

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

MINUTES
Regular Meeting
Board of Directors
December 17, 2009

Directors Present: Donald E. Butow, Jeanette Hallman, Hal Voege, Granville Pool, Merle Reuser
Staff Present: General Manager Bill Koehler
Office Manager/Secretary to Board of Directors, Linda Groth
Others Present: Will Carson, Roy Beck

CALLED TO ORDER: 7:02p.m.

1. ROLL CALL.

Hal Voege, Merle Reuser, Donald Butow

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

None

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

None

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 Hallman arrived at 7:08 p.m. during review and discussion of Consent Calendar.
Director Pool arrived at 7:18 p.m. during review and discussion of Consent Calendar.

MOTION: Accept Consent Calendar as presented.

Voegel/Reuser Discussion CARRIED

AYES: Voegel, Reuser, Hallman, Pool, Butow

NOES: None

ABSENT: None

ABSTAIN: None

5. APPROVAL OF MINUTES AS PRESENTED.

The Minutes of September 17, 2009 were reviewed. On Page 2, Item 5: clarify the subdivision is an additional 4 unit subdivision back-to-back to a first 4-unit subdivision.

On Page 7, under the Water Rate Analysis, first paragraph: Change 1,000 acre-feet to 1500 and change 1500 acre-feet to 2000.

MOTION: Approve Minutes of September 17, 2009 with Corrections as stated.

Pool/Voegel Discussion CARRIED

AYES: Pool, Voegel, Hallman, Reuser, Butow

NOES: None

ABSTAIN: None

ABSENT: None

The Minutes of September 22, 2009 were reviewed.

MOTION: Approve Minutes of September 22, 2009 as presented.

Reuser/Voegel Discussion CARRIED

AYES: Reuser, Voegel, Hallman, Pool, Butow

NOES: None

ABSENT: None

ABSTAIN: None

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

None

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

None

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

General Manager Koehler explained that the Meeting Agenda was prepared while he was on vacation. The G.M. Report that he prepared upon returning to the office contains some topics that are different than the items listed on the Agenda.

h. Minutes.

The Meeting Minutes have been prepared in a 'reporting' format and more recently in a 'transcription' format. Obviously the transcription format creates quite a lengthy document. At this time, please advise the Board Secretary which format is preferred.

Director Butow commented that the transcription format is a more detailed record of the discussions taking place during the Meetings and he is pleased with it. Director Voege said that the two Meeting Minutes just approved total 34 pages, which is a small book. Director Hallman said she prefers the transcription format. She added that the Minutes prepared in the past by an outside Recording Secretary would frequently put a different spin on the comments made, which wasn't necessarily accurate. The consensus of the Board of Directors is to continue with the transcription format.

a. District Status.

A thorough exam and evaluation of the Filter system has been taking place during the past two days. The three filters were cored at 2", 4" and 6", before & after the backwash, totaling 84 samples of filter media being analyzed for turbidity. The media in the filters is anthracite (finely crushed coal) on top, then the next layer is sand and the support layer is gravel. Filter #2 was completely rebuilt in 2004, Filter #3 was rebuilt in 2007. Filter #3 is in the best shape. Filter #1 is totally shot. The anthracite no longer has the sharp edges it starts with, it is totally rounded. The material is not getting washed off the media during a backwash. Also, we have 5 broken laterals, which is the piping system over the top of it that comprises the surface wash. This breaks up the gunk on the surface. Another issue we're having is that we don't have flow meters; we don't know what is going through the meters. There is a good chance that we may need to spend \$20,000 on flow meters to accurately gauge what is going on in there. We probably also will want to do some plumbing retrofit. Right now the surface washers are being provided with water that is settled out of the clarifiers rather than finished water from clearwells and we've probably got 20%-30% of the spray nozzles in Filters #2 and #3 that are plugged. If we change the plumbing to get clear drinking quality water to those nozzles, they definitely won't plug up as much. We can do the surface wash with finished water, that would eliminate having to clean out the headers because the issue with cleaning the spray nozzles, is that there is a central header that goes down the middle of the filter, inside the vessel, and the laterals then go off at right angles to that, meaning that half of the laterals are on the other side of the header from the hatch, which means we can't get to them without removing the headers on the hatch side and reaching over and removing the header from the opposite to the hatch side and handing it out to somebody else to clean and then handing it back in, to be reinstalled. It's likely that some pvc headers will be broken. We have two pvc and one stainless; it is the stainless that is missing the five laterals. We wondered how you break a stainless 1" pipe, and we've watched it and what is happening is, when you turn on the surface washer the nozzles are pointed downward, it flexes up, so if any of the nozzles were installed and then got readjusted, that creates a little bit of flex. Then every time it goes up and down, it wiggles a little bit and we are assuming that the high-pressure water is blowing an annular space between the fittings. This causes the threadings to corrode out. The other two filters have supports in them that were obviously installed when they were retrofitted, but Filter #1 does not. Once the media is removed, we will go in and install the supports. In addition, we ought to have individual flow meters on the filters so that we will know what is going through what, and modulate it; so if we get more flow through any given filter we will be able to crank the valve down a little bit. In 2007 we paid \$50,000 to rebuild Filter #3, so potentially, we're looking at \$75-\$80,000 for the project now. Filter #1 has been taken off-line until the remedial work is performed. These findings have been discussed with our contact at the California Department of Public Health (CDPH).

Director Voege asked, When the CDPH did their annual inspection and found that turbidity, is that situation related to this at all? General Manager Bill Koehler answered, It's probably a different problem. The problem of the turbidity spike that I mentioned in the report is something that has been happening all along, ever since the plant was built. There is no way that it can't be happening, this little bit of instantaneous turbidity spike, and it's because there is a 20' section of pipe that is a dead end. And as soon as we open the valve, after the ripening process, we have 20' of that water that then goes through the turbidimeter and measures over "1" ntu and then automatically shuts the plant down. We wait 15 – 20 minutes and start the plant up again. But, every time it goes over "1" ntu, I have to report it to the State.

Even though each filter has a turbidimeter and then the combined filter effluent has a turbidimeter, each of the individual filters are refined, they are like “.05” and the limit is “1”, so we are well below the acceptable range, but that little blip is causing us problems. I have ordered the parts to move the filter waste line so that it won't be a 20' dead end any more. The dead end will then be about 6" instead of 20'. Again, this has been the operation for the past 30 years and it's largely because of the passage of this long-term two surface water treatment rule that says, you can't do this anymore. It used to be that you could get “5” ntu for up to 4 hours. Now it's down to, you can't get to “1” ntu, period.

We want to get this done before summer, because right now we can easily run with just the two filters.

b. Surge Tank Overflow.

So far, we have received invoices for \$98,000 and all this has been submitted to insurance. The Regional Water Control Board has verbally told us that they probably will not be issuing any fines. We also have gotten some assurance from Fish and Game that the special district attorney who has the ability to investigate and issue citations, is probably not going to be issuing any citations or investigating this any further. At this point, it's going to become a battle between the Granite insurance company and our insurance company. With the exception of a \$10,000 payment for the rock that I want to pay to Simpson, and I've submitted that information to our insurance company, I'm not paying any of these invoices, I'm just forwarding everything to our insurance company.

Director Reuser asked, Did you ever address with the insurance company, as far as, if they settle something, if it covers future remediation costs? Because there is going to be some monitoring,

General Manager Koehler answered, He's saying, Yes, everything but fines.

Director Reuser said, Okay, so if they figure out who is to blame, it's not going to close it permanently. They're on the hook for monitoring this? Because that could easily double the cost of the project.

General Manager Bill Koehler responded, Yes. The monitoring, until such a time as we actually get some silt running down the hill, the monitoring is just someone coming out with a pair of binoculars, looking at the check dams; but once we start getting some silt on the west side of Eastside-Calpella Road, that silt will have to be removed; with the mini-excavator, typically.

Director Reuser stated, I'm just looking at the possibility that if the bank falls into the stream there, we could end up -- -- they're going to be watching it. That's going to be the cleanest piece of creek bed for several years -- on our time, so I want to be sure that is brought to the attention of our insurance company.

General Manager Koehler agreed.

c. Ethics Training.

General Manager Koehler has arranged with GM Sean White and County Counsel Jeanine Nadel to hold the Ethics Training Class at 9:00 a.m. on January 13, 2010 at the Flood Control District Office in Ukiah.

The Directors will plan to attend.

d. Conservation.

Director Voegel reported that he has spoken with the people at the **CORRECTING: Board of Commons** branch of the Mendo Futures group **CORRECTION: water commons group of Mendo Futures** about a Workshop. He said, It will probably be in March. They are suggesting a couple of things that maybe we hadn't thought about. Certainly we are on the hook for publicity. The primary publicity needs to be our customers, because they are the ones who responded to the Survey. They suggest we videotape it and I'm thinking maybe the TV. channel that does the Board of Supervisor Meetings. Director Pool recalled that the man running that is Jay Johnson. Director Voegel commented that they are also suggesting we ought to have landscapers, plumbers, and nursery people there.

General Manager Koehler suggested also inviting the North Bay Conservation Group out of the Sonoma County Water Agency.

e. FEMA/CalEMA Project Status.

General Manager Bill Koehler reported, From day one, which started with former General Manager Darin McCosker doing the initial repairs on the pipeline crossing between Woodway and Road A, the total costs is \$1,075,000. That's the work on the road out to the Lake, plus some half-a-dozen miscellaneous sites here in Redwood Valley. Clearly the bulk of it was the pipeline crossing, but it is still \$1,075,000 of which Recovery Operations Specialty Services (R.O.S.S.) has billed and been paid around \$60,000 for the approximately three years involved. We have \$156,000 yet to receive and there is a 10% retention which could be close to \$90,000. When I spoke to Ross this morning, he assured me that we will get the full \$156,000, however we will not be reimbursed for 100% of the consultant fees we have paid; we will get a percentage of that amount. So, we will be reimbursed for 100% of our work, but not 100% of the consultant fee's. That is very close to my estimate, and at this point I estimate that we will be \$30,000-\$40,000 out of pocket. This isn't too bad. It will be 3 – 6 months before we receive the last check.

f. Hardship Hookup.

Installation was been completed. All the costs have not yet been received, however we do have a required deposit from the customer, to cover the costs.

g. Pinecrest Well.

Committee member Director Reuser reported on his attendance at the Ukiah Unified School District Board Meeting, saying, It was very basic, there were very few questions. They wanted to make sure it wasn't going to cost them any money out of pocket. There didn't seem to be any protests during the Meeting and they said they will take it under consideration. They were relieved to learn that they will not be required to do any of the infrastructure and will have no out of pocket expenses. Director Butow added, Also they Motioned that their Committee is to continue negotiations with the Water District's Committee of General Manager Koehler and Director Reuser and then return to their Board. General Manager Koehler commented, The figure of \$17,000 comes from \$200 an acre-foot based on the fact that we pay \$60. I don't think we should ignore the \$100 it costs us to pump it. Director Butow added, Dwayne Wells is the caretaker up there and was concerned about the impact. Merle and I assured him that there will be very little impact, and that he would be kept in the loop of anything that is done. He was on-board and in agreement with the District plan.

General Manager Koehler reported on the protest letter received from a neighboring property owner and copied to the Board of Directors.

Director Voege said, I have some thoughts about a response to that letter. In fact, we do have a critical need for water. And in fact, we've been criticized in the Survey for not considering the Pinecrest well. We are acting responsibly, we're not planning to dewater somebody's well and in fact, she could do something good for us by cooperating while we do the metering.

GM Koehler added, The language was clearly stated that we need to monitor what the impact is on the neighboring properties.

Director Voege responded, But she doesn't get that.

General Manager Koehler said he will make an effort to contact the letter writer.

Director Voege commented, If we do cause a problem, we will have to stop. GM Koehler agreed.

Director Butow remarked that wherever we go, to dig a reservoir site, or another well some place, there will be someone saying, 'not in my backyard'.

i. State Revolving Loan Fund (SRF)

General Manager Koehler reported that this came out of the blue about 18 months ago. I completed the paperwork stating that we do need funds for groundwater and for a preliminary pond site. I did use the term, court-ordered moratorium, which did get their attention. Now we have notification that our application is categorized as Category E and that we must fill out more paperwork, the deadline for submittal being, yesterday. I called them and requested an extension of time to submit, but they said No. In reality the only thing I can do – I can't say we are shovel-ready, I can't say we'll have a contract out in 30 days, we don't have a site-specific project identified – so I checked the box stating: I am going to apply for planning money. But they require 3-years worth of financial statements. That is do-able, but the issue is, This is not a grant, it is a loan. Do you want me to pursue this?

Director Reuser stated, I don't see that we are in any position to take on any debt here.

General Manager Bill Koehler clarified, If I do absolutely nothing, what it does, is it takes us out of this years' cycle, but it does not remove us from the list. It puts us into next years' list. The categories are 'A' through 'M' with 'A' being, Very serious, the applicant is in Violation. Category M is very incidental, such as painting. Category E is, They won't commit but it possibly could be funded. This is federal money, but I have spoken with CDPH and they would be willing to use State money for the loan if the federal application were approved. However, this is a loan. We are not eligible for a hardship community; the median household income in Redwood Valley is too high for that.

Director Voege said, One of the things I think about, is that we need more than one source. To say that we are going to get a 100-acre reservoir is probably fairly far-fetched. I think there needs to be a variety of stuff; if a reservoir goes dry, maybe the well doesn't go dry. If there is a possibility that we can go looking for well water, even if it isn't a huge amount of well water, I think there is some value in doing that.

General Manager Bill Koehler remarked, When I spoke to Ross Mayfield this morning, I also asked him about the Jack Cox wells. Ross was the original owner and developer over there; he ended up selling that property to somebody who later sold it to Jack Cox. Recently, Jack Spilman was doing work out there for Jack Cox and he called Underground Service Alert (USA) for us to come out and mark our water lines, so I looked it up. They undergrounded their utilities for the 3-acre-plus parcels and when I reviewed our files with maps for the development, I started noticing little things like "Ross Mayfield, developer" and "Mayfield

Court". He developed Phase 1 of the plans. Phase 2 was actually 43 homes on that parcel down there, most of which are in the flood plain. Obviously that didn't go through. But I did talk to Ross about the well.

Ross is convinced that the wells are deeper than Forsythe Creek; and that it is not underflow. At this point, Forsythe is stripped all the way down to the blue clay. So it is conceivable that that is not underflow. That is another one that we potentially could chase.

Director Voegel asked, That would be quite a bit of water, wouldn't it?

GM Koehler answered, About 70-gallons a minute.

Director Butow asked, Can the loan be used for that purpose, for exploration and developing this?

General Manager Bill Koehler answered, I will have to wait and see what is in the packet. It should arrive in early January and it has to be submitted in mid-February. I will start working at it and will bring all the information to the January Board Meeting for a final decision as to what to do with it. Even if we pull back, we will still have a place in Category E for the following year.

9. FINANCIAL REPORT.

b. Proposed New Rates/Results of Protest Period.

The Final Hearing on Proposed New Rates and the Protest Period Deadline was last night at the Redwood Valley Grange Hall.

The results of the Protest Period and at the Meeting are as follows:

We received ZERO protests on the New Domestic Rates.

We received THREE protests (by mail prior to the Final Hearing) on the New Agricultural Rates.

MOTION: Implement Proposed New Rates as Discussed, Mailed and Noticed throughout the past few months, effective January 1, 2010.

Pool/Reuser Discussion CARRIED

AYES: Pool, Reuser, Voegel, Butow

NOES: Hallman

ABSENT: None

ABSTAIN: None

In addition to implementing the new rates, General Manager Koehler said he will start working on the revision of the Drought Ordinance and how it will be implemented. We need to develop language in there that says, if the State or County goes to mandatory conservation, this is what happens with rationing usage and with District water rates. The Directors agreed that we need to work on this as soon as we can while all the issues of what's wrong with our present Ordinance, are fresh in our minds.

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

- a. Election of Special District Members – Call for Nominations.
Consider appointing a Director to run for LAFCO election.

No action taken.

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

General Manager Bill Koehler reported on recent conversations with General Manager Sean White at the Flood Control District. He added, The terms of the Sonoma County Water Agency offer are not being made public. The FCD will be submitting a counter-offer to SCWA; but it isn't ready to go yet. They have been focusing mostly on this URSA licensing process and also, there is some hesitation on their part to jump in there, because there is a new General Manager pending, I believe on February 1st. So to a certain extent - this is not going to get resolved before Randy Poole's resignation, so I think they are waiting to see what the new GM has to say. I think SCWA is waiting, I think that is also why we're not getting approval to spend the conservation money. We haven't gotten any response on that; and I have even asked the other two Conservation Committee Members besides myself, Supervisor Carre Brown and Mendocino County Water Agency General Manager Roland Sanford to intercede because I haven't gotten anywhere with them.

Director Hallman inquired, And we haven't gotten anywhere with the water contract as well, I'm assuming?

General Manager Koehler answered, No. All I have is the one email from Pam saying basically, You're right, we don't have a contract.

He continued, Incidentally, this morning I spoke with John O'Hagan at the State Board in Sacramento and discussed that with him, in the sense that I was trying to get an interpretation of this letter that went back and forth between the FCD and the SWRCB regarding the ability to store water. I was attempting to get clarification on what a couple of those terms meant.

Director Voegel wondered if that affects RVCWD and GM Koehler said that we are named in the letter from FCD to the State Board and that topic will be discussed later in the meeting.

Director Butow added, We want to go over this, as it does affect our farmers and what I was talking about last night.

General Manager Koehler said Lee Howard and Sean White were at the Farm Bureau Water Committee Meeting yesterday. He spoke to them a little bit about it, and that was before seeing the text of the letter. And the text of the letter is "classic State Board" -- that is, A, what are they really saying and, B, what do they really mean? GM Koehler said he called Sean's office today, but Sean wasn't in.

Director Pool said the conditions and restrictions listed in the letter were very confusing.

General Manager Koehler added, That is why I called John O'Hagan in Sacramento this morning. We spent about a half-hour on the phone and I have a better understanding of what I don't understand.

Director Pool commented, That is what is called 'education'.

Break: 8:30p.m.

Reconvene: 8:55pm

12. FINANCIAL REPORT. (Agenda Item No. 9.a.)

The Financial Report for December 17, 2009 was presented.

MOTION: Accept Financial Report as presented.

Voege/Pool Discussion CARRIED

AYES: Voege, Pool, Hallman, Reuser, Butow

NOES: None

ABSENT: None

ABSTAIN: None

13. STATE WATER RESOURCES CONTROL BOARD AND THE MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL & WATER CONSERVATION IMPROVEMENT DISTRICT – Continued.
(Agenda Items No. 15 and 12 combined)

The RRFCD letter of October 14, 2009 to the State and the SWRCB letter of November 9, 2009 to the FCD were reviewed.

Director Butow commented, To make it simple, if I just pumped out of the river one time and filled my pond, I couldn't hold it in that pond for more than 30 days without a special Permit, because the State owns the water. My argument to John O'Hagan was, the water I had in my pond was from the District – bought and paid for. We went round and round on that and he was saying that I still had to have a permit. I said, well, o.k., for the most part if I fill the pond today out of the river, it's usually gone the next day. And I might pump a load for the following night and so forth. And therefore the water never did stay in the pond for more than 30 days. Until I got to the last day; and if I didn't need it, then there would still be water left in the pond. And I had to empty that pond within 30 days or I would be in violation. But we went round and round on this thing, and I said, Now, wait a minute, if I use only District water, that is my property. And I asked our Counsel Minasian about that once when it came up in discussion, and he said, Yes, that's my argument, too. If you buy water from the District to fill your swimming pool, you don't have to have a permit for that; and some swimming pools hold quite a lot of water. But if it's an ag pond, it's oh no, you've got to have a 30-day permit. It came up when the Russian River Main Stem folks were building ponds, they said it's so hard to get anything out of the State in regards to a permit, that they were arguing that they need some way to speed up the process. But then Russian River Flood Control District said, Now wait a minute, they're buying our water. It's bought and paid for, it's in their pond; why does the State have control over that? And this is their response. Since receiving this November 9th letter earlier today, I kind of see that it sort of says that.

General Manager Bill Koehler reported that he is glad he called and talked to John O'Hagan this morning. He went through these points. "First and foremost" is very straight-forward, in other words, just by being able to store water doesn't mean you can change your point of diversion, it still has to be the same point of diversion, the same pump in the river, and the property itself must be within the authorized place of use of the Flood Control District. The second statement says, the delivered water must have been previously stored in Lake Mendocino. GM Koehler said this is where it gets interesting; this is where they are referring to the fact that the Lake must be falling because if the Lake is rising, then in theory that is water that just came into the Lake from Potter Valley and is not qualified as being stored, it is bypass water. So that is essentially what it is saying. The third statement says, the District must maintain accurate records of Lake Mendocino operations. That's easy, you get on the web and you go to the Corps of Engineers reports, you go to the Bureau of Reclamation website; it's all there, it's laid out. Again, trying to put it in very

straightforward language, that's the deal. If the lake level is going up, then Flood Control can't divert to ponds for storage. They can pump if they use it right away or use it within 30 days, regardless of the status of the lake, so long as they haven't exceeded their 8,000 acre-feet. Now, this last statement is, Any water to be delivered to off stream storage under 12947B must be surplus to the contractual needs of Redwood Valley County Water District.

The Board of Directors overall commented that, That is a very interesting statement. General Manager Koehler said, I told John O'Hagan, Well we don't have a contract with the Flood Control District; we can only buy surplus water from them. So, again, it's another case of the State not really fully understanding what is going on over here in the Ukiah valley. So I explained to him that our deal is for surplus water, so in theory, it is conceivable that during the transition phase this year, if this were a normal year, and the Flood Control's water year starts January 1st, if they were actually diverting water to ponds right now, it could nibble away at the amount of water that would be available to us. But at the same time, it's almost like that's a one-time event because if they use the water, if they fill their ponds for frost protection now and use it in March, that's water they are not going to take out of the system in March. So the one year could have an impact but I think overall, this is going to be beneficial to Redwood. And that was what O'Hagan was saying, that he wanted to make sure that even though they were agreeing in principle, that Flood Control can, indeed, allow their contractors to store water more than 30 days, that it somehow it will not make our situation worse.

GM Koehler continued, And then John O'Hagan brought up Millview as well. I basically said that in my opinion there is a relatively unique window of opportunity here for all of us in the valley to be working together. Circumstances have changed, personalities have changed. Sean White is a real asset to the community and to the Flood Control District and hopefully by extension, to Redwood. John O'Hagan was making vaguely positive sounds about the two Millview issues – Well No. Six and Wauteffel. He was saying, well, let's wait and see what happens in this Millview issue, Millview might be able to help you out. GM Koehler added, I don't want to read too much into that; it isn't his decision to make, but he could certainly have some influence. All I can say is that if you sit down and look at all the water rights, and the ways that they are structured and the fact that our own water right is specifically for frost protection, 4900 acre-feet in theory, if we could provide frost protection outside our place of use, during the time of year that it's most needed for frost protection, that reserves a lot of water that we might be able to get later under somebody else's right. If we could kind of throw all of the water rights into a box and shuffle them out and make sense out of them, which is in theory, we are all willing to do.

Director Butow said, That would be the ideal situation.

Director Voegel said, But on the other hand, Decision 1610 is going to be opening up again and that will open up another whole can of beans.

GM Koehler, But we're not taking any more water out of the system.

Director Voegel, Well that I understand, but the 1610 thing partly has to do with maybe reallocating.

GM Koehler, The whole thing is up in flux; my basic issue is those two conditions that I talked about earlier. And I'm not sure I fully understand, I went round and around

Director Hallman interjected, But what Director Butow said last night though, which is kind of important to people like our customer Jesse, is that she can store water in the pond without having to pay for a special permit. That is a huge thing to a lot of our customers.

GM Koehler added, I agree, and she in particular, because she has put the work in, to make her pond watertight. The problem we have with the bulk of our customers, is that their ponds are not watertight.

Director Butow stated, That is very common, and the fact that she doesn't have any other off-stream storage; and she needs storage, as she is strictly off stream. She uses her water not for frost protection but for her truck garden operation. She wants it particularly in the spring or summer, she doesn't need it right now.

At this time, General Manager Koehler introduced another item in the Board Package, stating, This is from the ERIMS website at the State Water Board. It came as a real shock to me; I have to admit that a year-and-a-half ago, my understanding was that the West Fork had maybe a half-a-dozen people on it that have direct diversions. Well, this shows that there are over 500 diversions.

Director Butow, But these are not right out of the West Fork itself but out of the side streams coming in to it, too.

GM Koehler answered, Right. Let's pick someone. Say, Charlie Barra, you can see from East Road that the property has on-stream flow. Each one of these drainages have multiple dams on it. This is how you end up with a huge number of people, all of whom in theory, are impacted by AB2121 or some fish cop telling you to get rid of your dam. And the logic that they would use is, okay, you may have a water right but what trumps your water right is the prohibition of harming downstream water, which is public domain. So in theory, that's the direction that they are headed.

Director Butow said, I agree, and what I was saying at the Meeting last night was, they are on the prowl, using the Endangered Species Act, to restore the old spawning habitat of the steelhead or the coho or whatever else was up there.

Director Reuser added, The flipside to it, too, is that there are private groups out there like Friends of the Russian River that are well funded and incredibly wealthy. It's a profit point for them, so they are going to come after these folks. They are a group of attorney's and they come in and sue land owners and make you comply. They are "suing for the public good". They go around and say something like, We will give you a discharge permit for \$35,000 or a permit to dam the creek. They have no legal authority.

Director Hallman reported that she understands that four landowners lost their water rights today. The State came in and told them to stop diverting. General Manager said this did happen over in the Sacramento Delta area. Director Hallman said the landowners told the State they had permits, and the State said, Show us.

General Manager Koehler pointed out the categories on the maps show:

- A. Licensed or Permitted.
- B. Pending.
- C. Claimed.

Director Butow added, and the 'Claimed' is Riparian. I have Riparian on this stream because my property borders on this creek. But, if you haven't filed it - and the Flood Control District attorney DelPiero told contractors years ago that if you have a Riparian Right, that might be fine but unless you have recorded it with the State, you are subject to losing your Riparian Right.

Director Reuser stated, These folks are going to be coming to us asking for water.

Director Butow added, That is why, when I heard what had been going on down there, and Bill had already been attending these meetings at the Farm Bureau, and I went down there and talked to them and what they asked me was if I could somehow get the people up here, that think that this is only an issue going on

with the Main Stem, to start attend the Farm Bureau Meetings. The State is going to start coming after them. So I told them that right now, I'm here representing Redwood Valley County Water District because we are concerned about what the impact will be on the District. I told them that Redwood Valley can't be the organizer, but we would be happy to promote or support in any way we can, the efforts of the West Fork group. They need to be coordinated and informed on what's going to happen to them.

General Manager Bill Koehler added, At the Farm Bureau Water Committee Meeting yesterday, I was talking about this very subject. On the West Fork drainage, the vast majority of the folks are not off-stream storage, they are on-stream storage. For them to get on-board, what they would have to do is tear out their on-stream storage dams and in most situations, they would have to tear out some of their vineyards in order for them to have land for off-stream storage. And the owners above them would have to tear out their on-stream storage, and so on and so on.

Director Reuser commented, The remediation on those stream beds would be just phenomenal. They make you go in and take out all the pepperwood trees, all the suckers, transplant them, do your work on the creek and then go back in and plant all the sucker trees, everything. It is horrifying; these people are facing a very real situation.

Director Butow commented, From the political standpoint; the politicians that represent us seem to have disappeared. When you start hitting the local people here economically, big time; what we're talking about here is some sort of warfare going on that nobody is going to win. Meanwhile they are going to tell us we can't pump, and if we do pump we are going to get hit with huge fines, so we don't pump. But meanwhile we go three or four years while they slug it out. Some of the major growers that have already done the conversion to off stream storage may possibly find that come January or whenever the State Board comes around, they are caught right in the middle.

Director Reuser said, The Friends of the Russian River is comprised of very big political names – one of them being former Assemblywoman Virginia Strom-Martin. They are loaded for bear. They've hit Chateau Souverain and Asti, they've hit Willits, they've hit my business – they wanted \$35,000 for a permit to discharge into the river. They hit MGM in Cloverdale which is an indoor manufacturing facility; MGM had to put air pumps in the stream and all sorts of ridiculous things. To the guys that have a dam on the stream, they are coming after you big time. The folks south of the dam – the Beckstoffer pond in Hopland, is a big shining example of what they've done to make their situation better. The enforcement people are going to be moving this direction; they're not going to quit their work.

General Manager Koehler reported that Devon told the Farm Bureau Water Committee Meeting attendees yesterday that she had taken the several pages showing address listings that came with that map, and she had called each of them, and got virtually no response.

Director Reuser commented, I didn't really think about all this until they came looking for me. He added, These people are underestimating the risk they are facing.

GM Koehler said, It might take a few years for the State to get to everybody, but they will be there. The thing that Farm Bureau and the URSA group is pushing is that right now there is some availability of the AWEP money. It is at least a 50% grant and it is actually better than 50% if the landowner does the work. Basically, the AWEP grant pays a per unit match, so if you're doing in-kind as your contribution you can actually come out better than 50%. But the AWEP money is probably going to run out within a couple of years unless it gets refunded. They are attempting to get Thompson and Feinstein on board to bring in more money.

Director Reuser asked, Do we know how many of these people who are affected, already have Ag hook-ups?

Director Butow said, We only have 190 or so ag hookups.

General Manager Koehler added, Our ag line does not go above Tomki at all. It goes mostly on East Road and West Road with some short spurs.

Director Reuser wondered if there is a way to figure out a number on what we would be facing in our operation, as far as what the demand would be if this is to happen instantly. He added, What I'm worried about is them coming up the creeks in March and saying Okay folks, Nothing more. Shut it down.

GM Koehler said, For those folks, that is what would happen. We can't do anything about it. Most folks we can't get to, even if the Board were to elect to lift its own self-imposed Ag Moratorium.

Director Reuser asked, Is there a way for you to quantify what you think the increased amount on the District would be?

GM Koehler said, I haven't gone through that exercise and that is one of the reasons why I am so interested in this GIS proposal because it would allow me to do that with the click of a button.

Director Reuser said, That is probably not a bad number for us to know, even if it isn't super accurate. It's good to know what you're facing.

GM Koehler added, The map shows a lot of ag acreage that the District is not serving.

Director Reuser said he is also concerned about the customers that have ag hook-ups that they are not using – when they go to turn on their valves –

Director Butow commented, Well here's the other thing too, you know, as I brought up a little bit at the Meeting last night, is the fact that we've got a lot of hook-ups that don't have ponds and many of these hook-ups are just little guys with 5 or 6 or 7 acre vineyards. Sometimes a little less, sometimes a little more. But they are using frost protection water directly off our lines. Of course with that small a vineyard, that's not too bad; but if you get a bunch of them doing it at the same time, that drags the main line down. What I see being created here is an infrastructure expansion, such as a water main transmission line, etc., which can be very expensive to the District. So if these guys decide they're going to come on line, their hook-up fees or their initial delivery set up is going to be very expensive if we have to put in a water main extension. Or even by increasing the size of the existing lines. We found out several years ago that by the time the lines are going to the northern part of the valley, those services weren't getting very much water because the guys who didn't have ponds were turning on their valves to get water, and that drained the pressure down. That is something that should never been allowed to happen in the first place, and it is coming back to haunt us now.

General Manager Koehler said, The other issue, if we're talking about infrastructure and putting in pipes, is that if we're having to go up slopes, we're talking about putting in some pump stations. The customer will have to pay for that.

Director Pool remarked, You are talking about changes for which the whole system would have to be re-engineered. The engineering costs are not going to be trivial. Any costs to the system will have to be borne by the customer.

Director Reuser reiterated, My most immediate concern for the District is about the ones that have hook-ups that are not using them, because we cannot realistically deny them water. I'm most worried about the people that will be losing water availability out of the river, turning their valves on for the first time in a long time. Our infrastructure is not going to be able to handle that, and we need to figure out what our response is going to be to that situation before we are faced with it.

Director Butow said, If Bill gets this mapping done, then that gives him more ability to get fast access to many of these questions that are coming up. I think that is the best move right at the moment. Then once we find out exactly what we've got, then we can identify potential. Then maybe we can start going out to these people that already have fairly decent acreages that never bothered to build a pond, and are taking water directly off the district mains. We would say they need to get their ponds built.

GM Koehler stated, In a way, this situation actually helped save us this past year because the people with ponds were filling their ponds during the day and the people without ponds were taking water at night. So we were running 24-hours per day, 7 days a week. That is not good, and if we have more customers we can't keep up; it's that simple. We almost ran out in 2008 -- we did shut off ag and luckily it didn't freeze for a couple of days and we were able to make it up.

Director Reuser asked for clarification, Just with the customers and their consumption for what we have right now, even though it was a spectacular event, we couldn't keep up?

GM Koehler said, We could not keep up. We were making the phone calls to all the ag customers saying, it's over. And it was pure dumb luck that it didn't freeze for the next three or four days.

Director Reuser asked, So that was just for our lack of ability to pump that much water that fast, right?

GM Koehler explained, We were pumping 8,000 gallons a minute for 18 days straight. Every minute of the day we were running max, flat out, 8,000 gallons a minute, and it was draining that 20,000,000 gallon pond. Basically, we saw the bottom of the reservoir and it's not pretty. There is a berm that goes through the middle of that pond. I don't like seeing that you can walk between the two ponds up there; that makes me very uncomfortable.

Director Pool asked the purpose of the berm and General Manager Koehler said, With the berm, we can isolate the two halves so that you can work on one and still have some water in the other. Of course you have to draw it down pretty far but in theory you could still have some water in one-half. And there is a valve cluster up there that allows you to go either way. We can only take water out of the front pond. Our inlet to the treatment plant is only in the west portion of the pond. It has flexible piping that can be adjusted if we had a need to do so.

Director Hallman asked, How do we let our customers know that if they are storing our water they don't need to get this permit?

Director Reuser asked, Is that clearly what they are saying?

General Manager Koehler answered, I think it is. I think it is saying that. If it is our water. Because most of the caveats that are included in this letter don't apply to us. We're not pumping from the river.

Director Butow commented, In my case I'd have to be careful if I pump out of the river. If they establish a flow regime and they say, o.k. you have to call in on your computer. So they say flow regime such and

such, you can pump tonight. OK, so I fill the pond but then tomorrow the flow has gone down, which would be probable, then the next night they say you can't pump any more because the flow has gone down. We've still got a frost event coming, so now I take District water. Now I've got two categories of water in my pond; the 30-day thing would apply to me I assume just due to the co-mingling of the water.

Director Pool commented, Here's the deal, when you use the water that night but you don't use all of it, the water that you use is all the water that you pumped from the river and what's left in the pond is District water.

Director Reuser stated, If you are in that situation, if you have less in your pond than you purchased from the District, you're safe.

Director Pool agreed.

9:40 p.m. Members of the public, Will Carson and Roy Beck left the meeting.

9:42 p.m. Board Secretary Linda Groth left the meeting.

9:43 p.m. CLOSED SESSION

14. a. DISCUSSION TO CONSIDER EMPLOYMENT AND PERFORMANCE OF PUBLIC EMPLOYEES. NO SPECIFIC COMPLAINTS OR CHARGES WILL BE CONSIDERED. – Government Code Section 54957. (Agenda Item No. 19.e.).

11:00 p.m. OPEN SESSION

15. REPORT OF CLOSED SESSION, ITEM NO 14. (Agenda Item No. 20).

No Action Taken in Closed Session.

The Meeting ended at 11:05 p.m.

The next Regular Meeting is scheduled for 7:00 p.m. on Thursday, January 21, 2010 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

APPROVED AS CORRECTED: Board of Directors

See Correction: Page 5, Item d.

DATE APPROVED: January 21, 2010

SIGNED: Linda Groth
Secretary, Board of Directors