

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

MINUTES
BOARD OF DIRECTORS

Regular Meeting
February 16, 2012

Directors Present: Granville Pool, Donald Butow, Jeanette Hallman, Pamela Ricetti, Jack Spilman

Directors Absent: None

Staff Present: William Koehler, General Manager

Paula Berezay, Office Manager/Secretary, Board of Directors

Others Present: Jim and Tammy Chairez, Will Carson

CALL TO ORDER: 7:02 P.M.

1. ROLL CALL.

Pam Ricetti, Director
Don Butow, Vice-President
Jeanette Hallman, Director
Jack Spilman, Director
Granville Pool, President

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

Nothing.

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

GM Koehler explained that a recent ACWA/JPIA Newsletter recommended, after asking if there are urgent items to be heard since the Agenda was posted, the Board of Directors should then Approve the Agenda. Same as before, this is not to say that Agenda Items cannot be heard in a different order than is listed.

4. ACCEPTANCE OF AGENDA.

MOTION: Approve the Agenda as posted.
Butow/Hallman Discussion CARRIED
AYES: Butow, Hallman, Ricetti, Spilman, Pool
NOES: None
ABSENT: None
ABSTAIN: None

5. APPROVAL OF CONSENT CALENDAR.

- a. Financial Statement.
- b.-1. Bills Paid since those approved at last Meeting.
- b.-2. Bills Paid as approved at previous Meeting.
- c. Bills Payable.
- d. District Activity.

After review, a Motion was made.

MOTION: Approve the Consent Calendar as presented.

Butow/Ricetti Discussion CARRIED
AYES: Butow, Ricetti, Hallman, Spilman, Pool
NOES: None
ABSENT: None
ABSTAIN: None

6. APPROVAL OF MINUTES AS PRESENTED.

The Draft Minutes of January 19, 2012 were presented.

MOTION: Approved as Minutes of January 19, 2012.

Hallman/Butow Discussion CARRIED
AYES: Hallman, Butow, Ricetti, Spilman, Pool
NOES: None
ABSENT: None
ABSTAIN: None

7. DIRECTOR AND STAFF REPORTS AND DISCUSSION OF NON-ACTION TOPICS.

GM Koehler reported he received a call yesterday (Wednesday) at approximately 3:45 p.m. from Paul at the Santa Rosa office of the Regional Water Quality Control Board, aka the Regional Board. Paul reported he has been watching the stream gauges on the West Branch and he noticed there was a spike on Monday night about midnight. The West Branch went from 50-60 cubic feet per second, to 700 cubic-feet vertically; that is within an hour. Then the next day when Paul went out in the field, he noticed the water was chocolate brown as far south as Healdsburg. He told GM Koehler that on Tuesday he drove north as far as the Forks, thus determining that it was coming out of the West Branch, and then he went home. So on Wednesday at 3:45 p.m. he made a flurry of phone calls to GM Koehler, Sean White and also to Devon at the Farm Bureau, expecting each of them to go out and research their areas, thus doing his job for him. GM Koehler drove around several key locations within Redwood Valley and Calpella and it was obvious that the river had recently had higher flows because the banks were wet. He also spoke with Sean and Devon several times. That volume translates into 1500 acre-feet over the 2-days of spike. Paul at the Regional Board was leaping to the conclusion that somebody's farm dam blew out. Bill, Sean and Devon all attempted to point out to him that nobody in Redwood Valley has a 1500 acre-foot reservoir. It would take pretty much all the farm reservoirs, plus the District's mains to break throughout the valley, to possibly reach that kind of volume. It should be noted that the District pumps were not running at that time, as we run 2-3 days per month. Sean was able to locate this exact same spike on several rivers along the north coast. It obviously came out of the Reeves Canyon/Forsythe area. So again, the Regional Board is leaping to conclusions that someone is being 'naughty', and again, they are not doing their homework. GM Koehler phoned Director Butow because of his historical knowledge of the area and also his property location. Director Butow said he noticed the huge, black storm clouds hanging over Eagle Peak and all around. He thinks it was raining tremendously up there, the same as it was all along the coast. He also said at Forsythe where it comes into the West Fork it is still cloudy; you can't see the bottom; but there is no silt. After GM Koehler returned to the office yesterday, he phoned Paul at the Regional Board but he wasn't there, so GM Koehler left a detailed message of his findings and offered to review the details.

General conversation followed about various experiences with flash flooding in the surrounding area.

8. GENERAL MANAGER'S REPORT AND ACTION ITEMS, FEBRUARY, 2012.

A. District Operations.

The District is operating normally with no problems to report.

B. Annexations.

There are 5 pieces of property involved in the 4 annexations between 1988- 2000; the paperwork for 2 of the 5 properties was combined as one single annexation filing. All of them were approved by LAFCO as a Change of Service Area, all of them had Environmental Checklists, all of them had Negative Declarations, but they were not submitted to the State as a Change in Place of Use until 2004, and it has been dragging out ever since with the State saying we need new maps, we need to fill out new paperwork, etc. The latest requirement from the State is that we have to evaluate for Potential Harm to the Public Trust.

As a result, GM Koehler contacted Estelle Clifton, the Project Manager at the office of North Coast Resource Management (NCRM) and she made a call to the State. Estelle feels she can provide a letter to the State convincing them that we don't need a Public Trust Assessment. This process should require less than 4 hours time and could cost up to \$500. Of course, if the State refuses to accept the District's response and does require an Assessment anyway, the Board will have to make another decision at that time.

The Board of Directors agreed that a good next step is to sign the Contract with North Coast Resource Management for preparing and sending such a letter to the State.

MOTION: Authorize General Manager Bill Koehler to sign the contract with NCRM.

Ricetti/Spilman Discussion CARRIED

AYES: Ricetti, Spilman, Butow, Hallman, Pool

NOES: None

ABSENT: None

ABSTAIN: None

C Dry year/water supply condition.

GM Koehler is asking for guidance. The lake level is slowly increasing and if we get any rain, the lake level should increase reasonably well.

President Pool supports revising the District Ordinance during a time when we are not in a 'panic'. After discussing various schedules and appointments, it was agreed the matter will be carried to a time early next month when everyone is available.

D. Frost water management.

Rudy Light is scheduled to be back in Court for a Hearing on February 23, 2012 at which time it will be determined if the matter will go to a trial.

E. Request for proposal/water rate study.

GM Koehler reported he sent out seven RFP's for the rate study. So far, there have been three confirmations of receipt of the RFP.

The Directors and General Manager participated in an overview of known future expenses, including a minimum of \$250,000 for the School Way Bridge Relocation Project. GM Koehler was asked to prepare a worksheet showing a pared-down realistic financial wish list of things that we ought to be expecting to do capital-wise, and with a prioritized timeline so that we can estimate what we realistically need to plan for, per year, over the next 3-5 years. President Pool concluded, If we plan our rates

around that information then we should be in a reasonable position in the years that follow; at least as much as we can.

President Pool added, depreciation is a separate matter.

Director Hallman stated that during the last Rate Increase Hearings, the Directors all agreed that 10% of what the District earned would be set aside. We went with a percentage because that way if we had a year of higher earnings, we had more set aside and if we had a year of lower earnings, we still had money set aside. For whatever reason, it did not get put into the Minutes that way.

President Pool said he recalled those discussions about setting money aside, but at this point it is hard for him to recall exactly what we finally resolved in terms of our rates with that. Whatever we decided, the rates that we came up with haven't produced that much, and it's not like we've been wasting money left and right.

Director Butow added, District income is reduced because of the good conservation efforts of our customers.

GM Koehler said he doesn't think the Board is going to get the goal that it wants by setting a percentage. The consultant is going to expect to be told that we want to set 'X' dollars aside, and then they can plug that into their calculation. If we say we want to set aside 10%, we are not going to get a 'hard number' out of them, we're going to get a 'waffle' out of them.

President Pool added, That's a good point. If we're going to spend money on a rate study, we want it to be as useful as we can have it be. It seems to me that when we did talk about the 10%, we were also talking back and forth on what kind of sales numbers to project. I seem to recall that GM Koehler had a somewhat less sanguine expectation than some Board Members did, Hal, in particular, and I think we settled on 1500 acre-feet as a projection.

Director Butow agreed.

GM Koehler added, Yes, and we have been at 1300 acre-feet the last two years.

President Pool stated, Right there is some of the problem.

GM Koehler said that we did okay for going into a completely unknown situation, and surviving. We came out at the end of 50% mandatory conservation, and although we didn't sell a lot of frost protection water, we held on to our minimal reserve. We didn't have anything for depreciation.

President Pool directed conversation back to review the purpose of depreciation: It is to set aside funds for future unexpected expenses, or at least unexpected in terms of when they'll hit. It's a sinking fund for capital expenditures for replacement of the infrastructure, generally.

GM Koehler added that the purpose of capital is be able to 'move forward'; that is, to acquire something new. Capital and depreciation are interrelated.

GM Koehler said he did have a discussion with the Auditor on how to 'age' the piping already in the ground. It is difficult. We have two areas that we added into the system a few years after construction had finished, and the quality of piping in those areas is dreadful. He continued to explain the different piping used in construction of the domestic and ag distribution systems.

President Pool asked, Since we can't predict the future and we seem to like 10% based on the expectation of selling 1500 acre-feet, what solid number would that be and how would we plug that in so that we're giving the consultant a dollar figure rather than a percentage?

GM Koehler stated, Last year, based on the financials you have in front of you, that represented about \$150,000 total, capital and depreciation. That's what was left over after we paid our bills.

President Pool responded, Right, but we didn't sell 1500 acre-feet, either. If we would have, perhaps we'd have \$200,000?

GM Koehler answered, It sounds reasonable, but we'd have to get the accountant to look at it.

Director Ricetti asked if the consultant would be preparing a proposal of how much we should raise our rates in order to set money aside.

GM Koehler responded, Not exactly; we will need to tell them how much we want to set aside, and then they will build rates to hopefully see that done. Of course we have to keep in mind that there is no guarantee that we'll sell 1500 acre-feet.

Director Ricetti asked if it is required that we need to hire an outside engineering firm to do this. And GM Koehler responded, There are a couple of things to consider. One, if we do a rate increase we

take it to the public and explain how it happened. It better be defensible. When you go into a Proposition 218 Hearing, you better have some hard facts. The same with the capacity expansion fees, we need to have some hard facts. The consultant will provide all that. President Pool added, Another reason we need all this to be done as scientifically as we can, is that in going to Sonoma County with Russian River District to try to negotiate for permanent water, we need something to base it on.

At this point Director Spilman asked, What are we doing about our total expansion and our total usage? GM Koehler said he has been working on that. He has a 3-page write up he needs to clear with the committee; it will be discussed later. Each \$400,000 filter that we buy will give us 400 more customers. We have storage capacity for the increase resulting from installing the first new filter. But when a second new filter is built, we would have to put that together with building another storage tank that could hold 400,000-500,000 gallons of treated water.

F. (Agenda Item No. 8.K.) Family Care Unit.

Mr. and Mrs. Chairez requested a Will-Serve letter for the existing Family Care Unit. The original Administrative Permit was issued in 1995. It appears that in 2002, RVCWD reapproved it, but it appears that nothing was reapproved by the County or by RVCWD in 2003 or any time since. Mr. and Mrs. Chairez said they were unaware it needed to be renewed annually. They are caregivers; they have had two family members that have lived there at different times while needing to receive care.

At one time in the past they were told that a new meter would cost approximately \$3000. They are in the process of renewing their Administrative Permit again.

GM Koehler mentioned that the New-Connection Moratorium has been in effect since 1989. This is not a temporary unit; it has a porch, skirting and a punch-out addition. It is permanent.

Mrs. Chairez stated that the County originally required them to install the unit with earthquake straps, and place skirting around it. The punch-out addition was part of the original setup and everyone knew it. Mr. and Mrs. Chairez have just recently found out the county rules have changed since that time, and now, you can't even bring in a trailer for inhabitation on your property.

Director Ricetti clarified that at this point, you can only bring in a motor home/recreational vehicle unit. President Pool asked about replacing one family member with another, throughout the years, where does that put us regarding the moratorium?

GM Koehler answered, In violation of the agreement, if we allow it to become permanent. This also puts us in a bind if we want to go back and say we should have gotten an extra \$10 monthly for a permanent unit. For pre-moratorium, permanent second units, they are paying \$20 monthly instead of \$10. If we demand or receive that, it puts us in the position of accepting the agreement because we have cashed the check.

GM Koehler said the County Planning Department told him the reason the applicant has to apply for a new permit is because they weren't paying the \$90 per year to continually renew the original County Permit. The Water District gets nothing in all this, no fee's, except for the increase in water sales, because the expectation is that when the original family member no longer lives there, the care unit goes away. That is the typical scenario.

Director Spilman said he feels that we are here to supply water and the County Planning Department is here to make these decisions, not us. We have been supplying water, and have allowed this to go on and we should continue. If the county thinks it should be shut off, that is their job to shut it off, not ours. President Pool mentioned the letter of 1999 from our Board to the customer. Our attorney felt that doing this was in violation of the Court Order, and the next time that renewal approval was asked for, it might not be renewed. And yet in 2002, it was renewed.

Director Spilman stated that we have continued to not oppose this; he would like to help the customer. Director Hallman added that we have been supplying water to these people for how many years? There is somebody living there now, and now we are going to turn it off? It becomes a health issue. You could flip it around and look at it many different ways.

President Pool said, At this juncture, we've got a situation that we have been a party to for quite a long time and if the county is willing to continue to annually grant a Permit for the Family Care Unit, and considering our record of policy about this unit up to now, it's hard to see how we can just change our minds now and just not do it.

GM Koehler said the county requires a Will-Serve letter from the District.

Mrs. Chairez informed the Directors that there are several compliance issues that are addressed in this whole permitting process.

President Pool proposed, We will provide a Will-Serve Letter to allow the renewal of the Annual Permit and the Will-Serve Letter is good only for the period of time covered on the Permit.

GM Koehler reiterated, the District will also follow up on the status of the Permits, so that this type of situation does not repeat itself.

The Will-Serve letter will be prepared next week and Mrs. Chairez will provide the Water District with copies of her Planning Department documents.

Mr. and Mrs. Chairez thanked everyone and left the Meeting at this time.

MOTION: The District will provide the customer with a Will-Serve letter for one year, in synchronization with the County records, and will also follow up on the status of the Permit.

Butow/Spilman Discussion CARRIED
AYES: Butow, Spilman, Hallman, Ricetti, Pool
NOES: None
ABSENT: None
ABSTAIN: None

G. (Agenda Item No. 8.F) Surge Tank Mitigation.

Fish and Game is finally happy with doing the work on the Outdoor Education Project (OET). Shelly Janek from the RCD is attempting to set up a meeting with Rick Placido and Cecile Morris. Our only position in this whole thing is, if Cecile is willing to sign off and say this is an approved project, then we cut the check with the stipulation that the check ends our obligation, we are done with it. Director Spilman asked who would cut the check during GM Koehler's vacation and GM Koehler said he doesn't expect it to happen that fast. President Pool volunteered to attend any Meetings between the agencies and/or any tours/hikes up and down the river to talk about what will be done. Director Spilman prefers that President Pool and GM Koehler both attend the tour.

H. (Agenda Item No. 8.G.) Audit.

GM Koehler stated that Director Ricetti suggested that the District get some bids for the annual audit and she made the very valid point that a fresh set of eyes every few years is probably not a bad idea. Mr. Bowers has been doing the District audits for about 10 years now. GM Koehler has collected some names for Water District/Special District auditors and will send out RFP's if that is the will of the Board. He is concerned about a possible perceived insult to Mr. Bowers but President Pool feels that, in Mr. Bowers' business, he is probably quite aware of the changes of auditor services from time to time throughout the industry, and that Mr. Bowers certainly would not feel hurt by this action.

MOTION: Send RFP's for Auditor Services for Special Districts to the parties named on the list compiled by GM Koehler.

Butow/Spilman Discussion CARRIED
AYES: Butow, Spilman, Hallman, Ricetti, Pool
NOES: None
ABSENT: None
ABSTAIN: None

GM Koehler stated the Directors should be aware that the fee's charged by a new Auditor will probably be higher, at least during the first year, than those currently charged by Mr. Bowers. All the Directors were in accord with the wisdom of seeking a 'new' auditor every few years.

I. (Agenda Item No. H.) Ad Hoc.

GM Koehler reported the most recent Ad Hoc Committee Meeting was attended by Sean, Lee and Richard and he provided them with the results of his last meeting in Santa Rosa at SCWA with Pam, Grant & Jay. That is, SCWA sent Bill home with the homework of coming back to them with what kind of numbers were we looking at for water.

GM Koehler continued, At our ad hoc meeting with FCD we basically agreed that the next stage is that Sean and Bill and staff need to go down and meet with SCWA staff to,

- a) get a commitment that they are actually willing to cut loose with some water; and then
- b) start talking about under what conditions and in what manner; and
- c) determine if this is real or are we just trying to figure out how to do something that can't be done.

President Pool added, After we had made that point very clearly at the ad hoc meeting, Sean asked, So merging the District's is off the table? And we said, No, it's not off the table but before we put a lot of energy into a very complicated and complex process, we need to be sure that we are far enough along and that we receive enough of a commitment for actually having the water. Then we've got a basis to proceed with figuring out a way to merge, and then we're ready do that.

GM Koehler said the initial request for that meeting with SCWA has occurred. Grant has assigned his Executive Secretary to work with Sean and Bill. Interestingly this time around, Sean's vacation schedule and Bill's vacation schedule coincide, so we're not losing time and hopefully it will happen soon. Bill is working on a document that justifies why we are talking about 3500 acre-feet. Essentially, 2700 acre-feet is the most we've ever done, based upon 700 acre-feet being the most domestic we've ever done; and 2000 acre-feet being the most ag we've ever done. So, an additional 200 acre-feet would support 400 domestic customers and on top of that it would support some new ag customers. The ratio's are all roughly the same and then there is the acre-footage for contingencies and that comes out to 3500 ac-ft.

That's about as good as GM Koehler can come up with, without hiring out an engineering study that would create a Master Plan.

Director Hallman asked if the 400 additional new customers would build-out the District to the "maximum capacity" in the original numbers.

GM Koehler does not know what that number is. The 2000 Census says that there are 2100 homes in the 95470 zip code area. Some of those homes are located so far up the mountain sides, etc., that we will never be able to serve them. It's unlikely we will be able to serve Black Bart Trail because of the acreage between each home, unless each of those folks in the zone of benefit can support the costs of a new booster pump and all the construction. Clearly, the rest of the Water District customers will not be expected to pay for that.

GM Koehler continued, this again brings us full circle back to the importance of knowing what we are going to charge for a meter before we go around asking people if they want a meter. In order to make the next step happen, he needs to pull a number out of a hat, and 400 houses is a handy threshold because that is how many new homes we can support if we add one more filter to the water treatment plant, and we can do that without having to build more storage tanks and upgrade electrical and other functions of the water treatment plant.

President Pool reviewed, so that would be \$400,000 for the first added filter and \$1,000,000 for the next new filter.

After further discussion, GM Koehler said that his estimated cost for a new service is \$3500. The Directors were in agreement.

J. (Agenda Item No. 8.I.) State Revolving Fund.

GM Koehler reported that, oddly enough, just before he started writing this report he received a form titled, Statement of Interest (SOI) to file as part of the application the District originally filed two years ago requesting \$3.5 million in order to develop the well field. We have since determined this is a waste of money. So yesterday GM Koehler spoke with Bruce Burton at the State Department of Public Health to tell him that we are still trying to solve the problem. He asked Mr. Burton if we can use this SOI application to try a different avenue since, rather than drilling a well, we'd like to borrow some money to go solve exactly the same problem. Mr. Burton was very sympathetic to the concept, with two caveats. First, he is no longer the District Engineer for Mendocino and Lake Counties because he has been recently promoted to the position of Supervisor for Northern California and is in the process of moving to the Sacramento office. With that said, Bruce told GM Koehler that he is, personally, supportive of doing this. (GM Koehler remarked to the Directors that Bruce Burton is well-deserving of this Promotion). Second, assuming they say Yes, RVCWD will have to provide full engineering and environmental documents by May 25, 2012. And although there is no engineering, there is a ton of environmental.

President Pool stated, Although that is an extremely short lead time, if we want to shoot for that, and it certainly is attractive, it would be an important topic of discussion when GM Koehler goes to talk with SCWA.

GM Koehler responded that there are a couple of options. One, he fills out the SOI and checks the Box which basically says we will have everything ready to submit by May 25th. The other option is to do what we've done in the past, which is to check the Box that says we want to be bypassed for this round. The downside of that is, again, the SRF Funding is being cut. We are ranked as Category E. The Categories are A through O, with A being critical and O being non-critical. So there is a pretty good possibility that Category E will be funded. The reason we have an E is because of the moratorium. After further discussion of possibilities and probabilities within such an extremely short timeframe to May 25th, the Board agrees the sensible thing to do at this time is to bypass this round. However, GM Koehler will be talking to Mr. Burton soon and if he finds additional information that is critical to the District, he will call President Pool about scheduling a Special Board Meeting.

K. (Agenda Item No. 8.J) Election Fee.

The County Elections Office has billed RVCWD the amount of \$2,729.95 to cover its share of expenses in the recent Special Districts Election.

L. Watershed Sanitary Survey.

The Final Billing arrived yesterday in the amount of \$35,000, which is shared between RVCWD, Millview CWD and the City of Ukiah. The RVCWD share is \$8,800.

9:05 P.M. Break

9:25 P.M. Reconvene

9. FINANCIAL REPORT.

After review and discussion, a Motion was made.

MOTION: Accept the Financial Report as presented.

Ricetti/Butow Discussion CARRIED

AYES: Ricetti, Butow, Hallman, Spilman, Pool

NOES: None

ABSENT: None

ABSTAIN: None

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

Nothing to report.

11. M. C. INLAND WATER & POWER COMMISSION.

Director Butow and GM Koehler reported on their attendance at the recent meeting. Janet Pauli has been re-elected as President of the IW&PC.

The next meeting of the Eel-Russian River Association will be held on February 24th at 9:A.M. in the Board of Supervisors Chambers.

Also, the annual one-day tour is coming up on April 24th: Eel River Diversion/Lake Pillsbury; and the annual two-day tour is scheduled for May 3-4: Fortuna

12. MENDOCINO COUNTY RUSSIAN RIVER FLOOD CONTROL & WATER CONSERVATION IMPROVEMENT DISTRICT.

GM Koehler said the side-conversations were very interesting. While at the meeting in Santa Rosa to discuss the biological findings, GM White spoke to Todd Schram of SCWA about the possibility of the 6000 acre-feet. Well, in response to SCWA's need to maintain streamflows to satisfy the State, the SCWA wants a 100% water balance accounting of everything, including groundwater, located north of the County Line. They are insisting that RRFCD be the agency to put together that information even though it would not be limited to just the FCD customers, but would include the whole population. They want to know where every drop of water is going.

SCWA seems to be concerned with two issues: First, if they inject or allow to be injected, additional water into the greater Ukiah Valley including Sanel, including Hopland, including north of the County Line, their concern is that it will explode into another Rohnert Park or Healdsburg. The other is their concern about 'agricultural sprawl'; they think that if there is more water injected into the County there will be more mega-grape-ranches.

President Pool said, In fairness to them, one move that was afoot here in Mendocino County perhaps 15-20 years ago was that somebody was trying to convert a whole bunch of forest land near the south coast. The County did put the kibosh on that at the time, but things could change and maybe the next time, the County would not object. So that's the kind of thing SCWA would be picturing.

GM Koehler said that we keep trying to point out to SCWA that it is not our job to set zoning or growth, and that both the RRFCD Permit and our RVCWD Permit have self-limiting restrictions; it's just not going to happen.

So, the next step is to meet with SCWA. And also to bring them up here again; they need to see that their concern just is not practical.

13. SONOMA COUNTY WATER AGENCY.

Already discussed earlier in the meeting.

14. ATTENDANCE AT SEMINARS, TRAINING EVENTS, CONFERENCES.

UC Davis is arranging a meeting in Lake County regarding the extremely invasive Quagga muscles. It is oriented toward water users that have pumps in the lake. The UC Davis specialist has already held a meeting in Sonoma County and he is willing to hold one in Mendocino County if there is enough interest.

The Meeting Ended at 10:05 P.M.

The next Regular Meeting is scheduled for 7:00 P.M. on Thursday, March 15, 2012 at the Water District Office, 2370 Webb Ranch Road, Redwood Valley, California.

Respectfully Submitted,

Linda Groth, Recording Secretary

APPROVED: Board of Directors

DATE APPROVED: March 15, 2012

SIGNED: Paula Berezay
Secretary, Board of Directors