

REDWOOD VALLEY COUNTY WATER DISTRICT  
2370 Webb Ranch Road  
Redwood Valley CA 95470  
(707) 485-069

Minutes  
Board of Directors  
Special Meeting  
Wednesday, December 15, 2010  
Redwood Valley Grange Hall

Directors Present: Donald E. Butow, Hal Voege, Granville Pool  
Directors Absent: Jeanette Hallman, Merle Reuser  
Staff Present: Wm. L. Koehler, General Manager  
Linda Groth, Secretary to the Board of Directors  
Others Present: Approximately 20 members of the public

CALL TO ORDER: 6:00 p.m.

1. ROLL CALL.

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

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

None.

3. DISCUSSION AND POSSIBLE ACTION REGARDING LAND PURCHASE FOR PROPOSED PIT POND SITE OR DEVELOPING ADDITIONAL/OTHER ALTERNATIVES.

Board President Butow welcomed those in attendance and explained that this is the second of two Special Meetings held for the purpose of having a dialog between the Board of Directors and members of the public, to guide the Board in the direction it should follow when considering the District's lack of a year- round water supply and its limited water storage capacity.

Having experienced the drought conditions of 2009 we are clearly reminded that the Water District is vulnerable to the whims of Mother Nature in addition to the Rulings of State and Federal Agencies, and to the agencies from which the District purchases its water supply. Also, there are new Rulings from the State Water Resources Control Board, Fish and Game, N.O.A.A., California Department of Public Health, among others, affecting access to water from dams and rivers and streams.

General Manager Koehler stated that the level of Lake Mendocino during the drought had lowered to the point where we were asking our customers to reduce their water usage to 60-gallons per person per day. This was in compliance with Sonoma County Water Agency guidelines because we were buying water from SCWA. If the Lake level had gone lower, we would have had to reduce customer usage to 27-gallons per person per day, which is the amount of water the World Health Organization recommends as sustaining human health, and this is supported by the California Department of Public Health.

Board President Butow stated that the results of the District's conservation efforts were excellent, the best along the whole Russian River corridor. He reiterated, a) the District has a 64-acre-foot holding pond that is filled by a transmission pipeline from Lake Mendocino. b) historically, the District has purchased surplus water from the Mendocino County Russian River Flood Control & Water Conservation Improvement District, but during the past few years, they have had no surplus water to sell. c) the District signed a Surplus Water Purchase Agreement with Sonoma County Water Agency and has purchased surplus water from SCWA since 2008. d) during the 2009 drought, SCWA did require the District to cut back its usage. e) if the District were to develop more storage, it would help us through one year of drought.

Previously, the District mailed an extensive Questionnaire to its customers and the results that were received indicated that the public wants the District to get more storage and to find more water. So the question now is, if opportunities appear, do you want the District to pursue them? Or should we leave the storage as-is? It should be noted that if no-growth is a concern of yours, you should be aware that the court-ordered new connection Moratorium at the District has been in effect since 1989 and it has not slowed down new growth in Redwood Valley.

There is a parcel of land for sale in Redwood Valley located next to the District's transmission main. This is an opportunity for the District to increase its storage capacity, but the Board of Directors needs direction from its rate payers. Although having more storage is a wonderful thing, there are many new restrictions involved with obtaining property and developing a storage facility. There are E.I.R.'s, and a whole list of procedures to follow. This could be an approximate \$10 million cost which translates to approximately \$40.00 more per month to our rate payers, for approximately 40 years. All this and still there is no guarantee we can jump all the hoops to be able to get the water. We could be left with a hole we can't fill.

Perhaps it's possible to get our own, firm water supply through the Sonoma County Water Agency; doing so would cost as much or more than the cost of a pond. The results of a 10-year Flow Study by the Department of Fish and Game and N.O.A.A. show that too much stream flow is harmful to young fish, so there will be more water held behind the dam. This could, conceivably, be beneficial to Redwood Valley.

Vice-President Voegel commented that the Lake was operated at a much higher level this past winter, which allowed Redwood Valley to pump under its own water right, just for the cost of pumping. So, this was not a water purchase. We could have pumped more water, but the problem was, there is no place to store that water.

GM Koehler added that the District has been pumping under its own Permit during all of October, all of November and all of December to date. It has been a surprising number of days to pump under our own Permit. Interestingly the customer demand has been low.

It was noted that the Sonoma County Water Agency is opening Hearings on Decision 1610. The outcome of those Hearings will affect Redwood Valley. Unless our water right is modified with D-1610, our pumping will continue to be limited.

During discussion it was noted that if Lake Mendocino were to be dredged, it would cost about \$10 per cubic yard to dredge the 4,500 acre-feet of silt, assuming there is no mercury, etc., found in the soil tests. Then after dredging, it would be de-watered, then trucked out. That could easily be a \$90 million dollar project.

Board President Butow reiterated that the District needs a solid permit to pump and a place to store the water that is pumped. It will cost some money to do that. Is the community willing?

After further discussion, Board President Butow turned to the topic of paying back the Original Federal loans. When the Moratorium was issued, the District could no longer acquire more customers and this stopped the District from having an ability to repay the U.S. loan. In 2005 Senators Mike Thompson and Dianne Feinstein supported legislation that was eventually Passed. This legislation postponed the Redwood Valley District obligation to repay the Federal loan until such time as the District can resolve its problems and build-out its

water treatment plant and storage facility, and then to pay off all the loans that will be incurred in order to do all of that. He emphasized, There is no accrual of interest on the U.S. loan until the build-out and pay-off is completed, then the Feds will start over again with the District payments to the U. S. Bureau of Reclamation. But because of this, the District cannot borrow again from the federal government, so we have to look at banks or others including the State for funding.

The Board of Directors is very concerned about how these costs will affect its agricultural customers also, and is trying to figure what would be the least impact for domestic and agricultural customers alike. GM Koehler stated that wine grapes are the most frugal of all water consumption. The Board needs to hear from the District customers as to which direction to go, or not. As a result of these public hearings, a Position Paper will be prepared and mailed to all customers next month so that there is as much transparency as possible.

Board President Butow and the Directors thanked those in attendance for their valuable input and said they felt this was an excellent meeting.

Members of the public applauded the Board of Directors and General Manager Koehler for their hours of dedication to the people of Redwood Valley and added, "Thank you for looking out for us."

The Meeting ended at 8:50 p.m.

The next Regular Meeting is scheduled for Thursday, December 16, 2010 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

APPROVED with Notation: Board of Directors

DATE APPROVED: January 20, 2011

SIGNED: Linda Groth  
Secretary, Board of Directors

1/20/2011: NOTATION  
The taped recording of the 12-15-2010 Meeting  
Is kept with these Minutes.