

Potter Valley Irrigation District

Land Stewardship Proposal for Eel River Watershed
October 20, 2011

PART 1 – ORGANIZATIONAL INFORMATION

1. CONTACT INFORMATION

a) Primary LSP contact

Steven Elliott, Superintendent

Tel: 707-743-1109 (office); 707-621-2045 (cell)

Email: selliott@willitsonline.com

P.O. Box 186, Potter Valley, CA 95469

b) Secondary LSP contact

Mac Magruder, Member of the Board of Directors

Tel: 707-489-6156

c) LSP contact

Janet Pauli, Vice President of the Board of Directors

Tel: 707-272-2806

2. EXECUTIVE SUMMARY

The Potter Valley Irrigation District (PVID) has considerable experience over many decades in successfully managing public properties with operations, personnel, budget and associated legal requirements. Since PVID's formation in 1924, we have had a vital interest in the ownership and management of the Eel River Watershed lands. A prime objective is to assure continued operation of the PG&E Potter Valley Project. Water quality, watershed management and proper management of flows are of paramount importance to PVID. Although PVID's financial and organizational capacity to achieve these interests and objectives is limited, we are committed to accept this leadership responsibility in the public interest. In addition, the maintenance and improvement of public outdoor recreation and educational opportunities, such as the use of campgrounds, hiking trails and public access roads along and to the Eel River are important to Potter Valley residents and organizations. We plan to collaborate with regional community groups in the management of these lands for the public good and beneficial values of the watershed. Furthermore, PVID intends to foster conservation on the Eel River Watershed lands for enhancement of our common cultural and natural resources, including important elements such as public recreation, river access, agriculture, forest management, watershed management, wildlife and fisheries habitat restoration, erosion control and carbon sequestration and air quality improvement.

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2
3 ORGANIZATION INFORMATION
4

5 3. Local governmental entity
6

7 4. The Potter Valley Irrigation District is a public agency governed by Sections 20500 – 29976
8 of the California Water Code, known as the Irrigation District Law. The governing body, which
9 is established by law to administer the operation of an irrigation district, is composed of a five-
10 member board of directors elected at large by voters within five divisions of the district. Please
11 see Attachment 1 PVID Resolution of Formation for the State of California Secretary of State,
12 which is the updated recognition document, dated January 8, 1964 stating that PVID was formed
13 April 22, 1924.
14

15 5. Potter Valley Irrigation District
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17 6. Potter Valley Irrigation District; abbreviation “PVID”; website: www.pottervalleywater.org
18

19 7. Please see Attachment 2 for the PVID Resolution from the September 6, 2011 Special
20 Meeting approving the submittal of the LSP and the organization’s participation in the
21 Stewardship Council’s land conservation process.
22

23 8. RATIONAL FOR APPLYING

24 Potter Valley Irrigation District (PVID) and Potter Valley as a whole, depends on the continued
25 operation of the PG&E Potter Valley Project. Water quality, watershed management and proper
26 management of flows are of paramount importance to PVID.

27 In addition, the maintenance and improvement of public outdoor recreation and educational
28 opportunities, such as the use of campgrounds, hiking trails and public access roads along and to
29 the Eel River are important to Potter Valley residents and organizations. We plan to collaborate
30 with regional community groups in the management of these lands for the public good to protect
31 and enhance beneficial values of the watershed.

32 Furthermore, PVID will foster conservation on the Eel River Watershed lands for enhancement
33 of our common cultural and natural resources, including important elements such as public
34 recreation, river access, agriculture, forest management, watershed management, wildlife and
35 fisheries habitat restoration, erosion control and carbon sequestration and air quality
36 improvement.
37

38 9. ORGANIZATION’S MISSION

39 Potter Valley Irrigation District’s primary mission is to ensure that the 275 landowners, currently
40 served, have the irrigation water necessary to maintain our diverse agricultural industry. We are
41 fully committed to improve and maintain the infrastructure necessary to distribute available
42 water in an efficient and equitable manner.

43 It is also the goal of PVID while supporting agriculture in Potter Valley, to preserve and enhance
44 Beneficial Public Values on the Eel River Watershed lands. This watershed supports common
45 resources that are vital to PVID and the general public, such as recreation, our continued
46 involvement in the protection of fish and wildlife, the pursuit of sustainable forestry, and

1 protecting public trust resources. In addition, the cultural resources, including archaeological
2 and historical sites of the Eel River Watershed lands need to be protected as part of our common
3 heritage.

4 5 10. GEOGRAPHIC FOCUS 6

7 The primary authority of PVID is to supply water for beneficial purposes throughout Potter
8 Valley. PVID also has the authority to construct, maintain, and operate recreational facilities in
9 connection with dams, reservoirs, or other improvements owned by the district. The PVID has a
10 vital interest in conserving the Eel River Watershed lands and has always included this area
11 within our geographic focus.

12 Since the formation of PVID, we have built and improved an irrigation district of 6,997 acres
13 with a sphere of influence of 23,560 acres in Potter Valley, Mendocino County. We have been
14 successfully operating for about 87 years, since 1923, working closely with PG&E for water
15 delivery from the Potter Valley Project and the Eel River Watershed lands. We have also
16 collaborated, and will continue to work cooperatively with area landowners, the County of
17 Mendocino, USDA Natural Resource Conservation District, Mendocino County Resource
18 Conservation District, University of California Cooperative Extension, Mendocino County Farm
19 Bureau, Mendocino County Inland Water and Power Commission, and United States Forest
20 Service. Recently, as a result of this Stewardship Council process, we have reached out to
21 discuss more cooperation with the Potter Valley Tribe, specifically on the Eel River Watershed
22 lands.

23 11. ORGANIZATIONAL EXPERIENCE and CAPACITY 24

- 25 a. PVID was instrumental in the 1997 formation of a Joint Powers Authority known as the
26 Mendocino County Inland Water and Power Commission (MCIWPC). The PVID Vice
27 President, Janet Pauli, is the chair of that commission and represents PVID. The
28 commission consists of County of Mendocino, Mendocino County Water Agency, City
29 of Ukiah, Mendocino County Russian River Flood Control and Water Conservation
30 Improvement District, Redwood Valley County Water District and Potter Valley
31 Irrigation District. The primary mission of the commission is to protect and procure
32 additional water rights for Inland Mendocino County. Currently the focus of the
33 MCIWPC is to increase storage in Lake Mendocino, which is in the feasibility stage of
34 study with the Army Corps of Engineers. The MCIWPC has been instrumental in
35 establishing the discussion with various resource agencies to increase early spring storage
36 and management of water in Lake Mendocino and Lake Pillsbury.
- 37 b. PVID has established a capital improvement plan for infrastructure replacement and
38 improvement. Over the past two years, projects have consisted of the installation of
39 3,500 feet of 18-inch diameter pipe to replace an open ditch lateral and the resulting
40 grade work of abandoned ditches. PVID's staff is highly experienced in rural property
41 management, security and maintenance that meet public standards and beneficial
42 conservation outcomes.

- c. PVID's public agency tax and fee assessment process requires an efficient accounting system that coordinates with the County Assessor for accurate billing and collection. PVID has 2 full-time, 4 part-time, and 7 seasonal employees, with as-needed consultants for accounting, legal, engineering and other professional services. PVID undergoes a public audit every two years for the previous two-year fiscal period. The public oversight of the elected Board of Directors, public meetings and financial transparency provides assurance that funds are spent in a cost-effective manner in the public interest.
- d. Since the formation of PVID on April 22, 1924, the agency has built and improved an irrigation district serving 6,997 acres with a sphere of influence of 23,560 acres. PVID continuously maintains over 36 miles of irrigation ditches, and controls water releases to 275 landowners on a timely basis with direct communications of delivery time and quantity of water allocated to each. PVID owns and maintains 1.5 acres of land with our office and equipment yard. Our Board of Directors and District Members own and manage approximately 7,000 acres of agricultural lands, including forestland. Collectively, PVID has a breadth and depth of experience and knowledge that will serve the community and general public in the management and conservation of the Eel River Watershed lands.

19 ORGANIZATIONAL FINANCES

13. Please see Attachment 3 for the PVID Operating Budget for the current calendar year 2011 (our fiscal year) and copies of our audited financial statements for the two years ending 2007 and 2008 and the two years ending 2009 and 2010. Please note that the PVID accounts are audited every two years. Also, please note that the PVID has no long-term debt.

14. Not applicable

15. PVID will seek cooperation and funding with the PG&E, Potter Valley Tribe, U.S. Forest Service, Potter Valley Community Unified School District, Potter Valley Chapter of 4-H & FFA, Potter Valley Grange, Potter Valley Parks & Recreation, Potter Valley Community Services District (Volunteer Fire Department), Lake & Mendocino County Mounted Search & Rescue, Potter Valley Youth & Community Center, Potter Valley & Ukiah Area Boy Scout Troops, Potter Valley & Ukiah Area Girl Scout Units, Mendocino County, Mendocino County Inland Water & Power Commission, Lake County, Mendocino County Resource Conservation District, Natural Resource Conservation Service, University of California Cooperative Extension, Ukiah Unit, California Native Plant Society, Peregrine Audubon Chapter, and the Stewardship Council to make necessary improvements, restoration and maintenance on the Eel River Watershed lands.

- Increased public recreational access to the river is a major incentive for PVID's involvement. PVID will apply for funding through the Department of Fish & Game and the Wildlife Conservation Board, US Fish & Wildlife Services, National Marine Fisheries Service,

1 and others, to improve both terrestrial and aquatic wildlife habitat, while providing public
2 recreational access to the river.

3 • Security to prevent trespass, such as dumping garbage and hazardous materials, off road
4 vehicles, and marijuana cultivation on the Eel River Watershed lands is critically important.
5 PVID will institute a program over time, with the assistance of law enforcement, to minimize
6 this trespass and cultivation that is so harmful to the environment. In addition to working with
7 cooperating agencies and organizations, PVID will apply for available waste management,
8 marijuana eradication, and erosion control funding.

9 • Specific concerns center on the erosion control and slope stability of the south forest
10 road. This private road has a very high priority for PVID to prevent human caused sediment from
11 entering the Eel River above Van Arsdale Dam. Some of the priority uses of this private road are
12 to serve private property access to the east, and access for security, stream restoration,
13 recreational uses and forest management. PVID will address the restoration and maintenance of
14 this south forest road, as feasible and practicable. One funding idea that has promise is a private
15 road maintenance agreement with area timber and recreational landowners and certain
16 recreational visitors (e.g. large vehicles). There are examples in the region that we are familiar
17 with of how this cooperative agreement could work.

18 16. Along with the Stewardship Council, Potter Valley Tribe, PG&E, Mendocino County and
19 local Potter Valley community organizations, PVID will endeavor within monetary constraints,
20 apply for specific grant funds to provide the existing level of baseline management equivalent to
21 that provided by PG&E at this time, and improve future development and management of the
22 Beneficial Public Values for the Eel River Watershed lands. It is understood that all income
23 derived from or for these lands produced through timber sales, carbon credit sales, leases, funds
24 provided by the Stewardship Council, and grants, will be restricted to the administration,
25 management, or enhancement of the Beneficial Public Values on these lands. PVID cannot as a
26 public agency under the laws of the State of California (primarily Proposition 218) divert any of
27 these designated funds to any other purpose.

28 KEY PERSONNEL/STAFF

29 17. Please see Attachment 4 for the brief biographies for each Director, Staff and Consultant.

30 • Board of Directors: Ken Stroh, President; Janet Pauli, Vice President; Guinness
31 McFadden; Mac Magruder; and James McMenomey.

32 • Staff: Superintendent, Steven Elliott; Secretary Treasurer, Julie Paulin; and Assessor
33 Collector Patti Boatwright.

34 Consultants: Attorney, Richard Knox; Conservation, Bob Whitney, Golden State Land
35 Conservancy; Website Host, Elain Lindelef.

36 18. PVID has been actively involved in negotiations with PG&E / Federal Energy Regulatory
37 Commission (FERC) and resource agencies, Dept. of Fish & Game, NOAA, USFWS, USFS, US

Dept. of Interior, since our district formation in 1924. There have been more extensive biological and fisheries studies on the lands within the Eel River Watershed area above Cape Horn Dam than anywhere else in the entire Eel River drainage. PVID is committed to the continued operation of the PG&E Potter Valley Project and a more active role in the protection and management of the watershed of our primary water source. Please see Attachment 5 for the March 30, 1936 Agreement with PG&E indicating PVID's long-standing involvement with the PG&E Potter Valley Project.

19. PVID's most relevant experience soliciting stakeholder input is related to the last forty years of the renewal process of PG&E's Potter Valley Project license, which is the most comparable to the transfer and permanent protection of land pursuant to Stewardship Council's land conservation program and process.

The Potter Valley Project (Project) was first licensed as a hydroelectric power plant in 1922 by the Federal Power Commission. The original 50-year license expired in 1972. From 1972 until 1982, the Project was operated with a license that was granted annually while discussions regarding the operation were undertaken by PG&E, FERC, Fishery Agencies and stakeholders, including PVID.

In 1978 a Final Environmental Impact Statement (EIS) was issued by FERC. Several years of discussion ensued until, in 1983, the Project was relicensed for 50 years (from the original expiration date of 1972). The 1983 settlement agreement was signed by PG&E, California Department of Fish and Game (CDFG) and the counties of Humboldt, Mendocino and Sonoma. Part of the new license was Article 39, which required a 10 year study be undertaken to determine what the new Project flows impact was on salmon and steelhead and to adjust them accordingly. A Fisheries Review Group (FRG) was formed which consisted of scientists from PG&E, U.S. Fish and Wildlife Service (FWS), CDFG and the National Marine Fisheries Service (NMFS).

In March of 1998, after ten years of studies the FRG completed their findings, and a report was filed with FERC recommending flow modifications. FERC began their Environmental Impact Statement (EIS) process. Over the next year two other entities, including the Round Valley Indian Tribes (RVIT) and the Sonoma County Water Agency (SCWA), submitted proposals for minimum flow releases to FERC. FERC held public scoping meetings and many organizations, municipalities, water districts, environmental groups and governmental agencies joined as interveners in the process, including PVID. A Draft EIS was completed by FERC in February 1999.

After further public meetings, many comments, additional proposed alternatives, and new modeling inputs, FERC issued their Final Environmental Impact Statement in May 2000. The FERC recommendation was based predominately on the FRG proposal prepared by the scientists with the most history and knowledge of salmon and steelhead populations specifically in the section of Main Stem of the Eel River impacted by the Project. The resulting complex flow regimes were calculated in such a way as to make the Project nearly invisible to the environment by releasing flows below Cape Horn Dam to mimic natural flows as closely as possible. After a lengthy Section 7 Consultation between NMFS, PG&E and FERC, under the Endangered Species Act, NMFS produced a Biological Opinion and Reasonable and Prudent Alternative (RPA) for the Project flows and submitted it to FERC in November, 2002. The NMFS RPA

generated extensive discussion between the agencies and stakeholders, including PVID, which had been involved in the license amendment proceedings since 1983. Ultimately, FERC issued a Final Order Amending the License for the Project January 28, 2004. The Project license becomes eligible for renewal on April 14, 2022.

PVID will use these decades of experience to solicit stakeholder input and disseminate information to the public on proposed future activities or measures for, and management of, the Eel River Watershed lands. The planned creation of a public benefit nonprofit 501(c)(3) corporation, the Upper Eel River Conservancy, will engender community involvement and solicit stakeholder input to attract area agency collaboration and active volunteer programs.

LEGAL COMPLIANCE AND BEST PRACTICES

20. As a public agency, the PVID is governed by Federal and State Law and must comply with all applicable government laws and regulations, such as CA Fair Employment Practices Act, Federal Occupational Safety and Health Administration, the CA Brown Act, CA Fair Political Practices Act, Local Area Formation Commission (LAFCO), Federal Clean Water Act, CA Porter Cologne Act, Federal Endangered Species and CA Endangered Species Act, National Environmental Policy Act (NEPA), and CA Environmental Quality Act (CEQA). Please see Attachment 6 for the PVID Conflict of Interest Policy.

21. PVID is a political subdivision of the state. There is no current plan for dissolution. It is our intent to establish with community support the Upper Eel River Conservancy, consisting of representatives from community organizations, including PVID and the Potter Valley Tribe. PVID will eventually transfer title and responsibility of the Eel River Watershed lands to this new entity at such time when feasible and appropriate. The creation of the new non-profit corporation will expand the available expertise and experience needed to provide community support and management of the Eel River Watershed lands to achieve long-term sustainable beneficial public values. The intent is to hold these lands to benefit the community and general public, and conserve the natural resource values in perpetuity.

22. PVID is not aware of any current violations of law associated with our organization in the last five years, or earlier.

23. PVID has verified through the Mendocino County LAFCO office that, ownership of lands outside district boundaries is an acceptable practice and that these Eel River Watershed lands would be able to have a conservation easement with another entity as holder of the easement.

CONFLICT OF INTEREST DISCLOSURE

24. We are not aware of any actual or potential conflict of interest. The Directors, and management staff, are required to file an annual conflict of interest statement with Mendocino County that complies with the State of California Fair Political Practices Act.

PART 2 - LAND STEWARDSHIP INFORMATION

1 25. LAND INTERESTS SOUGHT

2 PVID is interested in receiving fee title for all of those parcels, or portions of those parcels of
3 land, lying west of the USFS Mendocino National Forest boundary and/or that are not being
4 sought by the USFS.

5 PVID has interest in receiving fee title in the following 9 parcels with ID numbers and acreages,
6 which total 2,311 acres, are as follows: #739, 234 ac, #740, 243 ac, #741 excluding S1/2, 31 ac,
7 #744, 349 ac, #745, 159 ac, #746, 77 ac, #748, excluding the most SE 40 ac, 1,175 ac, #749, 19
8 ac, #755, 24 ac; and

9 The following 6 parcels with ID numbers and acreages, which total 36 acres, encompass
10 operational works of PG&E and are excluded from this application: #750, 19 ac, #751, 1 ac,
11 #752, 4 ac, #753, 7 ac, #754, 3 ac, and #774, 2 ac.

12 26. PVID is not aware of any lot line adjustment, boundary survey, or legal parcel split that is
13 required, however, in the event any of these elements are required, we would expect PG&E to
14 cover all costs.

15 27. The fee title, along with the title report, legal description, exceptions to title, hazardous waste
16 report and supporting baseline documentation, including boundary maps, surveys and south
17 forest road assessment will be reviewed by the board and legal counsel as an agenda item at open
18 and public board meetings in order to reach a conclusion of acceptance, and a majority vote by
19 the PVID Board to proceed in a Formal Resolution. The final decision will be made only after a
20 full consensus by the community, including the PVID members, by means of a series of well-
21 planned town meetings. The Eel River Watershed lands may be identified as a separate area of
22 PVID, and recorded with the Mendocino County Board of Supervisors and LAFCO, depending
23 on the requirements of LAFCO and the length of time PVID holds title.
24

25 28. Baseline and Enhanced Land Management

26 The baseline management of the PG&E fee title lands is not currently well known.

27 • Property inspections, forest management, lease management, and management of
28 third-party use are not well defined at this time. Of the estimated cost of management, \$105,000
29 per year, timber management is budgeted for \$27,000. This would be sufficient for one
30 Registered Professional Forester (RFP). Therefore it seems that a large portion of the current
31 annual budget is spent on employee wages & benefits. This budget detail should be disclosed
32 during the due diligence period.

33 • The proposed staff, as funding becomes available, will be a full-time
34 Conservation Manager and a part-time Office Manager. The consultant management team is
35 anticipated to consist of a recreation program manager, licensed biologist, licensed forester,
36 cultural resource manager, licensed contractor and licensed security professional.

• After the transfer of Fee Title to the Upper Eel River Conservancy, and in accordance with the Stewardship Council Land Conservation Plan, the recommended objectives and measures will be used to insure that the Beneficial Public Values and public trust resources are conserved and enhanced.

• We will collaborate with PG&E and continue to implement and abide by the most recent 2004 National Marine Fisheries Biological Opinion on our respective lands for the fisheries, wildlife, forest management, and public camping requirements.

• Specifically, we would seek funds to continue the study of the invasive fish species, the Sacramento Pikeminnow, and it's relationship to the salmonid fisheries in the Eel River and to assist in the development of a plan to mitigate their negative impact. PVID is highly motivated to be a part of the solution.

29. Physical Enhancements/Capital Improvements

We have provided budget estimates for any proposed physical enhancements and capital improvements in the budget section.

A LIST OF PRIORITY PHYSICAL ENHANCEMENTS

1. Off Road Vehicles

a. Off road vehicles are being used for a number of reasons within the Plan area, on both the County Road and the South side Logging Road. Current use is for recreation, legal and illegal agriculture, ingress and egress to private property, and access to the Eel River for various recreational activities.

b. The indiscriminate use of ORV'S in undesignated areas is significantly contributing to erosion and sediment that reaches the Eel River. The proper design of road and trail ways that are acceptable for ORV use would help mitigate this problem. The proper development of recreational ORV trails may decrease the use of sensitive areas.

c. The construction of post barriers and planted vegetation barriers would also control some of the erosion in undesignated and sensitive areas.

d. For an estimate of the cost and the plan for achieving funding for this project refer to the funding and budget sheet listed as ORV Funding.

2. South Forest (Logging) Road

a. The South Forest (Logging) Road was built after the County Road. It was designed, improved, and maintained by the timber industry to be the shortest, widest and most favorable gradient to facilitate heavy logging truck traffic. This became by far, the best access to all of the Upper Eel River and Lake Pillsbury. After the decrease of logging activity in the region:

• The road is not maintained, except to cut the road back in after a drain culvert failed during the winter. Today the road is barely passable by four-wheel drive. Efforts by PG&E to lock the road off for all use, has been met with considerable resistance by private

landowners that live along this road. The east half of this road is under USFS jurisdiction and they have not maintained the road either.

- This road could be the primary access for the Lake Pillsbury community, and used to enjoy the camping, the natural and cultural resources, wildlife, and recreational facilities located in the area.

b. We propose to seek the return of the South Forest (Logging) Road to an appropriately maintained access to Lake Pillsbury by the formation of the South Forest Road Maintenance Association. This association would be comprised of landowners that use the road for access to their property. Also by those landowners, homeowners, campers, resort owners, vacationers, PG&E, USFS that have interests in the Lake Pillsbury area and all others that will be willing to contribute a use fee to privately maintain the road.

c. The road system in its present condition is significantly contributing to sediment from erosion that reaches the Eel River.

d. For an estimate of the cost and the plan to achieve funding for this project refer to the funding and budget sheet listed as South Forest (Logging) Road Funding.

3. Information Center

a. The ideal site location for the Information Center would be at the intersection where the County Road and the South Forest (Logging) Road separate near the old LP Mill Site.

b. The Information Center will contain detailed up to date information on all conservation projects in the Eel River system above Cape Horn Dam. It will contain information on all the measures covered in the LCP, as well as maps of the area. This information will also be available to the public in the new project website devoted to managing the property.

c. For an estimate of the cost and the plan to achieve funding for this project refers to the funding and budget sheet listed as Information Center Funding.

d. Future development of restrooms should be considered. Security and vandalism will be a concern.

30. Potential Land Conservation Partners and Youth Opportunities:

1. Potter Valley Tribe
2. Potter Valley Community Unified School District
3. Potter Valley Chapter of 4-H & FFA
4. Potter Valley Grange
5. Potter Valley Parks & Recreation
6. Potter Valley Community Services District (Volunteer Fire Department)
7. Lake & Mendocino County Mounted Search & Rescue
8. Potter Valley Youth & Community Center
9. Potter Valley and Ukiah Area Boy Scout Troops
10. Potter Valley and Ukiah Area Girl Scout Units
11. Mendocino County

12. Mendocino County Inland Water & Power Commission
13. Lake County
14. Mendocino County Resource Conservation District
15. Natural Resource Conservation Service
16. University of California Cooperative Extension

As a collective group, all land conservation partners will bring the opportunity to develop grant funding and resources to accomplish the goals and responsibilities set by the group. These goals will follow and include the Beneficial Public Values and Priority Measures as set forth in the LCP.

31. PVID staff and the board of directors have worked collectively and individually with all prospective land conservation partners.

32. The PVID has developed a list of those organizations interested in having a representative serve on the Board of Directors of the Upper Eel River Conservancy. They are also listed as potential land conservation partners and fill that capacity.

1. Potter Valley Tribe
2. Potter Valley Grange
3. Potter Valley Parks & Recreation
4. Lake & Mendocino County Mounted Search & Rescue
5. Potter Valley Youth & Community Center
7. Mendocino County Inland Water & Power Commission
8. Potter Valley Chapter of 4-H & FFA
9. Potter Valley Irrigation District

33. PVID has considered public input provided to the Stewardship Council in the development of this proposal as follows:

We have attended all the public informational meetings in Ukiah, reviewed all the materials on the Stewardship Council's website under Land Conservation, especially the Pilot Projects, reviewed most of the agenda and minutes of the Board of Directors, and perused the Biannual Status Reports (2004 – 2011).

34. Budget and Funding Plan: Please see Attachment 8.

PART 3- SUPPORTING DOCUMENTATION (ATTACHMENTS)

Attachment 1: Status of PVID: State of California Secretary of State Resolution recognition document dated January 14, 1964

Attachment 2: PVID Special Meeting Resolution dated September 6, 2011

Attachment 3: Operating Budgets for the calendar years 2010 and 2011; and audited financial statements for the two years 2008 and 2009. PVID conducts a public audit every two years.

Attachment 4: Key Personnel and Biographies:

1 • Board of Directors and brief biographies:

2 1. Ken Stroh, President – Owner/Manager, Ken Stroh Ranch

3 2. Janet Pauli, Vice President – Janet Pauli, Vineyard & Pear Orchard Owner,
4 and Manager, Pauli Ranch.

5 3. Guinness McFadden – Vineyard Owner, and Manager McFadden Farm
6 grows and sells a wide variety of organic specialty foods and wines.

7 4. Mac Magruder – Owner/Manager, Magruder Ranch specializes in grass
8 feed beef cattle and swine.

9 5. James McMenomey – Owner/Manager, McMenomey Ranch, clover/grass
10 hay.

11 • Staff Job Descriptions and Biographies:

12 1. Steven Elliott, PVID Superintendent

13 2. Julie Paulin, Secretary Treasurer

14 3. Patti Boatwright, Assessor Collector

15 • Consultants Biographies:

16 1. Richard Knox, Attorney

17 2. Bob Whitney, Golden State Land Conservancy

18 3. Elain Lindelef, Website Host

19 Attachment 5: March 30, 1936 Agreement with PG&E

20 Attachment 6: PVID Conflict of Interest Policy

21 Attachment 7: Letters of Interest from Land Conservation Partners/Upper Eel River Conservancy

22 Attachment 8: Budget and Funding Plan (please see Stewardship Council Excel worksheets)

23 Attachment 9: Forest Management Assessment by Registered Professional Forester

Attachment 1:

Status of PVID:

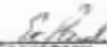
State of California Secretary of State Resolution recognition document dated January 14, 1964

Status of PVID:
State of California Secretary of State recognition
document dated January 14, 1964

RESOLUTION

BE IT RESOLVED that the President of the Board of Directors of the Potter Valley Irrigation District and the Secretary of the Board of Directors of said district be and they hereby are authorized to execute the Certificate required by Section 21405, Water Code of the State of California in the form presented to the Board by its counsel, Leo H. Cook, for filing with the Secretary of State.

I, the undersigned, do hereby certify that the above and foregoing is a true and correct copy of a Resolution duly adopted by the Board of Directors of the Potter Valley Irrigation District at a regular meeting of said district on the 8th day of January, 1964.



Secretary, Potter Valley
Irrigation District

FILED
In the Office of the Secretary of State
of the State of California
JAN 14 1964
By 
Assistant Secretary of State

COMEN NOW the Board of Directors of the Potter Valley
Irrigation District, and pursuant to the requirements of Section
11405 of the Water Code of the State of California, files its
Certificate with the Secretary of State of California as follows:

- (a) The name of the District is POTTER VALLEY IRRIGATION
DISTRICT.
- (b) The date of formation of the said district was 1924;
- (c) The county in which the district is located is
Sutter County, California; the description of
the boundaries of the district is attached hereto
as Exhibit "A" and incorporated herein by reference
fully herein as though set forth herein verbatim.

DATED: JANUARY 8, 1944.

ATTEST:

E. J. [Signature]
SECRETARY

POTTER VALLEY IRRIGATION DISTRICT

By J. [Signature]
PRESIDENT

Begin at the East $\frac{1}{2}$ Sec. Corner to Sec. 1 T17N11W N20E, thence West $\frac{1}{2}$ Mile, South 680 feet, West $\frac{1}{2}$ Mile, South $\frac{1}{2}$ Mile, West 680 feet, South 680 feet, West 80 feet, South $\frac{1}{2}$ Mile, West 780 feet, South $\frac{1}{2}$ Mile, East 680 feet, South $\frac{1}{2}$ Mile, East $\frac{1}{2}$ Mile, South 1280 feet, East 680 feet, South 680 feet, East 680 feet, South $\frac{1}{2}$ Mile to the Sec. cor. to Sec. 13 & 34 T17N11W and Sec. 18 & 19 T17N11W N20E. Thence East $\frac{1}{2}$ Mile, South 4386.32 feet, East $\frac{1}{2}$ Mile, South 453.44 feet to the N E corner of Sec. 39; thence following the center line of the County Road as follows S88° E 1000 feet, S18° E 1200 feet, to the S E corner of the S E $\frac{1}{4}$ of N E $\frac{1}{4}$ of Sec. 19, thence East 680 feet, South $\frac{1}{2}$ Mile, West 680 feet, North 80 feet, S 85° E $\frac{1}{2}$ Mile, South 240 feet, West 1204.12 feet, S7°08' 30" E 435.65 feet, S22°30' E 680.83 feet, S0° 20' E 381.51 feet, N22°34' E 78.10 feet, N18°08' E 114.3 feet, N0° 38' E 110 feet, thence South 500 feet, East 680 feet, to the East line of Sec. 31 thence South $\frac{1}{2}$ Mile, East $\frac{1}{2}$ Mile, North 500 feet, to the center line of County Road, thence following the center line of County Road S28° E 500 feet, S85° E 600 feet, S 60° E 270 feet, S 10° E 550 feet, to the South line of the N E $\frac{1}{4}$ of Sec. 32, thence West 100 feet to the center of Sec. 32, thence South $\frac{1}{2}$ Mile, East $\frac{3}{4}$ Mile, on the South line of Township 17 thence South 1650 feet, East $\frac{1}{2}$ Mile, North 1650 feet, to the $\frac{1}{2}$ Sec. corner between Sec. 4 T16N11W and Sec. 33 T17N11W N20E, thence North $\frac{1}{2}$ Mile, West 2150 feet, North 2000 feet, East 814.44 to the east line of N E $\frac{1}{4}$ of N E $\frac{1}{4}$ of Sec. 28, West 600 feet, North 680 feet, East 820 feet, North 3380 feet, West 3500 feet, to center of Russian River, South 600 feet, West 840 feet, North 1280 feet, East 413.5 feet, North 420 feet, East 70 feet, North 176 feet, West 3810 feet, to the SW corner of Sec. 17, thence North $\frac{1}{2}$ Mile, West $\frac{1}{2}$ Mile, North $\frac{1}{2}$ Mile, West 700 feet, North 1730 feet, West 380 feet, North 880 feet, West 380 feet to the center of Sec. 8, thence North $\frac{1}{2}$ Mile, West 680 feet, North $\frac{1}{2}$ Mile, West 680 feet, North $\frac{1}{2}$ Mile, West 3300 feet, North 800 feet, West 3300 feet, thence South 800 feet to the point of beginning.

Survey and excepting as follows

1st. Beginning at the S W. corner of Sec. 33 T17N11W N20E thence west 1511 feet to the point of beginning, thence East 238 feet, North 250 feet, West 220 feet, South 250 feet, to the point of beginning

2nd. Beginning at the N. E. corner of Section 33 T17N11W thence South 680 feet, thence East 676.50 feet, thence North 680 feet, and West 676.50 feet to the point of beginning

3rd. Beginning at the SE Corner of the N E $\frac{1}{4}$ of N E $\frac{1}{4}$ of Sec. 17 T17N11W N20E, thence North $\frac{1}{2}$ Mile, West 1870 feet, to the center line of the Russian River, thence Southwesterly following the center line of the Russian River to the South line of the N E $\frac{1}{4}$ of N E $\frac{1}{4}$ of Sec. 32, thence East 750 feet to the point of beginning.

4th. Beginning at the NE Corner of the N E $\frac{1}{4}$ of N E $\frac{1}{4}$ of Sec. 17 T17N11W N20E, thence West 1000 feet, thence South 1320 feet, thence East 340 feet, thence South 685.5 feet, thence West 680 feet, thence South 1360 feet, thence East 680 feet, thence South 882 feet, thence East 1877.50 feet to the center of the Russian River thence North westerly up the Center of the Russian River to the South line of the N E $\frac{1}{4}$ of N E $\frac{1}{4}$ of Sec. 17, thence West 700 feet to the SW corner of the N E $\frac{1}{4}$ of N E $\frac{1}{4}$ of Sec. 17, thence North $\frac{1}{2}$ Mile to the point of beginning.

Attachment 2:

PVID Special Meeting Resolution dated September 6, 2011

**POTTER VALLEY IRRIGATION DISTRICT
SPECIAL BOARD MEETING
SEPTEMBER 6, 2011**

The special meeting of the Board of Directors of the Potter Valley Irrigation District

was called to order by President Stroh at 6:58 pm at the Potter Valley Irrigation District Office.

Present: Directors Stroh, Magruder, McMenomey, McFadden, Pauli.

Others present: Supt Elliott, Assessor Boatwright, Dick Knox, John Woolley, Bob Whitney (Golden State Land Trust). Supervisor Carre Brown arrived at 7:10 P.M.

Old Business:

1. Stewardship Council – PV Tribe MOU

The application for fee title was discussed. It was reaffirmed that being a conservation partner with the PV Tribe would not give PVID the level of involvement anticipated or required.

- **Director McFadden made a motion that PVID apply for fee title, stating in the application that we have no money, but if approved would transfer title to a 501(c)3 formed from local entities, with the 501(c)3 applying for grants through the stewardship council and other sources. If not approved, PVID would like to be considered a conservation partner with PG&E. Dir. Pauli seconded motion.**

Motion passed as follows:

In favor: Dir. McFadden, Dir. Magruder, Dir. Pauli

Opposed: Dir. Stroh, Dir. McMenomey

Supervisor Brown reported that the Mendocino County Board of Supervisors has been asked by PV Tribe for a letter supporting their application. Dir. McFadden

suggested that the Board of Supervisors provide a letter of support for both PV Tribe and PVID applications.

- **Dir. McFadden moved that we request the Board of Supervisors to include a positive recommendation for the PVID application to PG&E for fee title. Dir. Magruder seconded motion. Motion passed.**

Supervisor Brown agreed to carry PVIDs request to the Mendocino County Board of Supervisors.

Meeting adjourned 8:15 P.M.



Ken Stroh, President 9-6-2011



Patti Boatwright, Assessor 9-6-2011

Attachment 3:

Operating Budgets for the calendar years 2010 and 2011; and audited financial statements for the two years 2008 and 2009. PVID conducts a public audit every two years.

Potter Valley Irrigation District

			2010 ACTUAL	2010 BUDGET	2011 PROPOSED	2011 ADOPTED
	Income					
	4000 · OPERATING INCOME					
		4031 · IRRIGATION WATER	44,346.85	52,000.00	52,000.00	52,000.00
		4032 · STANDBY CHARGES	57,201.39	55,700.00	55,825.00	55,825.00
		4033 · PENALTIES	482.71	300.00	300.00	300.00
		Total 4000 · OPERATING INCOME	102,030.95	108,000.00	108,125.00	108,125.00
	4100 · OTHER INCOME					
		4134 · INTEREST INCOME	8,703.76	6,000.00	5,000.00	5,000.00
		4135 · COUNTY TAXES	278,139.08	280,000.00	280,000.00	280,000.00
		4137 · MISCELLANEOUS	1,237.99	500.00	500.00	500.00
		Total 4100 · OTHER INCOME	288,080.83	286,500.00	285,500.00	285,500.00
	Total Income		390,111.78	394,500.00	393,625.00	393,625.00
	Expense					
	5100 · PURCHASED WATER		11,145.61	13,000.00	13,000.00	13,000.00
	5300 · PUMPS/ELECTRIC - STAND BY		917.87	900.00	950.00	950.00
	5500 · FUEL		10,838.98	9,900.00	10,500.00	10,500.00
	5600 · TOOLS/EQUIPMENT		999.60	1,000.00	2,950.00	2,950.00
	5650 · EQUIPMENT LEASED		407.28	600.00	400.00	400.00
	5700 · MAINT/SUPPLIES					
		5701 · OFFICE	2,858.95	4,500.00	3,200.00	3,200.00
		5702 · GENERAL MAINTENANCE	3,408.84	4,800.00	4,800.00	5,800.00
		5703 · VEH/EQUIPMT	8,753.43	3,260.00	7,850.00	7,850.00
		5704 · CANAL MAINTENANCE	16,332.95	15,000.00	20,500.00	20,500.00
		5705 · WEED MAINTENANCE	594.56	1,100.00	1,100.00	1,100.00
		Total 5700 · MAINT/SUPPLIES	31,948.73	28,660.00	37,450.00	38,450.00
	6300 · LEGAL/PROFESSIONAL		15,350.94	39,510.00	23,979.50	22,479.50
	6560 · PAYROLL EXPENSES					
		6561 · WAGES	172,477.05	224,989.00	222,775.00	222,775.00
		6562 · EMPLOYER TAXES	20,993.05	22,498.00	22,277.50	22,277.50
		Total 6560 · PAYROLL EXPENSES	193,470.10	247,487.00	245,052.50	245,052.50
	6600 · EMPLOYEE BENEFITS					
		6601 · WAGE WORKS	11,355.01	18,000.00	19,000.00	19,000.00
		6602 · WAGE WORKS - ADMIN FE	1,105.72	1,293.00	1,293.00	1,293.00
		Total 6600 · EMPLOYEE BENEFITS	12,460.73	19,293.00	20,293.00	20,293.00
	6700 · TRAVEL		2,095.00	2,000.00	2,000.00	2,000.00
	6900 · ELECTRICITY - SHOP/OFFICE		1,109.43	1,500.00	1,200.00	1,200.00
	6950 · SOLID WASTE		199.00	300.00	300.00	300.00
	6960 · INTERNET/WEBSITE		2,013.40	750.00		
		6961 · INTERNET			550.00	550.00
		6962 · WEBSITE			2,500.00	3,000.00
		TOTAL 6969 - INTERNET/WEBSITE			3,050.00	3,550.00
	7000 · TELEPHONE					
		7001 · OFFICE PHONE	1,550.14	1,200.00	1,400.00	1,400.00
		7002 · CELL PHONES	1,416.23	1,600.00	1,600.00	1,600.00
		Total 7000 · TELEPHONE	2,966.37	2,800.00	3,000.00	3,000.00
	7200 · INSURANCE/LIABILITY		6,200.74	8,000.00	7,000.00	7,000.00
	7300 · INSURANCE/COMP		8,191.42	7,500.00	8,500.00	8,500.00
	7600 · MISC. EXPENSES					
		7601 · FEES	5,239.38	1,500.00	8,500.00	8,500.00
		7602 · DUES	3,168.00	3,800.00		
		7605 · CLASSES/TRAINING	155.00	1,000.00	500.00	500.00
		7606 · OTHER EXPENSE	250.91	500.00	500.00	500.00
		7607 · PROTERTY TAX FEES	4,244.77	4,500.00	4,500.00	4,500.00
		Total 7600 · MISC. EXPENSES	13,058.06	11,300.00	14,000.00	5,500.00
	Total Expense		313,373.26	394,500.00	393,625.00	393,625.00
	CAPITALIZED EXPENSES					
		CONSTRUCTION	33,745.79	41,000.00	23,205.00	23,205.0

INDEPENDENT AUDITOR'S REPORT

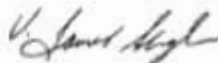
To the Board of Directors
Potter Valley Irrigation District

I have audited the accompanying general purpose financial statements of the Potter Valley Irrigation District as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Potter Valley Irrigation District as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Management's Discussion and Analysis on pages 3-11 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.



V. James Sligh, CPA
Ukiah, California
July 14, 2010

POTTER VALLEY IRRIGATION DISTRICT
COMPARATIVE STATEMENT OF NET ASSETS

DECEMBER 31, 2009 AND 2008

ASSETS	2009	2008
Current Assets		
Cash	\$317,991	\$217,167
Short-Term Investments	450,000	500,000
Accounts Receivable	20,578	32,266
Accrued Interest Receivable	3,171	6,806
Property Taxes Receivable	265	0
Other Current Assets	<u>7,048</u>	<u>4,984</u>
Total Current Assets	<u>799,053</u>	<u>761,223</u>
Property, Plant and Equipment		
Total Property, Plant and Equipment	973,557	938,405
Less Accumulated Depreciation	<u>588,826</u>	<u>551,813</u>
Property, Plant and Equipment, Net	<u>384,731</u>	<u>386,592</u>
Deferred Charge - Feasibility Study	<u>134,250</u>	<u>106,750</u>
Other Asset - Cash Restricted for Health Benefits	<u>20,652</u>	<u>9,115</u>
Total Assets	<u>\$1,338,686</u>	<u>\$1,263,680</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts Payable	\$5,773	\$14,835
Accrued Liabilities	<u>2,404</u>	<u>2,844</u>
Total Current Liabilities	<u>8,177</u>	<u>17,479</u>
Other Liabilities -		
Unearned Standby Charges	<u>636</u>	<u>636</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	384,731	386,592
Restricted	20,652	9,115
Unrestricted	<u>924,490</u>	<u>849,858</u>
Total Net Assets	<u>1,329,873</u>	<u>1,245,565</u>
Total Liabilities and Net Assets	<u>\$1,338,686</u>	<u>\$1,263,680</u>

The Accompanying Notes are an Integral Part of
These Financial Statements.

POTTER VALLEY IRRIGATION DISTRICT

COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Operating Income		
Irrigation Charges	\$55,775	\$62,604
Standby Charges	54,384	55,744
Penalties and Other Misc. Income	508	237
Total Operating Income	<u>110,667</u>	<u>118,585</u>
Operating Expenses		
Salaries	182,078	167,788
Employee Benefits	9,519	14,063
Payroll Taxes	19,711	18,384
Purchased Water	13,109	7,583
Pumping Costs	949	908
Repairs and Maintenance	23,957	32,998
Operating Supplies	1,402	1,364
Fuel	7,526	11,256
Office Supplies and Expense	3,313	4,927
Travel Expenses	1,975	2,170
Professional Services	13,079	7,486
Utilities	1,478	2,073
Telephone and Internet Access	3,580	4,386
Insurance	15,022	14,359
Depreciation	37,012	37,047
Licenses and Fees	11,300	7,422
Copier Lease	686	504
Miscellaneous Expense	<u>4,693</u>	<u>3,722</u>
Total Operating Expenses	<u>350,389</u>	<u>338,440</u>
Net Operating Income (Loss)	<u>-239,722</u>	<u>-219,855</u>
Non-Operating Income (Expense)		
Interest Income	19,458	26,134
Property Tax Income	304,572	285,161
Interest Expense	0	-280
Miscellaneous Income	<u>0</u>	<u>1,237</u>
Total Non-Operating	<u>324,030</u>	<u>312,252</u>
Net Income (Loss) Before Contributions	84,308	92,397
Capital Contributions	<u>0</u>	<u>8,513</u>
Change in Net Assets	84,308	100,910
Net Assets, Beginning of Year	<u>1,245,565</u>	<u>1,144,655</u>
Net Assets - End of Year	<u>\$1,329,873</u>	<u>\$1,245,565</u>

The Accompanying Notes are an Integral Part of
These Financial Statements.

POTTER VALLEY IRRIGATION DISTRICT

COMPARATIVE STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
Cash Flows From Operating Activities:		
Cash Received for Irrigation and Standby Charges	\$121,847	\$104,660
Cash Received for Penalties and Other Income	508	237
Cash Payments to Suppliers for Goods and Services	-142,665	-103,579
Cash Payments to Employees for Services	-182,078	-167,788
Net Cash Provided By (Used by) Operating Activities	-202,388	-166,470
Cash Flows From Noncapital Financing Activities:		
Miscellaneous Income	0	1,237
Miscellaneous Interest Expense - Non-Capital	0	-280
Tax Receipts Collected by Other Governmental Agencies	304,307	285,224
Net Cash Provided From Noncapital Financing Activities	304,307	286,181
Cash Flows From Capital and Related Financing Activities:		
Current Year Cost of Feasibility Study	-27,500	-26,750
Capital Contributed	0	8,513
Acquisition of Capital Assets	-35,152	-70,619
Net Cash Provided By (Used By) Capital and Related Financing Activities	-62,652	-88,856
Cash Flows From Investing Activities:		
Net (Increase) Decrease in Short-Term Investments	50,000	-50,000
Interest Received	23,094	23,697
Net Cash Provided By (Used By) Investing Activities	73,094	-26,303
Net Increase (Decrease) in Cash	112,361	4,552
Cash - Beginning of Year	226,282	221,730
Cash - End of Year	\$338,643	\$226,282
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	-\$239,722	-\$219,855
Adjustments To Reconcile Net Operating Income To Net Cash Provided By Operating Activities:		
Depreciation And Amortization	37,012	37,047
Decrease (Increase)-Accounts Receivable	11,688	-13,374
Decrease (Increase)-Other Current Assets	-2,064	14,748
Increase (Decrease) in Accounts Payable	-9,062	14,456
Increase (Decrease)-Accrued Liabilities	-240	822
Increase (Decrease)-Unearned Standby Charges	0	-314
Net Cash Provided By (Used By) Operating Activities	-\$202,388	-\$166,470

(Continued)

Attachment 4:

Key Personnel and Biographies

- Board of Directors and brief biographies
- Staff, brief biographies and job descriptions
- Consultants and brief biographies

Board of Directors and brief biographies

Director Kenneth Stroh

Ken moved to Potter Valley in 1968. He is the owner of a 500-acre cattle ranch in Potter Valley and raises Permanent pasture and oat hay. He has been a director on the PVID board since 1986 and President of the Board since 1990. He has served as president of the Mendocino County Farm Bureau and served as a volunteer on the Potter Valley Fire Department, and a director on the Community Services District. He was also a member of the Potter Valley Action Plan Committee to the Mendocino County Planning Commission that was instrumental in establishing 40-acre parcel minimums protecting farm, range and forest lands from residential subdivision. Ken has always been a competent steward of the land.

Director Eugene J M McFadden

Born: New York, New York 14 June 1938.

Education: parochial school system in New York City for elementary and high school. University of Notre Dame, B.A. History. Stanford Graduate School of Business.

Military service: U.S. Navy 1960 to 1969...Gunnery and Engineering Officer on two destroyers, River Force Advisor in Vietnam, Admiral's Aide, U.S. Embassy, Lisbon, Portugal.

Agricultural experience: Farming in Potter Valley, California from 1970 to the present time. Crops farmed: wine grapes, culinary herbs, hay crops, field crops and cattle.

Built and operate a hydroelectric power plant just downstream of the PG&E powerhouse on the East Branch Russian River. I sell that electricity to PG&E. I have installed photovoltaic solar panels to do my part in relieving my business carbon foot print.

Positions held: Farm Bureau director, two Mendocino County grand Juries, Citizens Advisory Committee for Planning matters related to Potter Valley, President Private Industry Council for 7 years, Mendocino County LAFCO Board member, and Potter Valley Irrigation District Board member since 1990.

Director Mac Magruder

Mac Magruder: owner-operator of Ingel-Haven Ranch, which consists of 2400 acres; 200 irrigated. The ranch is a cow/calf/stocker/grass-finished operation with a new focus on range pigs. We sell natural beef and pork to restaurants, independent stores, farmers' markets and individuals. The land is rotationally-grazed to maximize grass growth and minimize over-grazing. Ingel-Haven Ranch also leases an additional 8000 hill acres throughout Mendocino County for cattle grazing. I have been a director on PVID Board of Directors since 2006. I am a director on the Potter Valley Cemetery Board. I served as a director on the Potter Valley Community Health Center for twelve years.

Director Jim Mcmenomey

Jim moved to Potter Valley in 1983. He became chief mechanic for Potter Valley Community School in 1983 and currently oversees all maintenance activities. Jim owns a 76 acre cattle ranch. He raises and harvests permanent pasture on those lands. Jim has always been a competent steward of the land. He has served as a director on the PVID since 2004.

Director Janet K. F. Pauli

Janet has been a director on the PVID Board since 1989 and currently serves as the Vice President. She is the Chairwoman of the Mendocino County Inland Water and Power Commission, is a member of the Mendocino County Farm Bureau Water Committee and a member of the Executive Committee of the Upper Russian River Stewardship Alliance. Janet has a PhD in Zoology and has been active for over twenty years, dealing with many environmental and beneficial water use issues including the Federal Energy Regulatory Commission License Amendment Proceedings for the Potter Valley Hydroelectric Project. She and her husband, and their children, farm Bartlett pears and wine grapes in Potter Valley.

Staff Job Descriptions and Biographies

Superintendent Steven Elliott

Steve grew up in the Lake Pillsbury / Eel River area and understands the need for land stewardship. He graduated from Potter Valley High and attended Heald Engineering in San Francisco. Joined the US Army and spent a year in Viet Nam and 5 years in Europe as a communications, navigation and calibration technician. He returned to Potter Valley in 1977 and became a Straw Boss for S&R Forest management for ten years prior to being hired as Superintendent of PVID in December of 1988. He holds a California Pest Control Advisors License and a Qualified Applicator License. He has worked directly with Federal, State and County agencies for the day to day operations and protection of the PVID. He has owned and operated a Wholesale / Retail Christmas Tree business for 32 years. He manages approximately 3000 acres of Sierra Pacific timber lands on Mt. Shasta under sustainable forest practice rules by contract.

Secretary Treasurer/Bookkeeper Julie Paulin

My family moved to Potter Valley in 1976, I attended and graduated from Potter Valley High School. Upon graduating from Cal Poly, San Luis Obispo, I married my husband Paul and we spent 20 years in Tulare County raising our 2 kids and started a farm management company, Paulin Ag. We lease, own and manage farm property, which includes walnuts, dried plums, kiwi, grapes, almonds and alfalfa. I am the Bookkeeper for our company.

In 2007, Paul and I purchased property in Potter Valley, developed a vineyard, currently grow grass hay and we reside on the beautiful Russian River in Potter Valley, CA. August of 2009, I was elected as the District Secretary Treasurer at Potter Valley Irrigation District and hired as their Bookkeeper. As of August 2010, I am also a part-time Bookkeeper at Potter Valley Community Unified School District.

Assessor Collector Patti Boatwright

I have lived in Potter Valley since 1997. Prior to that I lived in Sunnyvale where I was the Accounting Manager for a semiconductor firm. In addition to Assessor/Collector, I also work at a property management company as the bookkeeper. I was attracted to Potter Valley because it reminded me of the way Santa Clara Valley used to be before it was Silicon Valley. I also wanted to live where I could have my horses on my own property. I am a member of Mendocino County Search & Rescue - Mounted Unit. We use public open space for trainings and I enjoy having places to ride when we're not training. I am also a member of the Potter Valley Grange, Ukiah First Christian Church and Redwood Empire Quarter Horse Association.

POTTER VALLEY IRRIGATION DISTRICT

Position Title: Superintendent

General Description: The Superintendent serves as the maintenance and irrigation water administrator of the district. All internal programs of the Potter Valley Irrigation District shall be delegated to the Superintendent. As such, he implements Board policy, consults and reports to the Board on matters relating to District construction, maintenance, and irrigation water distribution, and is responsible for the leadership, guidance and direction of the District programs.

Duties and Responsibilities:

Within the policies of the District Board of Directors and within the framework of the Bylaws and Budget adopted by the Board, the Superintendent performs the following duties:

1. Establishes water schedules for both the West and East side ditches and coordinates the delivery of irrigation water to the customers.
2. Employs/trains/terminates personnel.
3. Evaluates and assigns personnel.
4. Informs the Board as to progress and status of all construction and maintenance projects.
5. Implements the District budget adopted by the Board.
6. Provides for plant materials and services necessary for the overall operation of the District.
7. Serves as the purchasing agent of the Board and shall have the authority to purchase supplies and equipment under regulations of the Board.
8. Oversees all District operations including maintenance, construction, and irrigation water delivery.
9. In the absence of specific rules or policies of the Board of Directors, the Superintendent shall be authorized to assume the necessary authority to perform such duties in a particular situation, unforeseen and suddenly uprising, subject to later consideration and action by the Board of Directors.

**POTTER VALLEY IRRIGATION DISTRICT
POLICY HANDBOOK**

POLICY TITLE: JOB DESCRIPTION – SECRETARY TREASURER
POLICY NUMBER: 2380

2380.10 **DESCRIPTION:** *Under the direction of the Board of Directors, acts as Secretary and Clerk of the Board of Directors and acts as Treasurer and Accountant for the District.*

2380.11 DISTRICT SECRETARY - CLERK

Prior to Board Meetings prepares agendas, posts them at the district office and at the 2 local stores.

Types up and compiles Minutes, Bill Registers, Checking and Savings Reports, Profit & Loss and Budget Reports, and Superintendent's Report. Compiles the above information into meeting packets to deliver to the Directors prior to the monthly meetings.

2380.12 DISTRICT SECRETARY - CLERK

Attends all regular and special meetings of the Board of Directors, transcribes and edits minutes, prepares drafts of agenda items and resolutions requiring action by the Board, prepares, as needed, information to organizations, employees, customers and the general public regarding Board matters, and maintains files on all official actions of the Board of Directors and the District Superintendent.

2380.13 DISTRICT SECRETARY – CLERK

Assists the District Superintendent, as needed, in preparing reports, correspondence and newsletters to the customers.

Assists the District Superintendent, as needed, in preparing petitions, resolutions, easement descriptions, deed forms, agreements, recap sheets and other miscellaneous District documents.

2380.14 DISTRICT TREASURER

Copies, bank stamps, and records all incoming checks to turn over to the Assessor Collector for deposit into the District checking account.

Is responsible for withdrawing, transferring, and investing all District funds; for maintaining efficient fiscal practices to maximize non-operational earnings; and for maintaining cash flow for needed liquidity.

2380.15 DISTRICT TREASURER

Enters all financial and customer information in to the appropriate ledger accounts in the District computer system and prepares the monthly printouts of the District financial information.

Writes all payroll checks and payroll deposit checks, submits monthly payroll deposits, submits all quarterly and annual Federal and State payroll reports

Submits all District financial reports, records, and backup information to the CPA employed by the Board to perform the 2 year Financial Audit required by the County and the State.

Maintains the computer asset records for the District. Records all construction costs and after completion of each construction project debits all costs to the proper accounts for depreciation and accumulated depreciation. Submits all annual liability insurance reports to SDRMA and provides them with information on District fixed assets, vehicles, and equipment.

~~Prepares and submits the State Controller's Report for each calendar year.~~

2380.16 DISTRICT TREASURER

Works with Assessor Collector to make sure that all customer account balances in the District Ledger balance with the Assessor Collector's books and balance with the Assessor Collector's deposit records.

Works with the Assessor Collector to make sure that all customer payments have been credited to the proper income accounts (water – standby- penalty).

Assists Assessor Collector with any information needed to process and send out notices to the customers with delinquent accounts.

2380.17 DISTRICT TREASURER – ACCOUNTANT

Processes all incoming bills and invoices from vendors, enters them into the Accounts Payables, debits them to the proper expense accounts, and files them with the other District records.

Processes all purchase orders and special withdrawals.

Writes all checks for the District payables after Board approval,

signs them and sends them out after they have been signed by the Board President or Board Vice President.

2380.18

QUALIFICATIONS

Clerical, Secretarial and Accounting Experience.

Knowledge of modern office methods and practices, business letter and report writing.

Knowledge of the principles of financial recordkeeping, of the basic principles of accounting and computerized accounting.

Ability to work independently and the ability to relate cooperatively with the members of the public and with District Personnel.

POTTER VALLEY IRRIGATION DISTRICT
POLICY HANDBOOK

POLICY TITLE: JOB DESCRIPTION - ASSESSOR COLLECTOR
POLICY NUMBER: 2390

2390.10 DESCRIPTION: Under the direction of the Board of Directors: acts as the the Assessor for District Standby and Water Fees, and Collector for all District Standby and Water Payments.

2390.11 ANNUALLY

Receives District assessments for Water and Standby charges from Secretary-Treasurer.

On or before December 1st sends prepared Water bills.

On or before January 7th sends prepared Standby bills.

2390.12 MONTHLY

Reviews all customer accounts with Secretary-Treasurer to make sure all payments have been deposited and credited to the proper income accounts and that they balance with the records of the Secretary-Treasurer.

Reviews delinquent Water and Standby accounts with the Secretary Treasurer, applies the 1% penalty, prints and sends statements to customers with delinquent accounts by the 10th of the month.

Attends all regular Board Meetings.

Prepares a report for the Board Meeting listing all aged accounts.

2390.13 WEEKLY

Receives and records customer payments in the deposit ledger that has been previously copied and stamped for deposit by the Secretary Treasurer. of paid payments

Prepares bank deposit slip and deposits all monies into the District checking account.

Files copy of each check received with the copy of bill or payment stub marked with the date of payment.

Enters all customer payments into the proper income accounts (water – standby – penalty) in the Assessor Collector's Accounts Receivable program.

2390.14 AS NEEDED

Submits to the Board of Directors, all aged accounts that are subject to lien.

By approval of the Board of Directors, sends notices to customers informing them that their accounts are subject to lien.

With authorization of the Board of Directors, delivers said delinquent accounts to the District Legal Counsel for appropriate legal action.

Supplies to Title Companies necessary information regarding customer accounts that are in escrow or are subject to loans.

Updates District Parcel Map Book as properties change ownership.

Makes necessary changes in the parcel numbers in the Accounts Record book.

Researches property ownerships at the County Recorders Office.

Richard Knox, Attorney

Richard Knox was admitted to the California Bar in 1988 and is licensed to practice in all Courts of California, including all Federal Courts. His practice includes Mendocino, Lake, Humboldt and Sonoma Counties. He has served on the Board of Directors of Redwood Children Services, was the president of a non-profit medical group, and has been the attorney for the Potter Valley Irrigation District since 2006. He is also a founding member of the Collaborative Professionals of Mendocino and Lake Counties.

Bob Whitney, Golden State Land Conservancy

Since 1999, Mr. Whitney has been President of the Golden State Land Conservancy (gslc.us) providing conservation project solutions throughout the state. Currently, GSLC holds 43 conservation easements on more than 34,000 acres throughout California. Mr. Whitney has also successfully worked as a private economic and environmental planning consultant in land, agricultural, ranch and forest management, including extensive experience in watershed restoration and monitoring. In 1978, he co-founded a public interest environmental law-firm based in Santa Barbara, and formed the first local land trust in that area. In the past, he successfully worked in private industry and taught business, economics, and accounting for over twenty years. He has also owned, managed and placed conservation easements on his own private forestland.

Elain Lindelef, Website Host

Elaine Lindelef is a graduate of the California Institute of Technology in mechanical engineering. She has worked on Mars probes before becoming a project manager for the Internet. She was involved with some of the earliest commercial websites, including some of the first ecommerce sites, and was the lead on Pacific Bell's first Yellow Pages web edition. Elaine began working with the Potter Valley Irrigation District on its website in July 2009.

Attachment 5:

March 30, 1936 Agreement with PG&E

THIS AGREEMENT MADE AND ENTERED INTO THIS 30th day of March, 1936 by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (Hereinafter called Pacific), and POTTER VALLEY IRRIGATION DISTRICT, a California irrigation district (hereinafter called District),

W I T N E S S E T H that:

WHEREAS under date of June 18 1930 Pacific's predecessor in interest, the Snow Mountain Water and Power Company, and District entered into a certain agreement (hereinafter called existing contract) wherein, among other things, said Snow Mountain Water and Power Company agreed to sell and deliver to District and District agreed to purchase and accept at the tailrace of said company's Potter Valley power plant certain quantities of water at a flow of not to exceed forty cubic feet persecond; and

WHEREAS under and by virtue of Permits numbered 2954 and 3635 granted it by the Division of Water Resources, State Department of Public Works, Pacific has the right and is willing to sell and deliver to District at the tailrace of said power plant an aggregate of 19,000 acre feet of water annually; and

WHEREAS District maintains and operates two main canals leading from said tailrace to divers localities within said district and by means thereof has heretofore during each season diverted and conveyed water purchased under said existing contract to meet the requirements of said District; and

WHEREAS Pacific and District desire to cancel said existing contract and to enter into a new agreement in lieu thereof;

NOW, THEREFORE, in consideration of the promises and the mutual promises of the parties hereto herein contained, it is mutually agreed by and between them as follows, to wit:

1. Said existing contract is hereby cancelled.

2. Whenever used herein the following terms shall for the purposes hereof have the following respective meanings, viz:

summer period: that period of each season from May 1st to October 15th, both inclusive;

winter period: that period of each season from October 16th to April 30th, both inclusive;

cfs: cubic feet of water per second;

acre foot: the equivalent of 0.504 cfs flowing for 24 hours.

3. Pacific will sell and deliver to District and District will purchase and accept from Pacific at a rate of flow not to exceed 50 cfs at said tailrace (a) during each summer period of the term hereof such quantity of water up to 16,660 acre feet as shall be required by District, and (b) during each winter period of the term hereof such quantity of water up to the difference between 19,000 acre feet and the quantity which District shall have purchased during the next preceding summer period.

4. District shall have the right and easement at its own cost and expense during the term hereof to maintain and operate, and if necessary enlarge, its said canals and intake works as now located on lands of Pacific.

5. Pacific at its own cost and expense shall maintain the existing diversionworks and water measuring facilities at the respective intakes of District's said canals and shall therewith cause accurate measurement to be made of all water delivered to District hereunder. A daily record of the quantity of water delivered to District, as

measured by said facilities shall be available at all times to both parties. Said works and measuring facilities shall be subject to inspection by District. If during the term hereof it shall become necessary or advisable so to do Pacific will at its own cost and expense replace, improve, or otherwise alter, said works and/or measuring facilities, provided that so doing will not necessitate any change in the grade of District's canals or interfere with the diversion into or conveyance of water in said canals as contemplated hereunder.

6. Should either party hereto desire to check the accuracy of said measuring facilities and notify the other party to that effect each party will forthwith appoint an engineer to represent it and the two engineers thus appointed shall check said facilities and, if error be found therein, correct same by proper calibration thereof. In the event, however, that such engineers do not agree as to whether such facilities shall be correctly measuring the flow of water passing into said canals they shall so report to their respective principals and the latter will each forthwith appoint a competent arbitrator and the two thus appointed shall select a third. The three arbitrators thus selected shall check said facilities and, if error shall be found therein, correct same by proper calibration thereof. The calibration agreed upon by any two of such arbitrators shall be binding upon the parties hereto until another such check thereof shall have been made and accepted. An adjustment shall be made in favor of the injured party to compensate it for incorrect measurements by such facilities for the period beginning thirty days prior to the date that either party shall have requested such check and ending as of the date of such final calibration. Each party will pay the entire compensation and expenses of its own appointed engineer and/or arbitrator and in addition thereto one-half the compensation and expenses of such

third arbitrator.

7. Pacific shall at all times have complete control of the delivery of water from said tailrace into said canals but, subject to the limitations hereinafter specified, shall conform with District's written requests from time to time submitted to Pacific at its said power plant.

8. If and when during any winter period of the term hereof it shall have surplus water available therefor, as to which it shall be the sole judge, Pacific, without dedicating or intending to dedicate same to a public use therefor, but solely as an accommodation to District for use by it in preserving its said canals and for no other purpose, will deliver into said canals during such winter period without charge to District therefor such quantity of such water as the latter shall request for said purpose up to but not to exceed ten acre feet a day at an aggregate rate of flow of 5 cfs or less.

9. Unless and until different rates therefor shall be fixed as hereinafter provided District will pay Pacific at the following respective rates for water so sold and delivered to it hereunder, namely:

- (a) If delivered during any summer period \$1.33 1/3 for each acre foot of the first 3,000 acre feet, and \$1.25 for each acre foot in excess thereof;
- (b) If delivered during any winter period: \$1.25 for each acre foot in excess of such quantity of such surplus water as shall be delivered pursuant to paragraph 8 thereof.

At any time after the expiration of the fifth year of the term hereof and of each like period thereafter the foregoing rates may be revised by mutual agreement or failing that by decision of the Railroad Commission of the State of California on application of either party.

10. Payments due Pacific hereunder shall be made by District

in lawful money of the United States at the former's office at 245 Market Street, San Francisco, California, at the following respective times:

- (a) for all water so delivered during any summer period, on or before the 1st day of December next following such period.
- (b) for all water so delivered during any winter period, on or before the 1st day of June next following such period.

If District shall fail so to pay Pacific the latter may at its option cancel this agreement by giving District thirty days advance notice to that effect, and if District shall not make any such delinquent payment within said thirty days this agreement shall thereupon ipso facto terminate, and in that event all rights of District hereunder shall forthwith cease and terminate and all sums then payable to Pacific under the term hereof shall constitute a charge against District.

11. Pacific shall not be liable for failure to deliver water at the intake of either of said canals, or for any loss or detriment resulting to District, or to any water user or land owner within its boundaries by reason thereof, if such failure, loss or detriment shall be caused by inevitable accident, act of God, fire, strike, riot, war, drought, or any cause or condition (whether like or unlike those specifically enumerated) beyond the reasonable control of Pacific, or if caused by any interruption due to necessity for maintenance or repair of any of Pacific's dam, reservoirs, tunnels, pipe lines, power plant or other works or facilities used directly or indirectly by it in performing its obligations hereunder, and in this connection District agrees to indemnify Pacific and save it harmless from any and all liability with respect to any and all claims, demands or causes of action that may be made against it by any water user or land owner within said district boundaries for damages arising out of or in any

way connected with the conduct of Pacific with respect to the delivery, or failure of delivery, of water to District hereunder.

12. It is mutually understood that in entering into this agreement Pacific shall not thereby or as a result thereof incur any obligation to deliver water to District after the termination hereof, or of any extension hereof, nor shall District acquire any right or color of title in or to, or control over, any of the water or water rights or works of Pacific used in connection herewith.

13. Unless sooner terminated as herein provided, this agreement shall remain in full force and effect until April 15 1972 (the date of expiration of the license of Pacific granted said Snow Mountain Water and Power Company by the Federal Power Commission in connection with Project 77, California). District may, at its option, extend the term of this agreement for a further period of not to exceed fifty years, if Pacific, its successors and assigns, shall at that time and for such further period be in possession and control of the properties described in said license. Said option may be exercised by giving written notice to that effect to Pacific at any time between April 15, 1967 and April 15, 1971.

14. This agreement is entered into pursuant to order of the Railroad Commission of the State of California given through its decision numbered 28,647 rendered on the 16th day of March 1936.

Time is of the essence of all the provisions hereof.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed by their respective officers thereunto duly authorized the day and year first above written.

PACIFIC GAS & ELECTRIC COMPANY
By F. M. Downing
Its First Vice-President and General
Manager
and by J. D. Rosie
Its Assistant Secretary.

Attachment 6:

PVID Conflict of Interest Policy

2008 Local Agency Biennial Notice

Name of Agency: POTTER VALLEY IRRIGATION DISTRICT

Mailing Address: PO BOX 186

Contact Person: SUPERINTENDENT STEVE ELLIOTT Office Phone No: 707-743-1109

E-mail: _____ Fax No: 707-743-2410

This agency has reviewed its conflict-of-interest code and has determined that:

☐ **An amendment is required. The following amendments are necessary:**
(Check all that apply.)

- ☐ Include new positions (including consultants) that must be designated.
- ☐ Delete positions that manage public investments from the list of designated positions.
- ☐ Revise disclosure categories.
- ☐ Revise the titles of existing positions.
- ☐ Delete titles of positions that have been abolished.
- ☐ Other (describe) _____

☐ Code is currently under review by the code-reviewing body.

☒ **No amendment is required.**

The agency's code accurately designates all positions that make or participate in the making of governmental decisions; the disclosure categories assigned to those positions accurately require the disclosure of all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding the designated positions; and the code includes all other provisions required by Government Code Section 87302.

Ken Strick

Signature of Chief Executive Officer

7-16-08

Date

Complete this notice regardless of how recently your code was approved or amended.
Please return this notice no later than **October 1, 2008**, to:

**MENDOCINO COUNTY CLERK
ATTN: FORM 700 CODE
501 LOW GAP ROAD, ROOM 1020
UKIAH, CA 95482-3738**

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

Fair Political Practices Commission
428 J Street, Suite 620, Sacramento, CA 95833
For Technical Assistance: (866) ASK-FPPC

RESOLUTION NO. R-5

PV. Irrigation

WHEREAS, the Political Reform Act, Government Code Sections 81000, et seq. requires every state or local government agency to adopt and promulgate a Conflict of Interest Code; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, 2 Cal. Adm. Code Section 18730, which contains the terms of a standard model Conflict of Interest Code, which can be incorporated by reference, and which will be amended to conform to amendments in the Political Reform Act after public notice and hearings conducted by the Fair Political Practices Commission pursuant to the Administrative Procedure Act, Government Code Sections 11370, et seq; and

WHEREAS, incorporation by reference of the aforementioned regulation and amendments to it in Conflict of Interest Codes will save this body time and money by minimizing the actions required of this body to keep the Codes in conformity with the Political Reform Act; and

WHEREAS, this body has determined that the attached Appendices accurately set forth those positions which should be designated and the categories of financial interests which should be made reportable;

BE IT NOW THEREFORE RESOLVED AS FOLLOWS:

1. All previously adopted resolutions approving various separate conflict of interest codes are hereby rescinded.
2. The terms of 2 Cal. Adm. Code Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission along with the attached Appendices in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Codes of this District for the following positions:

Directors, Secretary/Treasurer, Assessor/Collector and Superintendent.

3. Persons holding designated positions shall file statements of economic interest pursuant to Section 4(a) with the County Clerk, Elections Division.

* * * * *

The foregoing Resolution is a true and correct copy of a resolution duly adopted by the Board of Directors of the Potter Valley Irrigation District at a meeting regularly held on the 7th day of July, 1982.

Larry R. Thornton
LARRY R. THORNTON, Secretary

POTTER VALLEY IRRIGATION DISTRICT

PVID BOARD MEETING MAY 15, 2008

SCHEDULE "A"

The regular meeting of the Potter Valley Irrigation District was called to order by Board President, Neil Smith at 7:02 P.M. at the Potter Valley District office. Present: Dir. Magruder, Dir. McFadden, Dir. McMenomey, Dir. Smith. Absent: Dir. Elliott. Guest: Attorney Dick Knox.

DISCLOSURE CATEGORY

The minutes of the May 21st regular meeting were approved as presented.
The minutes of the June 11th special meeting were approved as presented.

CATEGORY ONE: All income derived from ownership interest or contracts

with, or work done for any entity doing business with the District.

Community Input: Supt. Elliott reported that there was a water problem with Lura Smith's water delivery - the head went from 7 ft to 6 ft. Her water bill has been credited for the adjustment. In future we will try to minimize fluctuations.

Financial Report: Sec. Brown was absent, but reports were provided in each packet and were reviewed. Supt. Elliott questioned CD #2-66 from Amcore Bank and its rollover status.

Assessor's Report: Total past due AR: \$104.85, Standby: \$28.46, Penalty: \$6.39. Herb Green's property on Powerhouse is in escrow.

Attorney's Report: There is a release to be signed for the Pacheco matter. Dir. McFadden made a motion that we sign the release. Dir. Magruder seconded. Motion passed. The Conflict of Interest looks fine as is. Need to sign form that there are no changes.

Superintendent's Report: Kimber Selvidge wants to use district water for a pond on her property, but the pond is on the 20 acre parcel outside of the district. We do not deliver water outside the district. Paul Paulin needs to build access to his property on Gibson. He wants to pipe 40 feet in concrete ditch for driveway. Supt. Elliott suggested piping full section - 80 feet to box - for 1/2 cost (\$800-\$900). There was a motion by Dir. Magruder to approve installation of 80 feet of pipe. Dir. McMenomey seconded. Motion passed. Luke and Keri Miller need to build a pond for frost water. Water would come from lateral #2. They would like to pump from the river. Using Water Code #7075, PVID would send extra water down the river and meter at the pump. It would be a new Point of Diversion. Need to check with State Water Resources Control Board. The Miller's are also looking at other options.

Old Business:

- (1) PG&E has requested an extension to Sept 1st to review the Permanent Frost Water Variance proposal. Most groups approve of the proposal, even the tribes.
- (4) MC LAFCO request for additional information - will take time to gather financial data requested. Still need to complete the 2007 audit. Supt. Elliott needs to put together capital improvement plan. Questioned why additional information is needed. Dir. McFadden will talk to Frank McMichael, Executive Officer of LAFCO.

Attachment 7:

Letters of Interest from Land Conservation Partners/Upper Eel River Conservancy

1. Mendocino County Inland Water and Power Commission
2. County of Mendocino Board of Supervisors

**Mendocino County
Inland Water and Power Commission**

P.O. Box 1247, Ukiah, CA 95482
<lwpc@mendocinowpc.com>

October 14, 2011

Pacific Forest and Watershed Lands Stewardship Council
Land Conservation Program
1107 9th Street, Suite 501
Sacramento, CA 95814

Re: Letter supporting the Potter Valley Irrigation District Land Stewardship Plan for, and Land Acquisition in, the Eel River Planning Unit.

Dear Stewardship Council,

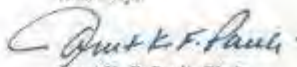
The Mendocino County Inland Water and Power Commission (MCIWPC), a Joint Powers Authority whose member agencies include the County of Mendocino, the City of Ukiah, Redwood Valley County Water District, the Potter Valley Irrigation District and the Mendocino County Russian River Flood Control and Water Conservation Improvement District, supports the Land Stewardship Plan proposed by the Potter Valley Irrigation District (PVID) for the Eel River Planning Unit.

For eighty seven years PVID has worked closely with, first the Snow Mountain Water and Power Company and then with Pacific Gas and Electric Company, to protect the Potter Valley Project as it is their sole water resource. PVID has also worked collaboratively with many State and Federal agencies, and other stakeholder groups, to assure that the historical beneficial use of this water is protected and balanced with protection of the Eel River Watershed. The PVID has a strong vested interest in the continued health of the Eel River Watershed upriver of Pacific Gas and Electric Company's Potter Valley Hydropower Project.

We are particularly pleased that PVID's Plan includes partnering with other local stakeholders, such as all of the member agencies of the MCIWPC, who are also dependent upon this water resource. We look forward to opening a dialogue regarding partnering with them to protect and maintain the watershed of the upper Eel River should they acquire these lands.

Therefore, we support the application submitted by the Potter Valley Irrigation District in their effort to acquire lands in the Eel River Planning Unit.

Sincerely,


Janet K. F. Pauli, Chair

CARMEL J. ANGELO
Chief Executive Officer
Clerk of the Board



COUNTY OF MENDOCINO
BOARD OF SUPERVISORS

CONTACT INFORMATION
501 Low Gap Road • Room 1010
Ukiah, California 95482
TELEPHONE: (707) 463-4221
FAX: (707) 463-7237
Email: bos@co.mendocino.ca.us
Web: www.co.mendocino.ca.us/bos

September 27, 2011

Pacific Forest and Watershed Lands Stewardship Council
Land Conservation Program
1107 9th Street, Suite 501
Sacramento, CA 95814

RE: Letter of Support for the Potter Valley Irrigation District Land Stewardship Plan in the Eel River Planning Unit

Dear Stewardship Council:

The County of Mendocino is supportive of local entities interested in gaining fee title of lands in the PG&E Eel River Planning Unit within Mendocino County. The Potter Valley Irrigation District (PVID) has submitted a request for approximately 2,000 acres of riverside and upland properties as indicated in their Land Stewardship Plan.

The Potter Valley Irrigation District is uniquely qualified given their interests in the protection of the watershed and their historical water right to a portion of the flows from the Potter Valley Project. The PVID has a solid working relationship with PG&E and their goals of providing high water quality to their customers is complimentary to PG&E's hydropower project. The Mendocino County Board of Supervisors believes the Potter Valley Irrigation District has the ability to partner with other local stakeholders and governmental groups to protect and enhance water quality, watershed and wildlife values, including fisheries habitat, and to provide the oversight and maintenance necessary for the lands within the Eel River area as identified in the planning unit objectives of the Stewardship Council's Land Conservation Plan.

We recommend that the Potter Valley Irrigation District be given every consideration for a staff recommendation to the Stewardship Council's Board of Directors' Planning Committee in their pursuit to gain approval for acquisition of these lands.

Sincerely,

Kendall Smith, Chair
Mendocino County Board of Supervisors

THE BOARD OF SUPERVISORS

CARRE BROWN
First District

JOHN MCCOWEN
Second District

JOHN PINCHES
Third District

KENDALL SMITH
Fourth District

DAN HAMBURG
Fifth District

Attachment 8:

Budget and Funding Plan

(please see Stewardship Council Excel worksheets)

Attachment 9:

Forest Management Assessment by Registered Professional Forester

September 23, 2011

Eel River Watershed Lands between Cape Horn Dam and Lake Pillsbury:

A Forester's Perspective:

The PG&E properties will be difficult to manage for timber production for the following reasons.

- Anadromous Fisheries; (steelhead and chinook (King) salmon) ESA, CESA, NEPA, CEQA; DFG, NMFS, USFS, RWQCB, CAL Trout; Friends of Eel River, Round Valley Tribe; Locals and General Public.
- Northern Spotted Owl (NSO) probably significant roosting and nesting areas especially on north slopes in old growth timber near water sources. Activity centers for NSO probably exist but may not be mapped or cited to date. All regulatory agencies, CAL-FIRE, USFWS, DFG, and possibly USFS have jurisdiction.
- Late successional forests probably exist on the PG&E Fee Title lands. This forest designation has considerable volume on the land but very limiting the number of trees that may be harvested due to regulations. DFG, WQ, Cal Fire, USFS
- Steep ground in excess of 65% slope gradient or greater than 50% in high and extreme erosion hazard rated areas and slopes that lead without flattening into watercourses significantly limits logging and silviculture practices resulting in high logging costs and minimal volume that may be harvested.
- Numerous Class I and Class II and Class III watercourses are geographically spread across the ownership. Regulations significantly limit the timber available for harvest.
- Access to harvest may be difficult if not impossible, into portions of the PG&E properties.
- USFS has established late successional forest stands adjacent to some of the PG&E properties. Buffers may be required as mitigation to protect the USFS stands. Once again limited silvicultural practices in these buffers would limit timber productivity.
- Presently the market for Douglas-fir and ponderosa pine is limited with little to no profit margin. Some folks think the market may improve. When is the big question. Our local mill capacity is limited to both size and volumes necessary to operate.
- Regulatory costs for timber harvest plan preparation and administration would be quite expensive due to the complexity of the PG&E ownership (lands) with regulations to include locating and protecting cultural and historical sites.
- Carbon sequestration may be a possibility but it also has high regulatory processing costs, administration and possible third party audit costs.
- CEQA allows for agency and public input on each timber harvesting plans since CEQA is recognized for timber harvesting plans on privately owned (non Federal) lands along with the forest practice act and board of forestry regulations as "Functional Equivalent" to an

EIR. Through this process the public has stopped harvest plans in some areas. I think at least portions, if not all, the PG&E lands of interest to PVID may be challenged by the public and it only takes one person.

Now that I have pointed out some of the significant limitations for the management of timber on the PG&E lands in the Upper Eel River, a Forest Management Plan is critically important and should be developed with goals, objectives, application feedback and the ability to be flexible and change as physical and regulatory conditions warrant.

Detailed management plans in forestry demand an accurate inventory designed to inform people of what exists on the property, what can realistically be harvested on a sustained basis, harvesting intervals, growth projections, roads and access restrictions, silvicultural methods, logging system protection of public trust resources (Air, Water, Wildlife, Fisheries, Aesthetics); cumulative impacts considerations and cost.

Management Plans are expensive. I suggest a solid forestry consulting firm with local and regulatory knowledge be utilized to accomplish this task. Twenty seven thousand dollars would get a plan started, but to finally grasp what is on the property it is critical to come up with a source of funding and move forward with a plan. Be sure to incorporate all regulation aspects, security design, access, road abandonment and improvement into the plan along with possible carbon sequestration in the inventory scheme to include cultural and historic sites.

North Coast Resources Management (NCRM) in Calpella has the capabilities to develop such a Management Plan. After the plan is in place a licensed Forester (RPF) may be able to implement much of it depending on experience and expertise.

Thank you for the opportunity to comment.

Bruce Strickler
Registered Professional Forester #1764

**Pacific Forest and Watershed Lands Stewardship Council
Land Stewardship Proposal Budget and Funding Plan**

**Eel River Watershed
Potter Valley Irrigation District**

PROJECT BUDGET - TRANSACTION COSTS

A. Document Preparation Costs

Task	Unit of Measure	Number of Units	Cost/Unit	Total Cost	Funding Request	Comments
Legal review and document preparation	Hours	30	300	9,000	9,000	District Counsel
District review and document preparation	Hours	80	50	4,000	4,000	District Superintendent and Secretary
Consultant review and document preparation	Hours	60	100	6,000	6,000	Conservation Transactions Consultant
Legal agreements- MOU'S, Letters of support	Hours	10	50	500	500	District Superintendent and Secretary
<i>To add a row: right click on the row above -> select copy -> right click again ->select insert copied cells</i>						
A. Total Document Preparation Costs				19,500	19,500	

B. Closing Costs

Task	Unit of Measure	Number of Units	Cost/Unit	Total Cost	Funding Request	Comments
Escrow and title insurance fees				2,000	2,000	Redwood Empire Title Company of Mendocino County
Recordation fees				750	750	Mendocino County Recorder
Legal Review	Hours	10	300	3,000	3,000	
<i>To add a row: right click on the row above -> select copy -> right click again ->select insert copied cells</i>						
B. Total Closing Costs				5,750	5,750	Closing Costs expected to be paid by PG&E or SC

C. Other

Task	Unit of Measure	Number of Units	Cost/Unit	Total Cost	Funding Request	Comments
Boundary line adjustments and surveys				5,500	5,500	Budget item for possible BLA and legal description
<i>To add a row: right click on the row above -> select copy -> right click again ->select insert copied cells</i>						
C. Total Other				5,500	5,500	All Costs expected to be paid by PG&E or SC
TOTAL TRANSACTION COSTS				30,750	30,750	

Additional Notes:

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PROJECT BUDGET - BASELINE LAND OWNERSHIP AND MANAGEMENT ACTIVITIES (SEE NOTE 1)

PROJECT REVENUES

Source	Description	Non- SC Sources of Funding		Comments
		One-Time Grants	Ongoing Funding	
Committed Funds (cash received or award made)				
Grant Awards				
Fundraising				
Matching Funds				
Lease Revenues				
Timber Revenues				
General Fund/Legal & Professional				
Other PG&E DONATION			1,000	PG&E Sponsored; Public & Annual Eel River Cleanup
Total Committed Funds		-	1,000	
Pending Funds (no award made to date)				
Grant Awards				
Fundraising				
Matching Funds				
General Fund/Reserves			5,000	PVID allows for 2hr per week for security & evaluation of the PPV's by Superintendent
PG&E Lease Revenues				Only occur on lands outside of fee title plan areas
Total Pending or Potential Funds		-	5,000	
<i>To add a row: right click on the row above -> select copy -> right click again ->select insert copied cells</i>				
TOTAL PROJECT REVENUES		-	6,000	

PROJECT EXPENSES

A. Baseline Management Activities

Task	Description	Unit of Measure	Number of Units	Cost/Unit	SC Funding Request				Comments
					One-Time Costs	Ongoing Annual Costs	One-Time Costs	Ongoing Annual Costs	
Property management	General oversight	Hours	500	30		15,000	15,000		Only until transfer to Upper Eel River Conservancy
Security	One Employee	Hours / wk	2	50		5,000	10,000		Only until clear title is conveyed, Two year poss.
Input Activity									
Input Activity									
Input Activity									
Input Activity									
<i>To add a row: right click on the row above -> select copy -> right click again ->select insert copied cells</i>									
A. Total Baseline Management Activities					-	20,000	25,000	-	

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B. Baseline Land Ownership Costs

Task	Description	Unit of Measure	Number of Units	Cost/Unit	One-Time Costs	Ongoing Annual Costs	SC Funding Request One-Time Costs	Ongoing Annual Costs	Comments
Land Management	Establish Land Boundaries	year	1	5,000		5,000	25,000		Only until established or 5 yr max
Security	Monitor ORV, Haz, Drains	year	1						Already covered under Baseline Management
Legal Services	Before & After Fee Title						2,000		Review legal status of logging road
Nonprofit corp. consultant		Hours	60	50	3,000		3,000		Establish Upper Eel River Conservancy
Timber Management	Review Status	Forester	1	5,000		5,000	5,000		No expansion or action at this time, TMP Development
South Forest Logging Road	As is								No expansion or action at this time MONITOR
Input Activity									
Input Activity									
To add a row: right click on the row above -> select copy -> right click again -> select insert copied cells									
B. Total Baseline Land Ownership Costs					3,000	10,000	35,000	-	

C. Other

Task	Description	Unit of Measure	Number of Units	Cost/Unit	One-Time Costs	Ongoing Annual Costs	SC Funding Request One-Time Costs	Ongoing Annual Costs	Comments
Property management	General oversight	Hours	500	30		15,000	15,000		Only until transfer to Upper Eel River Conservancy
Security	One Employee	Hours / wk	2	50		5,000	10,000		Only until clear title is conveyed, Two year poss.
Input Activity									
Input Activity									
Input Activity									
Input Activity									
Input Activity									
To add a row: right click on the row above -> select copy -> right click again -> select insert copied cells									
C. Total Other					-	20,000	25,000	-	

TOTAL PROJECT EXPENSES					3,000	50,000	85,000	-	
NET REVENUE/(EXPENSE) - BASELINE LAND OWNERSHIP AND MANAGEMENT ACTIVITIES					(3,000)	(44,000)	85,000	-	

Additional Notes:

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Note 1: According to the Stewardship Council's Land Conservation Program Funding Policy, the Stewardship Council will require future land owners to demonstrate that they have the funding and other capacity to maintain that property interest so as to preserve and/or enhance the beneficial values on the Watershed Lands. Exceptions to this guideline will be rare and considered only in circumstances where,

- 1) The funding of baseline land ownership and management activities will clearly lead to enhancement of the beneficial public values on the lands; and/or,
- 2) The funding of baseline land ownership and management activities is only temporary (≤ 5 years).

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PROJECT BUDGET - ENHANCEMENTS TO BENEFICIAL PUBLIC VALUES

PROJECT REVENUES

Source	Description	Non- SC Sources of Funding		Comments
		One-Time Grants	Ongoing Funding	
Committed Funds (cash received or award made)				
Grant Awards				
Fundraising				
Matching Funds				
Lease Revenues				
Timber Revenues				
General Fund/Reserves				
Other (Describe)				
Total Committed Funds		-	-	
Pending Funds (no award made to date)				
Grant Awards				
Fundraising				
Matching Funds				
General Fund/Reserves				
Other (Describe)				
Total Pending or Potential Funds		-	-	
<i>To add a row: right click on the row above -> select copy -> right click again -> select insert copied cells</i>				
TOTAL PROJECT REVENUES		-	-	

PROJECT EXPENSES

A. Enhanced Land Management Activities

Task	Description	Unit of Measure	Number of Units	Cost/Unit	One-Time Costs	Ongoing Annual Costs	SC Funding Request		Comments
							One-Time Costs	Ongoing Annual Costs	
Biological Resources Survey		Hour	100	100			10,000		Identify level of present studies and identify biological resources to enable their protection
Habitat Assessment of Endangered Species		Hour	100	100			10,000		Identify & reaffirm endangered species habitat areas to improve their protection where possible
Wildlife and Habitat Management Plan		Hour	100	100		2,000	10,000		Develop a wildlife and habitat management plan and evaluate every year @ 2 days/yr.
Security	Monitor ORV, Roads, and Erosion	Hours / wk	2	50		5,000	10,000		Two year poss. Until we fund on our own
Legal Services	Documentation, Review of plans, Contracts		10 Hours/yr	300		3,000	6,000		Two year poss. Until we fund on our own

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Non-Industrial Timber Mgm Plan	Prepare and obtain approval from CalFire of an NTMP	100,000	Carbon sequestration is expected to fund after Plan
Carbon Certification	Obtain carbon sequestration certification and sell forest carbon	25,000	
South Forest Logging Road	Road assessment and engineering survey and plans necessary to rebuild and mitigate erosion to provide year round access.		75,000 Two years .
Determine legal status of road	MOU between private, PG&E & USFS	10,000	SC assistance may help bring MOU to fruition
Input Activity			
Input Activity			
Input Activity			
Input Activity			
To add a row: right click on the row above -> select copy -> right click again ->select insert copied cells			
A. Total Enhanced Land Management Activities		-	10,000
		181,000	75,000

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B. Capital Improvements

Task	Description	Unit of Measure	Number of Units	Cost/Unit	One-Time Costs	Ongoing Annual Costs	SC Funding Request		Comments
							One-Time Costs	Ongoing Annual Costs	
ORV barriers const. plan		Basic	one set	500			500		Must be highly visible & replaceable
Barrier location & number		Hour	40	50			2,000		Erosion Plan will dictate
Barrier installation		ea.	30	300			10,000		
ORV trail rehab		Hour	320	15			5,000		Will consist of man power, seeding, water bars
Research site for managed trail							1,000		As grant funding is established
Barrier maint. replacement								1,000	Until grant funding is established or 5 yr.
South Forest logging Road		Miles	5				1,000,000		An extensive project of concern to the region and water
								100,000	need SC funding until road assoc. and grants estab.
Information Center		ea.	1	8,000	8,000				not to exceed 5 yr.
									Grant funding will be developed for this project
<i>To add a row: right click on the row above -> select copy -> right click again -> select insert copied cells</i>									
B. Total Capital Improvements					8,000	-	1,018,500	101,000	

C. Other

Task	Description	Unit of Measure	Number of Units	Cost/Unit	One-Time Costs	Ongoing Annual Costs	SC Funding Request		Comments
							One-Time Costs	Ongoing Annual Costs	
Annual Eel River Clean Up	Volunteer efforts					1,000	1,000		Establish Funding base to expand current program
<i>To add a row: right click on the row above -> select copy -> right click again -> select insert copied cells</i>									
C. Total Other					-	1,000	1,000		

TOTAL PROJECT EXPENSES

8,000 11,000 1,200,500 176,000

NET REVENUE/(EXPENSE) - ENHANCEMENT OF BENEFICIAL PUBLIC VALUES

(8,000) (11,000) 1,200,500 176,000

Additional Notes: