

REDWOOD VALLEY COUNTY WATER DISTRICT
2370 Webb Ranch Road
P. O. Box 399
Redwood Valley CA 95470

MINUTES
Special Meeting, Redwood Valley Grange Hall
Board of Directors
Wednesday, December 16, 2009

Directors Present: Donald E. Butow, Jeanette Hallman, Hal Voege, Granville Pool, Merle Reuser
Staff Present: William L. Koehler, General Manager
Linda Groth, Office Manager/Secretary to Board of Directors
Others Present: Roy Beck, Randy Dorn, Deno Dogali, Jessie Neece and several unidentified others

CALLED TO ORDER: 7:00 p.m.

Director Butow welcomed the public.

Director Butow: Tonight is a Special Meeting required by Proposition 218 which requires us, on any rate increase, to have a certain number of hearings. Our regular meeting is tomorrow night, but the reason we are having a special meeting tonight is to comply with the rules of Prop 218, which outlines the number of days that we have to receive written protests to the proposed rate increases. Also, you get one vote for each A.P.# that you own; for example if your vineyard acreage covers five A.P. numbers, then you would get 5 eligible votes. If you have a residential property that is a rental covering one A.P. number, the property owner gets one eligible vote and if the property owner does not vote, the tenant could submit the one eligible vote.

Director Pool: One more thing before we proceed. If I remember right, protesting on domestic rates, and protesting on ag rates, is a separate thing. So if someone is a property owner who has both domestic and ag water, that owner can protest each of them, separately.

1. ROLL CALL.

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

2. HEARING OF COMMENTS OR QUESTIONS FROM THE ATTENDING PUBLIC CONCERNING ANY TOPICS NOT POSTED ON THE AGENDA.

No comments or questions at this time.

3. RATE STRUCTURE. IN ACCORDANCE WITH PROPOSITION 218 REQUIREMENTS, PUBLIC HEARING DEADLINE. FINAL CALL FOR WRITTEN PROTESTS TO THE PROPOSED RATE INCREASES AS DISTRIBUTED TO ALL CUSTOMERS AND DISCUSSED AT PREVIOUS PUBLIC HEARINGS AND MEETINGS. PROTEST PERIOD ENDS AT THE CLOSE OF THIS MEETING.

Director Butow: Is there any input from anyone in attendance? Nothing? Well, okay, we do not vote on this tonight; this is the last meeting to submit protests. When this meeting ends, the protest period ends. We will not vote on this tonight. Tomorrow night at the Regular Meeting, there is an agenda item to vote on whether or not to go forward with implementing the new rates.

Member of the public: I have a question about the meter charge.

Director Butow: You may ask any questions about the meter charges or how they work or whatever questions you have. We have Bill (GM Bill Koehler) here, our Water Manager, so go right ahead.

Member of the public: So, if you keep paying on this meter charge, pretty soon you're going to exceed the cost of the meter and what it costs to put it in, and you're going keep getting charged each month.

Director Butow: Oh, the meter charge issue, to service the meter and how to read it and so forth. Bill, would you want to respond to that?

GM Koehler: Sure. Actually, the District is changing the entire structure of how the ag water is purchased. It used to be that with a 2" meter you would prepurchase 3 acre-feet of water whether you used it or not. And with a 4" meter you would prepurchase 6 acre-feet of water whether you used it or not. We've actually got about 25% of our customers who don't use the full amount of water that they were required to prepurchase. We've got a few of our customers that don't use any amount of water at all and they are obviously just paying for the use of the meter and for the asset that it is to their property. But what we are attempting to do is to bring the meter charge and the ag water charge in general, more in line with a flat rate to pay for the cost of maintaining the system in addition to just the meter, and the charge for the water would pay for the pumping and depreciation cost of the system, which is more in line with how the domestic side works. So we are figuring that over the next couple of years, we will transition into possibly not having ag water prepurchased at all, that you basically pay a meter fee just like the domestic side does to have a meter out in front of their house, and then you pay for whatever water that you use. But as far as amortizing a meter, a 2" meter is about \$1200, so it's going to take a while at \$20 per month to amortize that meter, and you factor into it that we are also reading it once-a-month and we're also doing maintenance on the upstream side of the meter. The life-cycle of a meter is not forever and one of the issues that we are facing is that the ag meters that were installed are the wrong kind of meters. They are turbo meters which tend to jam and break. The untreated water delivered through the system has clam shells and other debris that gets into that water. We should be replacing the turbo style with the electro-magnetic meters that cost \$3,000 a pop. It's pretty convoluted, but basically, the meter fee pays for, yes, the cost of the meter and the reading of the meter and the depreciation of the system. The water charge itself is largely, most of it is raw cost. I mean, it costs us \$100 an acre-foot to pump it from Lake Mendocino and it costs us ~~\$600~~ \$60.00 an acre-foot to buy the water. So we are figuring so much for the meter fee and the rest of it goes to pay for the depreciation on the system. And we calculate it based on some engineering studies that reviewed 10-years of our history that roughly 15%-18% of our labor goes to the ag side and the ag side is certainly less than the domestic side. On the domestic side we are treating the water and paying for chemicals and electricity and we are spending a lot in labor on the infrastructure and at

the treatment plant itself. But, we need to start replacing meters on the ag side and, yes, that's how the numbers were generated. Meters wear out; they have a life span of about 15 years.

Director Butow: And most of them have been in for what, 30 years?

GM Koehler: Yes; we're fighting that battle now. We are spending a lot of time repairing meters that we can't get parts for anymore. We are going to have to start jerking them out, and putting in new meters because we just can't get any parts for them.

Member of the public: The other question that I had, I have a 2" service and I have never gone over 3 acre-feet, and the last two years, it's been about the same 1.1 and 1.2 acre feet and I expect to pay an additional \$225 per year. Does that come after?

GM Koehler: Well, if you're using about 1 acre-foot on a 2" meter, your additional charge will come to about \$15.00 a year. So right now what you're paying is \$37.50 a month, which is \$450 a year; you're going to be paying about \$475. So you are going to be paying a \$20 per month meter fee, which is \$240 a year + \$225 per acre foot, which is \$465. If you go over the minimum, you don't pay per acre-foot, you pay per 1,000 gallons, which is the minimum definition in the meter. So, in the month that you go over the prepurchase amount, for every 1,000 gallons you use, we are going to charge 1/325th of \$225 per acre-foot, which is approximately 75-cents each thousand gallons. An acre-foot is 325,000 gallons so basically we take \$225 and divide it by 325 and that is what a thousand gallons costs you. So we are going to charge you by thousand gallon increments.

Director Butow: Yeah, this thing came up, it got kicked around quite a bit in our discussions since last summer about rate increases. We tried to get it as fair as possible for guys that don't draw their full annual allotment; they pay for the 3 acre-feet whether they use it or not. We're trying to get it down to where things make a little bit more sense. Hopefully whatever we charge you for water will be a more fair way of doing that.

Randy Dorn: So far what sort of response have you gotten from the Redwood Valley water users? Have you heard much?

GM Koehler: Apathy. We have received 3 protests to date. We have 198 irrigation customers and we have received a protest from one gentleman that has two properties, so 2 protests, and we have 1 other ag protest, so that makes 3. We have heard nothing on the domestic side at this point.

Member of the public: Oh wow. I probably didn't read my mail properly, I guess.

GM Koehler: Well I think we sent out enough literature that said, 'this is what we're doing' and 'this is how you can protest it'.

Member of the public: Yeah!

GM Koehler: I mean, we sent out at least three substantial mailings explaining what was being discussed and considered and how to protest it. And we have the portable billboards out at the major intersections and here at the Grange Hall.

Member of the public: You guys have done a really good job at trying to get the word out.

Director Butow: We're making every effort to be transparent.

Member of the public: Based upon 3 acre-feet, this year because of the drought, I cut my water usage back. And this year I can look at other options, I can go back to using my well or whatever I might need to do if I feel it is expedient economically. But what concerns me, I guess like a lot of things such as the Board of Supervisors giving themselves a raise, or them talking about giving the Clerk of the B.O.S. a 30% pay increase. So, I can't help but ask the question, you know, we all do budgets in our personal lives; and you guys know more about the water district and why we are so far off budget, but that rate increase is not nominal, it is insane; it's doubling the rates.

Director Voege: In many ways it is nominal if you compare it to rate increases that other water districts, even in this area, are charging. We went out of our way to work out a formula that doesn't operate on the basis of the rainfall this year; and also takes in to consideration the fact that electricity costs more, chemicals cost a bunch more and physically, water's costing you more. All of those things are true; so we need to try and break even.

Member of the public: Right, I understand that; it's just that it's doubling because there haven't been rate increases on a yearly basis –

Director Hallman: Okay, first off, the domestic increase has been fairly small; the ag increase is a lot more but for years ag has not paid their share. Domestic has helped ag out quite a bit, so this is correcting that, as well, along with all the other things that have been mentioned.

Director Pool: When we started reviewing our budget this year, one of the first things that we had to look at was the fact that we were and are, until the new rates go into effect, selling ag water for a bit less than just the raw cost of the water that we're paying for and the electricity to pump it over the hill, and never mind the other costs.

Member of the public: So what does it cost you guys to deliver an acre-foot of water to my meter? What's the breakdown to that? - in thousand gallons or whichever way you want to do it.

GM Koehler: Well, an acre-foot is easier to look at in terms of what it costs us. For instance, we pay \$60 per acre-foot to either Sonoma County Water Agency, or, prior to Flood Control's emergency rate, we paid them about \$47 per acre-foot and we pay PG&E \$100 per acre-foot to get it over the hill, so that is \$160 per acre-foot. We took our total budget and essentially pulled out the electric and water purchase costs, and that leaves us with all our labor and depreciation costs and that came up to about \$45 an acre-foot based upon roughly 18% of our labor; so we didn't assign any value of water treatment or water treatment chemicals to the ag side, and just took out essentially 18% of our labor, overhead, vehicles, whatever. If we're not pulling meters, we are fixing leaks, and when we go fix a leak, we assign the costs to an account that is either domestic or ag, and so we just broke that all out and said, okay, that's basically what it's costing. And we're essentially adding about \$10-\$15 an acre-foot that is going to go into capital expansion plans which are going to be basically for the benefit of ag. So essentially, it's costing about \$210 to deliver an acre-foot of water to your door; and so we're having to tack another \$15 on that in order to build up our reserves. One of the things that happened to us very early in the drought is that, basically, rather than telling you there would be a rate increase when we are telling you that you have to cut back your usage, we basically depleted our reserves. So now we've got to start building our reserves up again, so that we can move forward into the future to hopefully, ultimately deal with this ridiculous lack of water rights situation that we have, which is going to cost money. But yes, it's over \$200 per acre-foot to get that ag water to you delivered to your meter.

Jessie Neece: I'm sorry, so ag water is going up to \$225 per acre-foot?

GM Koehler: Plus a monthly meter fee.

Jessie Neece: Okay, so that's \$75 a month, and what is the monthly meter fee?

GM Koehler: That \$75 is what you paid per month for a 4" meter under the old rate. It's going to be \$40 a month to have a meter at the street, whether you use any water or not. You will, however, be currently obligated to purchase only 2 acre-feet at \$225 each. And anything that you use over the 2 acre-feet will also be at \$225 per acre-foot.

Jessie Neece: Okay so that will be \$450 a year plus the meter.

GM Koehler: Yes, the \$450 for 2 acre-feet, plus \$480 a year for the \$40 per month fee for a 4" meter. With the 4" meter, you are paying a little bit more per year for the prepurchase minimums than at the old rate, but not a whole lot.

Member of public: What's it, like, \$30 more a year?

GM Koehler: It's around that, maybe a little bit more on a 4" meter for the 2 acre-feet.

Member of the public: If you break it down by acre-foot, you're paying \$465 an acre-foot if you put the meter charge and the acre-foot together.

GM Koehler: But before, you were obligated to pay \$900 a year for 6 acre-feet, but if you only used 2 acre-feet, you were paying \$450 an acre-foot.

Member of the public: True.

GM Koehler: It is true, what Randy (Dorn) was saying. There are a couple of price points at which it is a hundred per cent increase. So at 3 acre-foot usage on a 2" meter, and at 6 acre-foot usage on a 4" meter, it is indeed, a hundred per cent increase. But part of that in my opinion, is a bad format of the way the water was being sold before with a mandatory 6 or 3 acre-feet. And so essentially that's what we are getting away from; and it will be a year or two year transition when we get away from, you know, to where a person with a 2" meter is paying \$450 whether they used a drop or if they used 3 acre-feet. Now what we are trying to get to is, yes, there will be a fixed meter fee to have the meter in the street, just like the domestic side. They pay for a 5/8's meter in the street, and then they pay for only the amount of water they use.

Member of the public: So for a 2" meter, it's 1 acre-foot?

GM Koehler: Yes, for a 2" meter it will be 1 acre-foot, as opposed to the 3 acre-feet in the past.

Member of the public: So now in the overall picture, is lack of rain causing any more likely increases to pay for electricity or to pay more to Sonoma County?

Director Voege: And lack of sales.

Director Butow: So the three-year drought has hurt us in sales.

Director Voege: And also an increase in the cost of water. The water costs a lot.

Member of the public: Yes, the water from Sonoma County.

Director Voege: It doesn't matter. I don't know about right now, but up until October, Russian River Flood was charging \$90 an acre-foot to their customers. They didn't have any surplus water, so we didn't buy any of that water from them, we bought water from Sonoma County instead, and we paid \$60 an acre-foot. But if we had bought it from Russian River, it would have gone up dramatically.

Member of the public: Well anyway, so this is major surgery. And I'm saying well, typically, everything goes up at some point. But, major surgery; so the point is in five years, do you think that you guys have done an accurate accounting projection? Do you think that you are on track for the future?

Director Butow: Like any budget, barring unforeseen disastrous situations of one sort or another, or suddenly getting cut-off from the Lake.

Director Voege: Or the Lake gets cut off.

Director Butow: Or the fact that there is no water in the Lake. Hopefully this rain is an indicator of the fact that we're going to get back to our normal rain cycles. The way it was headed before last night is that as of January 1, there wasn't going to be any ag water because the Lake would've been down to 30,000 feet. And then we would have had to cut off ag again, and everybody else would have been down to 50%; and that is county-wide. So hopefully, we can skim by this thing.

Director Reuser: I think what you've asked was, Did the changes that have been made in the budget put us in the right direction.

Member of the public: Well I know you guys made a projection; what I mean is, do you guys try to project into the future?

Director Voege: No, in fact what we specifically, we talked about doing a three-year COLA.

Director Pool: Cost-of-living-allowance.

Director Voege: And we looked at that and said, You know, we just don't know enough. We are dealing with water that doesn't even exist.

Director Pool: And another thing that I'd like to bring up in talking about looking ahead, is, this is our best projection of what's coming within the next few years. We can't project out very far, but I think that to be really open about it, one of the things that we did because of the drought and the economy being so bad and how hard it is on people to have their rates go up, that one of the things that we were looking at, that we were trying to do, that we backed off of and that we hope to phase in a little bit more in years to come when sales are up and the economy is better, is that the amount that we are talking about to put aside to build up our reserve, what we have included in the current budget and therefore in this rate increase is well below what accountants have recommended that we should be doing. So I want to be open and clear about that.

Director Butow: Yes, that was one of the difficult ones because when we first got it back from our accountants they said, hey, you guys are really way down. We were in the hole for the amount we

were delivering for, we were not getting enough to cover the cost of providing that water. They were saying we've got this big depreciation which is a paper depreciation, and we've got this issue of, 'you've got to have more money'; and they were talking \$350 an acre-foot. And we were going, well wait a minute, let's take a look at this thing. Just because the accountant says it's true, doesn't necessarily reflect reality on both sides of the question, so, we've taken a very conservative look at what we can get by with, while still putting a little bit in reserve and still meeting our expenses so that we are not selling the water at a loss, and while trying to come up with a little better methodology of billing the people for the water that they actually use. Hopefully we can come up with something that we can all live with; and then of course if we increase our sales, that will naturally cap the budget a little bit to prolong this thing. But Hal (Director Voegel) was talking about the unforeseen. I'll just tell you a little bit about something that could be coming down the road. I have been attending some meetings with the Farm Bureau. Actually they call themselves the Upper Russian River Stewardship Alliance; it is being handled by the Farm Bureau. It's over this issue of NOAA wanting to come up here and basically canceling all of the water rights out of the river and the side streams. And they're on the prowl to do just this. There was a meeting before the State Water Resources Control Board at which the farmers on the main stem down in Sonoma County were presenting a method by which they could take water out of the river and put it into storage ponds, without hurting the fish. There were fancy electronic devices and early warnings of when they were going to frost protect, and everything else. They could increase releases from Lake Mendocino to offset what water they were going to be drawing. That's one-half of it; the boys around the main stem, what's happening is that NOAA is coming up and wanting to pull all the tributaries; anybody who is drawing water off the tributary, and that includes West Fork, Forsythe Creek and blue line streams coming into those streams. And also blue line streams coming into the main stem, even down into Sonoma County. They are on the prowl to come in there and restore the fishery, no matter what. The only problem is that the State of California wants the water; it is administered by the State Water Resources Control Board. They are petitioning the SWRCB to modify water rights or cancel the surface water rights or make things to where your surface water right doesn't mean anything, so that they can go forward and reestablish the fishery as much as they can. So what NOAA, National Oceanic and Atmospheric Administration -

Director Pool: It's the fisheries branch of that, what we used to call the National Marine Fisheries.

Director Butow: It's the federal government and that overrides the state laws. And these are water rights laws that were established over a hundred years ago and modified slightly as time has gone on. I have a water right to the West Fork, but it specifically states, for frost protection. But NOAA's statement before the SWRCB was, if you're growing grapes or you need water for frost protection, you shouldn't be growing grapes there. That's their statement and that's their attitude. They are going to have another meeting sometime in January; they had this hearing to get information. And what the farmers are saying is, look, we'll work with you; you've just got to give us a chance to work this out. You can't draw water when the flow is below a certain cfs, or whatever; and NOAA is saying, well, we are not interested. They are not interested in working with us at all, they just want to come in and say, you're out.

Member of the public: Did they do this throughout the whole Country?

Director Butow: No, just the Russian River drainage. We are the guinea pig; it's just the Russian River drainage that they are working on right now.

Director Reuser: And the farmers have been creative about the off stream storage in the past couple of years to offset the frost protection draws out of the river.

Member of the public: And why are they doing this?

Director Butow: The fish. They claim there has been fish kill in the Russian River.

Director Pool: Due to frost protection.

Director Butow: A fish kill, a 'taking' as they call it, down in the Hopland area in 2008 and 2009.

Director Pool: Caused by excessive withdrawals from the river for frost protection that caused the river to drop too low and strand some fish.

Member of the public: And that killed some fish.

Director Hallman: That's what they say. I haven't seen them.

Director Butow: Nobody has seen the fish yet. They say they are 'evidence' and that's why they can't show them.

Member of the public: I mean, none of this is of some harm to the federal government, but is this part of the Country the only part they are picking on.

Director Butow: Right, and they are using the Endangered Species Act as the hammer. And they are saying, if you guys are just going to kill fish, we are going to come up the river and we are going to fine everybody that drew water that night, big bucks, like \$5000 per fish.

Director Pool: But what we heard the other night at Russian River Flood Control, it sounds like what is likely to come out of SWRCB is some kind of a modified new regulation to force the non-participating farmers, this is talking mainly about farmers down below the dam, the non-participating farmers who haven't been on-board with URSA, the Upper Russian River Stewardship Alliance, doing the off-stream storage and trying to coordinate their withdrawals and so on, so that there aren't fish kills, there aren't takings, that they'd modify the regulations in a way that would force the ones, the slackers basically, that are trying to get a free ride and not participate because of the cost or whatever, to at least be on-board and be in line with the ones that are trying to self-regulate and keep from making things completely draconian. So we don't know yet what's going to happen.

Member of the public: Are these the same ones that cut down the diversions out of Potter Valley?

Director Butow: They were involved in that.

Director Voege: They were involved, but they weren't the organization. That's a different federal agency.

Director Pool: That's FERC, Federal Energy Regulatory Commission.

Director Butow: Because that's the PG&E power house. But, getting back to what I was saying, that these guys have been fighting this fight. When I was at the last meeting they were saying, Well now if we get this resolved before frost protection, which is why they're holding that January meeting over there, they said, What about all of the tributaries, and what is going to happen there? They've got a set-up down there where they can release water from the dam. Anybody up here in Redwood Valley doesn't have that privilege. We don't have a dam that can release the water down, and to keep the

stream flow at a certain level that we can pump out of without endangering the fish. So my concern is, as a farmer, those of us that are on these tributaries should be more involved, because these guys are going to come up the blue line streams, and if you've got a dam across that thing, they want you either out of there or something. And there are plenty of those that they have granted in the past and were approved by the State, and one thing and another. We don't know how they are going to be handling things. Nobody from this area is down there participating in these talks, to at least arrive at some kind of reasonable solution to all this, to say, well okay, you know, so we've got a stream flow ordinance up. Okay, so I've got a dam across a live stream that historically was a steelhead habitat. How can we work this out, how can we mitigate this and work with these people? But so far, everybody has been thinking, well, the guys down there on the main stem are the one's affected; but, they are coming after us little guys up stream, and then the West Fork, and they may say, Yeah, you can pump out of the West Fork, #1 if you've got a pond, and #2 if the stream flow at the time you want to pump is 200 feet per second going down the stream, basically a semi-flood stage. And if it's below that, you can't pump. So now we are getting back to the reason why I brought this up; and I will be bringing it up tomorrow night at the Regular Board Meeting because hopefully there will be more people at that meeting, is the fact that this is going to impact the Water District. It means, in my case, I can either pump out of the river or I can take it off the District. If they deny me the West Fork, then I will be taking All District Water for my needs. There are a lot of people that are in the same boat. If you are on a side stream coming down, and you're not being allowed to pump out of that, and if you're hooked into the District, you will be getting all of your water from the District. And the other guys that aren't hooked into the District and that have been taking stream water out for their own ponds that they've created on-stream or something, they're going to be wanting to hook up to the District. So this is the thing in the future that can really affect the District as to cost and administration and the amount of water we're going to have to pump and etc. So I'm hoping that you guys will spread the word that Hey, we've got a problem here. I'm hoping you'll all attend the next Farm Bureau meeting on January 10th, and go in and find out how the farmers up in these upper regions can cooperate and work with them, and at least build on what these guys have already done. Now they have the big money, Brown-Forman if you will, and Beckstoffer and those guys have the money and they have been able to go ahead and charge ahead. Those new ponds they put in at Hopland range from \$300,000 and \$750,000; and they just came up with the dough and did it, saying, Look this is what we can do to mitigate. And that's how they are selling it to the SWRCB – we can do this; we are going to do this. So I'm just bringing that subject up, not only to announce to the rest of you that this is something that immediately needs to be addressed, and by all the farmers needing to organize as these have, or join that organization. But what might come down the pike in the next 18 months for Redwood Valley Water District is to have to supply more water than we're used to supplying. The District used to be supplying the supplementary water but now it's going to be supplying all the water.

Member of the public: There is a moratorium on new hook-ups, and you probably couldn't buy a hook-up if you wanted to.

Director Pool: That's right.

Director Butow: That's true, but you've got to remember that this is a self-imposed moratorium.

Member of the public: And if it was lifted, people could buy hook-ups and it probably would be profitable, but there is no water to sell.

Director Butow: Well, that is the other thing. We've got that supply issue, too. But if we can purchase a sufficient amount from Sonoma County – what is that amount Bill?

GM Koehler: Our purchase agreement with Sonoma County Water Agency is 3,000 acre-feet in a normal year and half of that in a drought year. That is domestic as well as irrigation; and per State law, if we're in a real jam for water, we have to provide domestic with our supply of water over ag. That's the way the rules are written.

Director Butow: Right, and the reason we went to the self-imposed moratorium was the fact that the people who wanted to hook up to the system, we couldn't guarantee them water delivery. Get up to the outer limits of our system, with everybody turning on that didn't have a pond, they weren't getting any water. So to hook up anybody else on that system would be silly. So we just said, Well okay, this is the best we can serve right now with the infrastructure that we've got. But if it got to be 'desperation city', I'm sure that we would consider – I'm not saying that we could do it, but we would certainly look at it in order to see how we could help our people, because this is your water district and we will try to serve you the best way that we can, and within the limits that we've got to work with. But I'm just saying, that these are the issues that are coming up. Those of you that don't have to worry about any such issue with NOAA, that's all well and good, and I'm glad; but there are plenty of us that, you know, I can see some people at some side streams just off of East Road and I'm not going to mention any names, but they have built ponds and have ponds there that have been there for 20 or 30 years. I think some of those ponds went in before the water district was formed, the minute they found out that frost protection was the way to go. And I wouldn't want to be in their shoes when somebody from Fish and Game and NOAA comes up here and says, I'm sorry Mr. So and So, you're going to have to take your dam out. This is a live stream and historically it was a fishery. Fisheries come first, so; like I say, I've just become aware of this issue in the last six months or so, and in the last month or two it has really hit home that these government agencies are being so intransigent; they just don't want to cooperate whatsoever. I only hope that the State Water Resources Control Board will be more reasonable. They do own the water, not the federal government.

Anyway, that's about it for this evening, if there is nothing else. We can all go home and tomorrow we have our Regular Meeting and that is usually a more drawn out affair.

Jessie Neece: When does this new rate take effect?

Director Butow: On January 1st, the beginning of the new water year.

Jessie Neece: So, it's \$150 an acre-foot right now.

GM Koehler: If you're looking at the 6 acre-foot structure that has been in effect and is in effect right now. You probably don't use a lot of water until spring, is that right?

Jessie Neece: Well I don't even have frost protection set up, but I finally got the leak addressed in the pond and I just filled it up. So I will be able to see how much it actually holds. It's not to the top anyway; but it looks like it's holding.

Director Butow: We've got some good news for somebody like you. Russian River Flood Control received a letter from the State, finally, over this issue of water that you purchase and are storing in a pond. If you purchased that water from Redwood Valley Water District and all that water in that pond is from Redwood Valley, you don't have to get a storage permit any more. They are recognizing the argument that we have been having with them, at least since I have been on the Board, was hey, I don't have to have a storage permit to store water more than 30 days for my swimming pool, why do I have to have it for my ag pond when I'm not getting it off of a stream or

something else that you control. This is water that I bought and paid for, and it's my water, my property; why should I have to turn around and get a permit from you to have that water in that pond?

Director Pool: Don, (Director Butow), did you read all the caveats in that letter about the restrictions? I did tonight and I couldn't really understand whether it would affect our customers or whether it would just affect Russian River Flood's customers, because that's a different situation.

Director Butow: No, according to Sean (White) the other night, it applies to everybody. However, the caveat would be, if you mixed that water. Like I would pump out of that river and I could also buy from the District, I would really have to prove that all of the water that I've kept in that pond beyond 30 days is the stuff that I bought from the District.

Jessie Neece: Well I'm thinking about doing a big cistern. I've got all this covered area, and having a big cistern would be good.

Director Butow: Well, that's off of the roof or whatever, right? Jessie Neese: Right. Director Butow: Well that's different; that's considered "surface water". So that's a little like, you know Russian River Flood was asking this because they have been having contracts with the growers to pump their water first; so the guys who want to fill their ponds with Russian River Flood's water that they bought and paid for, didn't need the storage permit. These guys were slapping in ponds and they weren't getting these permits and they were asking for permits and the State has been so slow.

Jessie Neece: What is the average amount of frost protection water per hour?

GM Koehler: It's 50 gallons per minute per acre.

Director Butow: Yeah that's how it's been working out for me. It depends on how many sprinkler heads you've got and what type of sprinkler heads you've got, as to how much water is going through.

Jessie Neece: So you could go through some serious water pretty quickly if you have a bad frost year.

Director Butow: Oh yeah, ten acres could gobble up a couple acre-feet. In 2008 I used a significant amount more than I normally use. But I was turning on frost protection water around 9:45 p.m. and wouldn't turn it off until about 8:45 a.m., night after night.

The Meeting ended at 7:49 p.m.

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

correction: page 2, it costs us \$60 an acre-foot

APPROVED: Board of Directors

DATE APPROVED WITH CORRECTED TYPO ERROR: March 18, 2010

SIGNED: Linda Groth
Secretary, Board of Directors