope of Work.

Vice-President Voege remarked, The Safety Study people could come back and say it isn't adequate.

GM Koehler: Exactly. No guarantee. The other interesting thing that he did announce is that he's got four more Feasibility Studies in addition to this one, so now he's got five, and he's saying he's not the only Project Manager doing feasibility studies. This is opposite of what Doaks has been saying at all the meetings we've had with him. He's been saying that we've got the only Feasibility Study going on out there; so it's a continuation of story-telling from Doaks. Anyway, what is happening is they are going to get the \$50,000; it's already essentially in an escrow account, so they are going to get that money and that's what they are going to deliver for it. And in addition, apparently they have already delivered a somewhat more intelligible explanation of the money spent.

President Butow added that even though Doaks' figures were always so confusing, he did show what their overhead was. This one very conveniently doesn't show that, it just gives you a ballpark figure - your portion and our portion.

Director Reuser asked how many agencies approved this Study, as he's just wondering who said Yes to this.

Vice-President Voege answered, The City, the County, Potter Valley Irrigation District, Flood Control –

GM Koehler stated that Flood Control is representing everybody else. The money that it has cost Flood Control to put into it, is partly paid for by the contractors that buy water from them.

Director Reuser responded, It seems ridiculous. That's a pretty bold statement to say, Give me \$50,000 and I'll match it to do a study to see whether we can do a study.

President Butow narrated for Director Reuser, Actually it's almost a - scoping would be the figurative word. Basically, it was back in 1997 when they were talking about the Potter Valley licensing issue with FERC and all the rest of it. It looked like it might be a possibility that they would actually close the whole thing down, and/or Sonoma County might come in, because P.G.&E. was also in trouble if you remember, and they were also talking about 'bailing' on the project altogether and just shutting it down and walking away. So, Janet Pauli was the firebrand behind that drive and we joined them mainly because that was in our interest too; we had a straw in the lake and we didn't want the Eel River to be cut off. So then I became one of the Commissioners and it was just ripping along dandily and all of a sudden here comes this whole idea of, Let's raise the dam. The dam was originally scheduled to be so many feet higher, etc., etc. and let's jump in and we'll do a cost-sharing, and Janet had already lined things up. Well, that's how things got started, and we went along with it but we started getting hit with 'our share, our contribution', with \$25,000 here and another \$10,000 or \$15,000 there, and by this time Director John Groth and I were on the Commission together and we kept seeing this thing costing more and more and going absolutely nowhere. So we're getting hit with this thing, and the fact that it wasn't going anywhere and the fact that Doaks wasn't the best salesperson in the world for their project, and then the suspicion that we weren't getting our bang for the buck. We had contributed our amount and they had contributed their amount, and it was a lot of money, a-hundred-thousand or so.

Vice President Voege stated, We've put in half-a-million.

President Butow responded, Well over time, yes, it kept building up. But at that time our share was a hundred-and-a-half going in – and nothing was getting done! And John was looking at it and we were talking and our Board agreed, Hey, we want to know whether we can raise the dam or not, what's the deal? We should have a Seismic Study before we do anything else. And they'd say, Oh, no; this is the way the government works, we've got to do an Economic Study, an Impact Study. And that's where all this money is going.

GM Koehler commented that Janet and Roland have yet to put together the Scope for the Economic Study. There is no Scope for that.

President Butow continued, Meanwhile, the County withdrew from the Commission and then they came back into the Commission later, after the election I believe. But at the same time, we were looking at the status of the District and the unfunded Mandates coming from State Health, etc., etc., the urgent need to straighten up the water treatment plant and all the different things that needed attention that we're having to spend a lot of money on, and finally the Board of Directors decided that we should pull out of the Feasibility Study group for now. So then they got all incensed, we're a bunch of turncoats or whatever.

Director Reuser: We were a pocket full of money. Thank you.

President Butow concluded, So that reduced the Feasibility Study participants to four members.

GM Koehler then added more details for Director Reuser's information : And then at some point, I noticed that the language for getting back in the Feasibility Study group was incorrect. If you actually wanted to get back in, it was not written correctly. So I brought it up at a Board Meeting and it has

taken IW&PC at least a year and a half that they still haven't gotten it done, and we (Redwood) agreed on the language! - Redwood basically said, the language is fine. The penalties that are going to be assessed for getting back in, are fair. Basically for the first year, you just have to pay up, including what they would have earned in interest on that money. But there is no penalty, per se. So it's taken them a year and a half and they can't seem to agree on that.

President Butow stated that everybody has agreed except the City of Ukiah who has said again, Well we've got to get Baldwin on the ball. President Butow continued, Are they going to sign this thing or not? Their attorney has looked at it and they're attorney helped make the corrections, so there was that going on. Also I had to remind Janet, as she had made some remarks that Redwood isn't going to sign it anyway and I said, Oh yes we are, we're still a member of the Commission.

GM Koehler remarked, It's the Commission that's signing it. Janet has known that.

President Butow added, She said, Oh, yeah that's right.

Vice-President Voegel moved forward with the report of the recent IW&PC meeting, reporting that Potter Valley now has their early spring frost water and late fall irrigation water, without a payback. That was approved.

Member of the Public, Will Carson added that they are getting the Storage Curve Map recalculated.

GM Koehler commented, It was FERC that basically said, Yeah, we know, this isn't important; we'll get around to it in seven or eight years.

Will Carson stated, Janet indicated that she had recently talked to 'somebody'. So we'll see what that means.

Vice-President Voegel reported further. The re-op with the dam isn't likely to happen anytime soon because even though the spillway isn't adequate, it's not inadequate enough to be a big deal. Also, there is a tunnel that goes through the dam to an electric plant for the City of Ukiah, and there is some question about whether or not there is leakage through that tunnel. So they've got all these sensors plugged in around there, but the lake level has never gotten high enough to give them that data, and they won't re-operate it at 761'; so at 748', that's it.

14. MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL & WATER CONSERVATION IMPROVEMENT DISTRICT. (Agenda Item No. 12)

President Butow reported that a new recording secretary was introduced at the recent meeting. There were a few other items; and they gave their General Manager a 10% raise, 5% retroactively and 5% in the future.

General Manager Koehler stated that he deeply admires what Sean White as General Manager has done for that organization.

GM Koehler reported that the State wanted the FCD to provide specific information on the individual acres that they service.

GM Koehler added, That was another issue on the Noticing of our Place of Use, it's one of the things that the State Water Board wanted. They wanted me to specifically identify the individual acreages as a place of use. I discussed this with legal Counsel Minasian. We are limited to 3,500 ag acres within

the gross area of the valley of the District, but we don't have to identify the individual acres. Somebody could sell a vineyard, pull out the vines, do nothing with it and then somebody else could increase the acreage. And then all of a sudden you're going to CEQA for that, which is what it would take if we specifically identified the individual acreages. Counsel Minasian has sent a response to the State.

Director Voegel said he thought the GIS mapping would show that. GM Koehler clarified, the map will show where the water is being used, but the owners don't have to go through any hoops or hollers if they change it. He added that's why he wants to have the GIS mapping for Redwood so when they ask, he can say, here it is.

15. STATE WATER RESOURCES CONTROL BOARD.

GM Koehler reported on his attendance at the Hearing in Sacramento. The Hearing was Opened by Chairman Hoppin with a letter of support from Congressman Thompson who is urging a compromise, as he wants to support both farming and fishing. So Hoppin stressed the need for a compromise between, we're going to call it the two factions for the sake of an argument, those who want to stop or regulate frost, and those who maintain that it's critical for the economy of the two counties. Hoppin said You guys better get your act together, because if this goes into ugly lawsuits, it's going to get handed to some judge who's going to make a decision that probably nobody likes. So he urged them to compromise, because we know that there are some folks out there who don't understand the word, compromise. Hoppin did stress a number of times, echoing the statements of some of the other regulatory people, that he felt there was a need for a regulatory stick, especially for non-cooperators. The people in the room were all people who were cooperating and who were doing something to reduce the instantaneous drawdown on the river, but the people who weren't going to cooperate weren't in that room. So that's part of what's out there. The farm people are saying that peer pressure is going to work but this is the gist of where Hoppin's going. Vicky Whitney mentioned that she had received only one application for a pond license which is the LaRibera Pond and she had agreed to expedite the pond application but that window is closing because now she is being directed to have her and her staff work on provisions to AB2121 and that's going to tie up all her time. So, folks may not get ponds permitted, which is one of the big issues; Beckstoffer is spending around \$800,000 on a pond, moving dirt around. Also, Fish and Game got up and said, We support N.O.A.A. They complained that the URSA Plan needed extensive modification and they made some specific recommendations that they want to see. The bypass flows measure, which is essentially the issue that is going to really hurt the West Fork because if the bypass flows aren't there, they're basically going to come in and say, You can't divert if the bypass flows aren't there. They want better Best Management Practices (BMP's), the Regulatory compliances, and they want monitoring of all the diversions; in other words, metering. This is basically the shopping list of what Fish and Game wants, and this is from the URSA Plan which is far, far better than - okay, the other one they piggy-back on it is MRSA, the Middle Russian Stewardship Alliance which is pretty much everybody to the Hacienda Bridge. This is pretty much the limit of their area of interest where the frost protection is occurring and that's because past the Hacienda Bridge there is not a whole lot of grape-growing on the Main Stem Russian. The Hacienda Bridge is on River Road near the Guerneville-Forestville area. So, the Upper Russian is essentially Mendocino County. There is this arbitrary division at the County Line even though anything above the confluence with Dry Creek should really be considered Upper Russian, but it isn't. So, they are going to want stream gauges monitoring of all diversions, real monitoring. As to whether we're going to get on-board with the same type of Smart Gauges as Sean White at the FCD has, remains to be seen because Redwood has no regulatory authority over people who are diverting from the river. I stood up and in my two-minute spiel said that, essentially, I felt that our obligation existed only as far as helping to disseminate information to the diverters in Redwood Valley, because they are not our customers and we have no authority over them. So, the State wants to make a bunch of regulations and Vicky has been authorized to hire 25 'enforcers'.

Director Reuser commented, If you're dealing with Fish and Game as an enforcement agency, they're good.

GM Koehler answered, They are; but this is the State Board. The issue with Fish and Game is yes, if they were out there doing enforcement, they would be looking for dead fish. They are not looking for water diversions; but if they find dead fish they would go to the nearest upstream diverter and say, You killed that fish.

GM Koehler continued his report. Essentially there are three proposals, we've got MRSA, URSA and the Alexander Valley folks, so that's three different sets of proposals out there. The N.O.A.A. fisheries again said that none of the proposals were good enough, none of them were transparent enough. Russian River Flood Control is not releasing actual diversion numbers from individual farmers. That's something where they'd drawn a line in the sand, but the State Water Board hit them with the Freedom of Information Act demand. So they are having to turn it over but the State has also tentatively agreed that they're not going to use that as the basis of enforcement action, but do we believe them? Hoppin chided the agencies N.O.A.A. and Fish and Game for not issuing their own proposals and both of them were very adamant that they manage fish, they don't manage water. And so again, they're going to send enforcement people out looking for 'take' but they're aren't going to deal with the water part of it.

N.O.A.A. again stressed that self-regulation was not adequate; that's because the frost water was declared an inappropriate use of water in 1997 and the State Board has not enforced it, they've allowed it to go along until basically, in 2008 when there was a 'take' and that's what kicked this whole thing into high gear. But the State Board is being sued to enforce some sort of regulation against frost water, including outright prohibition. There were still people from the audience that got up and said, Wind machines work. The wind machines might work in parts of Sonoma County but they don't work in Mendocino County. And there were farmers who got up and said, Look, this is my vineyard. I don't have frost water, I've got a wind machine, and look at my dead vines - they were frozen. Wind machines don't work unless you've got exactly the right climatological conditions and the right temperatures, then they sort of work. Essentially the regulatory fish folks came out and admitted, they absolutely agreed that frost water diversion is not the only cause of the demise of the salmonid fishery, but it is one they can control, so therefore, they are going to control it. Nobody wants to talk about pot farms, nobody wants to talk about ocean conditions. Clearly there is major change to the Russian River since the creation of the Coyote Valley Dam. It has changed from a wide, shallow, meandering river to a deeply incised bank. That's what dams do; if you're downstream from a dam, you're going to incise the banks. They flat out admit they know it's not the only cause, but it's the only one they can get their hands around, so they're going after it. So Fish and Game, NMFS and Office of Law Enforcement will be out looking for violators and they will be packing, come frost season. This is the message that we've been putting out as best we can. Hoppin basically said that diverters will be monitoring and reporting, using gauges. Period. It won't be like the old days where at the end of the season you could call them up and say, well I think I used about 6 or 7 acre-feet.

Now, one of the things that Sean White did, I connected him up with our meter vendor and he had many meetings with her, and he came away a little bit unsatisfied because of their unique needs of having a meter that will call out on a cell phone, and he ended up with this Corona, a German meter. It's an interesting meter; it has a multi-year battery and it can basically call the Sonoma County Water Agency and say, I'm on. That's part of Flood Control's deal with the farmers, is that they won't report the flow rate, it will just say, I'm on. Now at the same time, they've got growers pumping frost water out of their ponds, so telling when their frost pond goes on isn't going to tell anybody when their river pump goes on. All these guys will need to have two pumps, a small pump to pump out of the pond and then a big pump to provide the metered frost water.

President Butow mentioned that there is a lot of discussion going on about deciding who will take river water at what time to fill their ponds, so that there is not a drawdown of the river.

GM Koehler remarked, You're right, and it is an additional protocol that needs to be worked out and Flood Control is taking the responsibility of working out that particular protocol with their approximately 50 contractors.

Further discussion continued, recognizing the importance of continuing to get this information to the ranchers in Redwood Valley and encouraging them to get informed and organized.

The Meeting ended at 10:04 P.M.

The next Regular Meeting is scheduled for 7:00 P.M. on Thursday, December 17, 2009 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

APPROVED: Board of Directors

DATE APPROVED: May 20, 2010

SIGNED: Linda Groth
Secretary, Board of Directors