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Environmental
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State Water Resources Control Board^{PT EXHIBIT 17}



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Division of Water Rights

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MEMORANDUM

TO: David R. Beringer, Assistant Chief
Division of Water Rights

James W. Kassel, Chief
Licensing and Compliance Section
Division of Water Rights

Barbara Katz, Counsel
Office of Chief Counsel
State Water Resources Control Board

FROM: John O'Hagan 
DIVISION OF WATER RIGHTS

DATE: December 10, 2002

SUBJECT: MEETING WITH REPRESENTATIVES OF MENDOCINO COUNTY,
MASONITE CORPORATION AND SONOMA COUNTY WATER AGENCY
CONCERNING LICENSES 5118 AND 5763 (APPLICATIONS 15168 AND
15679) RUSSIAN RIVER IN MENDOCINO COUNTY

On December 10, 2002, a meeting with representatives of the Masonite Corporation (Masonite), Mendocino County Water Agency (County) and Sonoma County Water Agency (Agency) was held at the Division headquarters to discuss issues related to Masonite's Licenses 5118¹ and 5763. The discussion centered around License 5763 (Application 15679) which authorizes the direct diversion of 5.9 cubic feet per second from January 1 to December 31 of each year for industrial use. In 2001, Masonite shut down its Ukiah plant served by License 5763. The County is now negotiating to purchase the property served by both licenses. However, prior to purchasing the property, the County requested to meet with the Division and Agency

¹License 5118 (Application 15168) authorizes 0.53 cubic foot per second to be diverted from the Russian River from May 1 to October 15 of each year for irrigation of 62 acres located on property adjacent to the plant. This license was inspected in 2001 by Division staff and a proposed order to add an annual amount of 88 acre-feet and to reduce the acreage served from 62 acres to 25 acres was contested by Masonite. A hearing is being scheduled concerning this matter.

representatives to discuss the water right license. The following persons participated in the meeting (see attached sign-in sheet):

Ed Tiedemann- California water right Attorney for Masonite
Rose Murphy- Masonite Associate General Counsel from Tampa, Florida
Lauren Beuving- Masonite representative
Tim O'Laughlin- Attorney for County
James R. Stretch- General Manager Mendocino County Water Agency
Alan Lilly- Attorney for Sonoma County Water Agency
David R. Beringer- Division of Water Rights (Division)
Barbara Katz - Office of Chief Counsel
Mark Stretars- Division
John O'Hagan- Division

The meeting convened at 1:00 and Tim O'Laughlin chaired the meeting by giving background information on Masonite's operations. The meeting consisted mostly of Mr. O'Laughlin questions to Division staff and Alan Lilly. The questions were mostly consistent with the attached e-mail questions provided prior to the meeting.

The following information was provided and was determined important to this writer:

- 1950 to early 1970's – Masonite's operations included returning about 1,000 gallons per minute back to Russian River. After the early 1970's, RWQCB required Masonite to have zero discharge, so diversion system was changed to closed loop.
- Well No. 4 covered by License 5768 has been abandoned for more than 10 years.
- Well Nos. 3 and 5 covered by License 5768 have been in continuous use.
- Well No. 6, not covered by the license, was drilled in early 1990's: About 400 yards from river and 250 feet deep.
- Well No. 6 became the primary source of water for entire plant. The amounts reported to the Division for Well No. 6 on Reports of Licensee forms only included the amount metered for domestic use, not entire amount pumped to the plant. (Note: Well log in Division file is stated not to be for Well No. 6).
- The effective lag period for elevation changes that occur in the Russian River to be observed in Well No. 6 is approximately 6 to 8 hours.
- For the past 10 years, Masonite used water only from Well Nos. 3, 5, and 6.

The meeting ended about 3:00 with no official findings made. The County thanked participants for their input to their questions, and agreed the information would be helpful in making a final decision. If the County purchases the water rights, it will likely either file a change petition, or claim percolating groundwater for Well No. 6. In either instance, this matter will likely be brought before the SWRCB via protests to the change, or a complaint contest percolating groundwater claim.

Masonic Meeting Party list

Mark Stretars	SWRCB	916 341-5389
Tim O'Laughlin	MCWA	530-894-5597
SIM STRECH	MCWA	(707) 463-4589
BARBARA KATZ	SWRCB	(916) 341-5192
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Rose Murphy	Masonic	813-739-1814