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                 STATE WATER RESOURCES CONTROL BOARD
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    IN THE MATTER OF:
 6
    Administrative Civil Liability
    complaint and draft Cease and
 7
    Desist Order against Robert C.
    Mann 1999 trust and Robert Mann
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                      TRANSCRIPT OF PROCEEDINGS
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                           August 26, 2014
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    Brittany Flores, CSR 13460
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    Control Board, Office of Enforcement
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    Aaron Miller, Senior Water Resources Control Engineer,
    State Water Board, Division of Water Rights
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    Jeff Wetzel, Division of Water Rights
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    In Pro Per:
9
    Mr. Robert Mann
    Ms. Lucy Mann
    29876 King Ridge Road
10
11
    Cazadero, CA
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14
    THE HEARING OFFICER:
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    Frances Spivy-Weber, Vice-Chair of State Water Resources
    Control Board
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    Stephen Moore, Co-Hearing officer
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    STAFF:
19
    Carlos Mejia, legal counsel
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    Jane Farewell, environmental scientist
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    Jean, McCue, engineer
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    Michael Buckman, senior environmental scientist,
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    hearings unit
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SACRAMENTO, CALIFORNIA Tuesday, August 26, 2014 8:53 a.m.

2.1

THE HEARING OFFICER: We're going to start a tad early and if you have -- if you are going to be making -- wanting to -- can you hear me? If you're wanting to be making a policy statement of some sort, there are blue cards at the back that you need to fill out.

They -- Michael, they said they can't -- oops.

Wow.

Now, I think that you can hear me. There are blue cards at the back if you are interested in, in filling one out for policy statement folks that are in the audience. Okay.

We're starting a bit early. We're eager.

Welcome. There are -- there's a lot that needs to be

put on the record, and so I'm going to be reading from a

transcript and it goes -- kind of goes on and on so just

bear with me.

We're starting with the order of proceeding.

This is the time and the place -- and I have this all written out so if you want a copy, you can have it.

This is the time and the place for the hearing regarding an Administrative Civil Liability complaint

and draft Cease and Desist Order against Robert C. Mann 1999 trust and Robert Mann both in his individual capacity and his capacity as trustee of the Robert C. Mann 1999 trust, hereafter referred to collectively as "Mann." The Administrative Civil Liability compliant and draft Cease and Desist Order were issued by the assistant deputy director of the water rights on June 14th, 2012.

2.1

I am Frances Spivy-Weber, vice-chair of the State Water Resources Control Board, and with me is fellow board member and co-hearing officer, Stephen Moore. We will be assisted by staff counsel, Carlos Mejia; staff environment scientist, Jane Farwell, at the far right end; and the staff engineer Jean McCue in between.

We have evacuation procedures, which some of you may need to know, I hope not, before we get started.

Look around and identify the exits closest to you. In the event of a firearm alarm -- in the event of a fire alarm, we are required to evacuate this room immediately. Please take your valuables with you and exit down the stairways. Do not use elevators. I think it might be hard to. While staff will endeavor to assist you to the nearest exit, you should also know that you may find an exit door by following the ceiling mounted exit signs. Our evacuation location is caddy

corner across the street in Cesar Chavez Plaza.

2.1

Now, back to the proceeding. This hearing is being held in accordance with public notice -- with the notice of public hearing dated May 22nd, 2014. The purpose of this hearing is to afford the parties an opportunity to, to present relevant oral testimony and other evidence which address the following key issues; whether the State Board should impose Administrative Civil Liability upon Mann for trespass or -- and if so, in what amount and on what basis. Second, whether the State Water Board should impose Administrative Civil Liability upon Mann for failure to file a required statement of diversion and use, and if so, in what amount and on what basis. And finally, whether the State Water Board should adopt, with or without revision, the June 14, 2012 draft CDO against Mann.

We're broadcasting this hearing on the internet and recording both audio and video. In addition, a court reporter is present to prepare a transcript of the proceeding. Anyone who would like a copy of the transcript must make separate arrangements with the court reporter. To assist the court reporter, please provide her with your business card. When you speak, please be sure to use a microphone so that everyone can hear you. And each of you have a microphone, and you do

have to punch the button. Turn it green.

2.1

Before we begin the evidentiary portion of the hearing and hear from the prosecution team and Mann, we will hear from any speaker who did not submit a notice of intent to appear, with the exception of Mrs. Mann, but wish to make a non-evidentiary policy statement.

Is there anyone here who wishes to make a non-evidentiary policy statement? Do we have any blue cards in other words.

Okay. We will note for the record that no one has indicated that they wish to make a non-evidentiary policy statement, and we will move onto the evidentiary portion of the hearing for presentation of evidence and related cross-examination by parties who have submitted notices of intent to appear.

The parties will present -- both parties will present their cases-in-chief and conduct, if they wish, cross-examination in the following order; the Division of Water Rights, prosecution team first and Robert Mann and, and the Robert C. Mann 1999 trust second. At the beginning of each case-in-chief, the parties may make an opening statement briefly summarizing the party's position and what the party's evidence is intended to establish. This is also the time when you will be wanting to perhaps add some additional ideas -- or some

additional information that was not in the email that was sent to us from Mr. Mann.

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After any opening statement, we will hear testimony from the parties' witnesses. Before testifying, witnesses should identify their written testimony as their own and affirm that it is true and correct. Witnesses should summarize the key points in their written testimony and should not read their written testimony into the record. It's already part of the record. Direct testimony will be followed by cross-examination by the other party, board staff, Co-Hearing Officer Moore, and myself. Redirect testimony and recross-examination limited to the scope of the redirect testimony may be permitted. After both cases-in-chief are completed, the parties may present rebuttal evidence. Parties are encouraged to be efficient in presenting their cases and their cross-examination. Except where Co-Hearing Officer Moore or I approve of variation, we will follow the procedure set forth in the Board's regulation and the hearing notice.

The parties' presentation are subject to the following time limits; opening statements are limited to 20 minutes. For oral presentation of direct testimony, each party will be allowed up to one hour total to

present all its direct testimony. Any cross-examination will be limited to no more than one hour per witness or panel of witnesses. Additional time may be allowed upon the showing of good cause. There will be an opportunity to present closing — to turn in closing briefs but that will be following this hearing and I'll deal with that at the end.

2.1

Before we begin, are there any procedural issues that need be to addressed?

Okay. Seeing none. Now, I will invite the appearances of the parties. Now, this -- we will have an oath before we get started.

Will the parties who are participating in the evidentiary portion of the hearing, will those making — when you make your appearance, please state your name, address, and whom you represent so that the court reporter can enter this information into the record. And we'll start with Division of Water Rights, prosecution, and then we'll move to the Robert Mann and Robert C. Mann 1999 trust.

So now is the time for the oath. I will administer the oath. So will those persons who may testify during this proceeding please stand and raise your right hand, and it's a simple answer, which will be -- thank you.

Do you promise to tell the truth in this -- in 1 2 this proceeding? 3 (Group responds, "yes.") 4 5 THE HEARING OFFICER: Thank you. You may be 6 7 seated now. Now, we'll hear the prosecution team's opening 8 statement and direct testimony followed by any cross-examination from Robert Mann. So we'll start with 10 the Division of Water Rights prosecution team. 11 12 MS. WEST: Great. I'm going to start with 13 an opening statement. 14 Good morning, Vice-Chair Spivy-Weber, and, Board 15 Member Moore, and members of the hearing team. I'm 16 waiting for Michael to pull up my PowerPoint 17 presentation. 18 THE HEARING OFFICER: Identify yourself. 19 MS. WEST: My name is Yvonne West. I'm the 20 attorney with the State Water Resources Control Board, 2.1 Office of Enforcement, and I'm here today representing 22 the Division of Water Right staff in this matter. 23 THE HEARING OFFICER: That's new. Hold on 24 just one second. Let's see if there's some -- I've 25 never heard that noise before. We have someone who is

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checking it out, so go ahead and continue.
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                MS. MANN: He -- we might have to move.
2
                                                          Не
3
    can't hear in one ear.
                THE HEARING OFFICER: Sure. Okay. You can
 4
5
    certainly move. You should be able to hear. That's
6
    fine.
7
                MS. MANN: Yeah, he can't hear.
8
                WOMAN IN AUDIENCE: It may be a minute to
9
    find the AV guy.
10
                THE HEARING OFFICER:
                                     Okay.
11
                MS. WEST: It's taking a moment to figure
12
    out my controls here.
13
                MR. BUCKMAN: The wheel.
14
                THE HEARING OFFICER: Can you hear me now?
                MR. MANN: I can hear you fine.
15
                THE HEARING OFFICER: Okay. I'm so sorry.
16
                MS. WEST are we -- okay.
17
18
           Again, I'll just restate, my name is Yvonne West.
19
    I'm an attorney with the State Water Resources Control
20
    Board, Office of Enforcement. I'm here today
2.1
    representing the Division of Water Rights enforcement
22
    staff in this matter. The matter before you today is an
23
    Administrative Civil Liability complaint and proposed
    Cease and Desist Order, which were issued to Mr. Robert
24
25
    C. Mann and the Robert C Mann trust, again, collectively
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referred to in my presentation as "Mann" and this -they were issued on June 14th, 2012.

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The Administrative Civil Liability complaint alleges that Mann's 183 acre foot long reservoir is a trespass under the Water Code Section 1052, Subdivision A, for which the State Water Board can impose Administrative Civil Liability. The complaint also alleges that Mann failed to file a statement of water diversion and use as required by the Water Code Section 5101 and is subject to additional Administrative Civil Liability for that violation. The complaint proposes a penalty of 66,000 in liability for the violations alleged. Also, issued to Mann was a proposed Cease and Desist Order. The State Water Board is authorized to issue a Cease and Desist Order when it determines that any person is violating or threatening to violate the prohibition against the unauthorized diversion or use of water set forth in Water Code Section 1052. proposed CDO provides two options by which Mann could come into compliance. First, by filing and diligently persuing an appropriative water rate application while operating a reservoir in compliance with the North Coast Instream Flow policy or, two, ceasing the diversion of storing the water subject to the State Water Board permitting authority.

The key issues that the State Water Resources

Control Board requested that the parties address in the hearing notice — the hearing notice on this matter are above, and I believe they were already discussed by

Ms. Frances Spivy-Weber. The Division enforcement team has submitted for your consideration a legal brief, written testimony, and evidence in support of issuance of the Administrative Civil Liability against Mann in the amount proposed as well as the issuance of the proposed CDO to require corrective action. The Division's enforcement staff's presentation will outline the case as already submitted and emphasize the important legal and factual issues of this case for your consideration and determination.

2.1

To start, it is important to understand the regulatory context in which these enforcement actions were issued in 2012. Legislation adopted in 2004 requires the State Water Board to develop a policy for maintaining instream flows in northern California costal streaming for the purpose of Water Rights administration. The policy for maintaining instream flows in northern costal stream referred to as "the Policy" was adopted by the State Water Board in response to this legislative mandate initially on May 4th, 2010. The policy was readopted without significant changes on

October 22nd, 2013, and the readopted policy became effective on February 4th, 2014. The Policy establishes principles and guidelines for maintaining instream flows for the protection of fishery resources. It prescribes protective measures regarding season of diversion, minimum bypass flow, and maximum stimulus diversion. It prohibits the Division from issuing water rights permits for existing on stream dams constructed prior to July 19th, 2006, which are on class one streams, and it requires that applications for water rights permits for existing on stream dams constructed prior to July 19th, 2006, which are located on class one -- or class two streams cannot be accepted unless specific conditions are met.

2.1

As a result of the Policy, the Division undertook the North Coast Unauthorized Reservoir Investigations.

Mr. Aaron Miller will be presenting details about these efforts in his presentation and his testimony here today.

Turning back to the specific enforcement actions at issue in these proceedings, Mann was issued an ACL complaint alleging a violation of Water Code Section 1052. Water Code Section 1052 prohibits the unauthorized diversion or use of water subject to the State Water Boards's permitting and licensing authority

and defines that action as a trespass. State Water Board is authorized by the Water Code Section 1052, Subdivision A to impose Administrative Civil Liability of up to \$500 a day for each day that such a trespass occurs.

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The diversion and storage of water for use at a time when natural flow is not otherwise available to a property is not allowed and is not within a repairing water right. It requires an appropriative water right. Since 1914, the only means of obtaining a appropriative right is through a permit or license issued by the State Water Board. Mr. Miller and Mr. Wetzel's testimony along with the other evidence submitted by the Division's enforcement staff demonstrates that Mann is diverting water outside of a repairing right and without the required State Water Board issued permit or license in violation of Water Code Section 1052. Specifically, testimony and evidence will demonstrate that the reservoir on Mann's Sonoma property is of a significant capacity, approximately 183 acre feet. It's created by a single access dam across a jurisdictional surface stream, and the reservoir diverts and stores water for use in a season where water would be natural -- would not naturally be available to the property and it does so without meeting any of the requirements of the

policy.

2.1

The ACL complaint that was issued to Mann also alleges that Mann failed to file an initial statement of water diversion and use. Each person who, after

December 31st, 1965, diverts water shall file with the

Water Board prior to July 1st of the succeeding year, a statement of his or her diversion and use. Failure to file a diversion — for a diversion that occurs after

January 1st, 2009 is subject to the imposition of

Administrative Civil Liability. This liability can be up to a \$1,000 plus — for the initial violation, plus \$500 a day for each additional day in which the failure to file continues past 30 days after the State Water Board has called the violation to the attention of that person.

Today's testimony and evidence submitted prior to the hearing demonstrates that the reservoir on Mann's property diverts and stores water seasonally each year, that Mann does not have a water right permit or license, and Mann does not qualify for any of the exceptions in the Water Code Section 5101 statement filing requirements. Accordingly, an initial statement reporting diversions made in 2009 was required to be filed by Mann prior to July 1st, 2010. Alternatively, Mann could have filed a statement reporting diversions

made during 2010 prior to July 1st to 2011. Mann did not timely file a statement of diversion made in either 2009 or 2010. Mrs. Mann was informed of the need to file statements during the inspection of the reservoir on September 9th, 2011, and an inadequate initial statement for the diversion and use of the water at the reservoir in 2010 was filed in October 2011 in response to the notice provided at the inspection. A corrected statement was then subsequently filed in September of 2013. Accordingly, the State Water Board can impose liability on Mann for failure to file a statement.

2.1

Here, the ACL's complaint seeks penalties only for the initial failure to file a statement violation of \$1,000 and the -- \$1,000 was the recommended liability -- is associated with Mann's failure to file a statement. The ACL complaint include a total proposed liability of \$66,000. Water Code Section 1055.3 requires that when determining the amount of liability, the State Water Board shall consider all relevant circumstances including but not limited to the extent of harm caused by the violation, the nature and persistence of the violation, the length of time over which the violation occurred, and the corrective action, if any, taken by the violator.

In addition, the policy provides further guidance

on how relevant circumstances shall be considered in these types of cases and provides the State Water Board will consider the following factors; avoided cost and economic benefit, deterrent amount including culpability and threat of harm, staff cost, ability to pay, and any other appropriate factors when setting the liability amount.

2.1

In addition, the policy establishes that a minimum -- that at minimum, the liability shall be assessed at a level that covers the staff cost and economic benefits associated with the acts that constitute the violation.

The Division's enforcement staff have considered the above circumstances when determining the liability amount being proposed. The enforcement staff's consideration of the above circumstances is discussed in detail in Mr. Miller's written testimony, which is included as Water Rights Exhibit 1, WR-1 and will be discussed in detail in his presentation. The testimony and evidence submitted establishes that the proposed liability is justified by the facts of this case. Some of the specific circumstances that justify the proposed liability include Mann's economic benefit from the unauthorized diversion and use of water on his property by avoiding costs of obtaining water from another source

and avoiding the cost of complying with the water right permitting division and license structure. The extent of harm, the nature and persistence of the violation -and the nature and persistence of the violation is more severe in this case than other unauthorized reservoir cases brought by the Division due to the unusually large size of the reservoir. Mann was given sufficient time and opportunity to commit to a corrective action, and Mann has knowledge of the water right regulations demonstrated by the fact that he has a water right permit on other properties. Furthermore, while Mann has not raised or submitted evidence to substantiate an inability to pay the fines, the enforcement staff has met its initial burden of demonstrating an ability to pay based on Mann's real property assets. Information concerning real property owned by Mann and tax assessor values associated with those properties have been provided in Exhibit WR-23.

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The third and key -- the third and final key issue identified for this hearing is whether or not the State Water Board should adopt, with or without revision, the June 14th, 2012 draft Cease and Desist Order against Mann. Water Code Section 1831, Subdivision G authorizes the State Water Board to issue a Cease and Desist Order when any person is violating or

threatening to violate prohibitions against unauthorized diversion use as provided for in Water Code Section 1052. As discussed previously, testimony and evidence provided by the Division's enforcement staff at this hearing demonstrate -- will demonstrate that the reservoir is an ongoing violation of Water Code Section 1052, that it will continue until the time when the reservoir is authorized through the water right permit license process, or the reservoir is modified to stop diverting storm water. A Cease and Desist Order is necessary to provide a timeline for obtaining compliance. Staff's testimony will highlight that the Cease and Desist Order in this case is particularly important because the capacity of this reservoir makes it ineligible for the expedited registration process, and its location within the policy area will require stream class determination and other technical studies in order to determine whether or not the Division of Water Rights can authorize -- can issue a water right permit legitimizing the reservoir or if a case specific exemption from the Policy will need to be sought for the State Water Board. Accordingly, the complexity and potential cost of compliance in this specific case support the need for the adoption of a Cease and Desist Order and of a Cease and Desist Order that can be

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enforced in the future if compliance isn't diligently pursued.

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And finally, finally, to provide an overview of the context in which this enforcement action was issued, this timeline slide summarizes significant policy milestones and significant enforcement actions taken in this matter. Mr. Miller will testify that the ACL complaint and staff Cease and Desist Order issued to Mann are part of a broadest North Coast Unauthorized Reservoir Investigation that included outreach, education, and enforcement efforts undertaken by the Division to bright into compliance a significant number of unauthorized reservoirs in Napa, Sonoma, Mendocino, and Humbolt County. The actions issued against Mann are consistent with a number of enforcement actions issued by the Division at that time. Mr. Wetzel will be testifying to the investigation of the Mann property specifically and the findings reached by the Division as a result of that investigation, and then Mr. Miller will conclude by providing testimony concerning the issuance of the ACL complaint, proposed civil liability amount, propose Cease and Desist Order terms, and staff recommendations.

And with that, I will turn the presentation over to Mr. Miller and Mr. Wetzel to introduce themselves and

provide testimony.

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MR. MILLER: Okay. Good morning, Vice-Chair Spivy-Weber, Member Moore. My name is Aaron Miller. I'm a professional engineer registered in California, and a senior water resources control engineer, with the State Water Board, Division of Water Rights. The testimony I have previously submitted is a true and correct representation of my knowledge in this case. Ι have been working in the Division of Water Rights for 13 years. I have experience in both the permitting and enforcement section. I'm currently a supervisor of Division's enforcement unit number four. At the time of this investigation, Mr. Wetzel was one of my staff. He's currently also a senior water resource control engineer. He is a professional engineer registered in California and has nine years of experience working in the field of water rights -- or in the field of water resources for -- the last four being within the Division of water right both in enforcement and currently -- his current capacity senior of a -- for a unit within the Division.

Okay. So quick overview of the presentation

Mr. Wetzel and myself will give. I'm going to start off

with general overview of North Coast Unauthorized

Reservoir Investigation that we conducted. Mr. Wetzel

will go through the site specifics of the investigation related to this case and then I will go -- I will go over the Administrative Civil Liability proposed amount and Cease and Desist Order.

2.1

Okay. So the North Coast Unauthorized Reservoir Investigation began in 2011, and several staff within the enforcement section were investigating unauthorized reservoirs in Marin, Mendocino, Napa, Sonoma, and portions of Humbolt County. The reservoirs — most of these reservoirs were built by many individual landowners and for many multiple purposes. Typically, if water is flowing in the surface stream is diverted to storage facility, the time in flow is high for use during the time the flow is low or does not exist, then the diverter is appropriating water to storage, which is subject to the State Water Board's permitting authority and a water right must be obtained.

Reservoirs may be constructed for a variety of reasons. Most common are some sort of beneficial use to the landowner. These uses include irrigation crops or pasture, stock watering, domestic use at a residence, fire protection, and recreational uses such as fishing, swimming, or boating. Water districts may build reservoirs from municipal or industrial use.

In December 2007, State Water Board produced a

draft Substitute Environmental Document, otherwise known as SED, part of its development of the North Coast district flow policy. Appendix E of the SED contains a report -- contains the report potential indirect environmental impact of modification or removal of existing unauthorized dams. This report was proposed to Stetson Engineers in 2007. In order to complete this report, Stetson Engineers produced a Geographic Information System, or GIS, layer in which reservoirs or locations of existing unauthorized reservoirs were identified. In June and July of 2011, a review GIS layer aerial photographs in United States Geological Survey topographic maps of Sonoma County was undertaken by State Water Board Division of Water Rights.

2.1

The policy identified 1,771 potential illegal reservoirs in Napa, Marin, Sonoma, Mendocino, and Humbolt counties. Enforcement staff undertook this investigation in 2011, and to date, have closed approximately twelve hundred of these cases. Over twelve hundred of the alleged illegal reservoir cases were closed because the reservoirs were covered either by an existing water right or were not subject to the State Water Board's permitting authority. The remaining unauthorized reservoirs -- or potentially unauthorized reservoirs -- Division staff proceeded with contacting

many of the landowners either by phone or by sending notice letter. Approximately 350 letters were sent throughout the policy area. The letters provided information about the need for a water right, the State Water Board's authority to impose a civil liability for unauthorized reservoirs, the need to file a statement of diversion and use, and give property owners an opportunity to provide information concerning the basis or right for the reservoir, or submit a corrective action plan.

2.1

In certain instances, information was available to directly contact property owners by phone and inquire about the alleged illegal reservoir. This was the case for Mr. Mann. Since Mann has other water rights in the Division's records, contact information was readily available, and an inquiry about the alleged reservoir could be made by phone to establish contact rather than go through the process of sending a letter. Many of the remaining alleged illegal reservoirs being investigated have since been covered by applications to appropriate water filed by the property owner with 48 such application being filed in 2012.

The North Coast Unauthorized Reservoir

Investigation is a significant accomplishment. It

further identifies uses of water of the state and brings

them into the reporting process so that there's a better understanding of where and how much of the State's water is being used. This provides benefits to the water availability analysis conducted as part of the process of issuing new permits. Additionally, it — bringing unauthorized diverters into the water rights system in the North Coast helps to mitigate against any significant impacts public trust resources, like steelhead trout fisheries.

2.1

Regulatory measures such as specifying a season of diversion or a minimum bypass flow help to limit times -- diversion to times when water is available and helps eliminate impacts to the environment and impacts to other legal uses of water by keeping water instream that would have otherwise been diverted illegally.

The following table is a summary of the enforcement actions issued in 2012. Summarized here are 11 Administrative Civil Liability complaints that propose Cease and Desist Orders to owners of property when unauthorized reservoir has been identified. Nine of these enforcement cases were issued to property owners where no response to the Division's notice letter was received. The other two enforcement cases including Mann were issued due to the lack of inadequate response to the findings letter issued by the Division.

I'd like to point out that within, within this table you can see that the cases were issued to a wide variety of different size reservoirs, ranging from, you know, capacities of about an acre foot all the way up to 183 acre feet, which is the capacity of Mr. Mann's reservoir. There — also, you'll notice the proposed ACL amounts — also varies depending upon each of the individual cases. All of the proposed ACL amounts were based on the same methodology that I'll present later. So we have consistently applied this to all of the different cases. You'll also notice the final column outlines final ACL liability amounts from the cases that have since settled with the Division after issuance of the Division's enforcement action.

2.1

THE HEARING OFFICER: Excuse me. Let me interrupt you just briefly, because I think at the beginning -- and correct me if I'm wrong -- you should have identified all this testimony that you're giving, and you do the same when you start, as your own and affirm that it is true and correct for the record.

So just -- we'll do it, to some extent, in retrospec so that all the testimony that you're presenting is true and correct.

MR. MILLER: Okay. Yes, all the testimony I'm presenting here today is true and correct.

THE HEARING OFFICER: And it is your own.

MR. MILLER: And it is my own testimony and presenting the facts as I know them for this case.

2.1

THE HEARING OFFICER: Okay. Thank you.

MR. MILLER: Okay. Now, I'd like to turn the presentation over to Mr. Wetzel, who will go through the site specific investigation.

MR. WETZEL: Good morning Vice-Chair

Spivy-Weber and Board Member Moore. I'm Jeff Wetzel

with Division of Water Rights, and my written testimony
and testimony here today is true and correct.

The policy did identify Mr. Mann's reservoir as potentially unauthorized. However, my initial site information -- my initial investigation did review

Division records to verify that there was no known basis of right for Mr. Mann's reservoir on file with the Division of Water Rights. My initial investigation also included reviewing US GS topographical maps and aerial imagery much like the one that you see in the slide.

Mr. Mann's reservoir is located near the town of Cazadero within the Gualala River watershed in Sonoma County. At the top of the picture, you'll see a single access dam or the impoundment that creates the reservoir. On the bottom of the picture, there are two unnamed tributaries and the drainage areas that produce

surface water runoff that the reservoir collects.

2.1

2.4

This is a US GS topographic map. I know it's hard to see, but the blue line above and below the reservoir are indications of intermittent draining features commonly associated with river, streams, and creeks. This topo map indicates that the reservoir was constructed on a stream channel. Indicated in this topo map — is 1978 — indicates that the reservoir has been in place for some time. Based on this topo map, aerial imagery, and review of Division records, the site inspection was needed to confirm the remaining findings and also confirm the use of water from the reservoir.

In September of 2011, I conducted my site information with Mrs. Lucy Mann. The majority of the site inspection was spent at the reservoir measuring the dam and -- the next three slides are pictures taken during my inspection. This picture was taken --

THE HEARING OFFICER: Hold on just one second. Because all of these are in evidence, can you identify in the -- in your submittals as to each photograph so that we can also get that on the record.

 $$\operatorname{MR.}$$  WETZEL: The exhibit numbers that were in the submittal?

THE HEARING OFFICER: Exactly.

MR. WETZEL: This photo is Water Rights

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Exhibit WR-19. This topographic map will be WR-6 at the
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    end of my inspection report.
                MR. MEJIA: Madame Hearing Officer, can I
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4
    note for the record that Mr. Wetzel was just referring
    to slides 9 and 10 of his presentation.
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                THE HEARING OFFICER:
                                      Thank you.
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                MR. WETZEL: This image -- or photo is
    taken -- or is in WR-22, additional site photos.
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9
                THE HEARING OFFICER: And this is slide
10
    Number 11.
11
                MR. WETZEL: And this is slide number 11.
12
                THE HEARING OFFICER: And then we're -- what
    exhibit it is?
13
14
                MR. WETZEL: Okay. This slide number 12 is
15
    also WR-22. This picture was taken from the dam looking
    south across the reservoir. The reservoir has an
16
17
    approximate surface area of 13.6 acres and an estimated
18
    capacity of 183 acre feet.
19
           This is slide number 13, and it's WR-22, exhibit.
20
    This picture is taken downstream over the base of the
2.1
    dam, which is estimated to be 65 feet high.
22
    Unfortunately, during my site inspection, I wasn't able
23
    to visit the downstream channel basically because of the
24
    steep -- general field safety.
25
           This is slide number 14 also WR-22. This photo
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was taken from the reservoir access road facing west looking over the reservoir, and it does a good job of capturing the adjacent topography and terrain of the reservoir.

2.1

These three photos on slide number 15 are all WR-22 exhibits. Mrs. Mann said that the water was -- water used in the reservoir was for stock watering, and it was pretty evident from the cattle and water troughs throughout the property during my investigation. It is also my understanding that the water troughs shown in this picture was used to carry water from the reservoir to the water troughs.

Within about a month of the site inspection, my results were documented in the site inspection report, which found Mr. Mann's reservoir to be on stream and storing water subject to the Board's permitting authority. Basically, the reservoir collects surface water without a basis of right from two unnamed tributaries that have defined dead-end banks.

Slide number 16 is Water Right Exhibit 15, a photo taken from that exhibit. At the time of the inspection report was completed, we also notified the Department of Water Resources, Division of Safety of Dams because, seemingly, the reservoir was within their jurisdiction. A March 2012 letter from the Division of

Safety of Dams to Mr. Mann did find that a dam of this height and storage is within the State's jurisdiction. This photo was later taken by a Division of Safety of Dams inspector on one of his annual inspections in February of 2013. I included this picture because of the time of year it was taken. During this time, the reservoir is full, and there was water in the spillway. During my inspection, the spillway was dry, and the reservoir was likely drawn down.

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The Division mailed Mr. Mann a findings letter on October 28th, 2011, which basically found the reservoir to be unauthorized, and copy of the inspection report was included for his records. Because I conveyed the need to file a statement to Mrs. Mann during my inspection, Mr. Mann did submit a statement just about the same time we mailed the findings letter. statement was initially deficient but was later found to be accepted when Mr. Mann submitted further evidence for the material. The findings letter provided information on the North Coast Instream Flow Policy, outlined the required corrective actions, and also explained the potential penalties associated with an unauthorized reservoir. The corrective actions outlined in the letter were, one, file an application to appropriate water, two, provide evidence that the reservoir does not

store water or can be operated without storing water subject to the Board's authority, or, three, remove the reservoir or render it incapable of storing water. The letter required Mr. Mann 45 days to submit an -- indicate a course of action that he intended to take and an implementation plan and a schedule. Unfortunately, Mr. Mann's response did not identify one of the corrective actions, and at this time, we began to -- we began to decide to draft the ACL and CDO, which Mr. Miller will talk more about.

2.1

MR. MILLER: Okay. So I'll go through the issuance of the ACL complaint and the proposed liability.

The reservoir at issue is clearly within the permitting authority of the State Water Board due to the fact that the reservoir sits on a stream channel with well defined bed and banks and collects water to storage on an annual basis. Mann is making unauthorized diversions of water at said reservoir, which constitutes a trespass against the State as defined by Water Code Section 1052, Subdivision A. The draft CDO is based on past violations of the prohibition in Water Code Section 1052 against the diversion or use of water subject to State Water Board jurisdiction and the threat of future unauthorized diversion and use of water. The ACL

complaint was issued based on the past unauthorized diversion of water from an unnamed stream tributary to Pepperwood Creek in the Gualala River watershed and the failure to file a statement of water diversion use for reporting -- for reporting the water diversion from the reservoir. Enforcement staff referred to the North Coast Policy Appendix H when considering whether or not enforcement action was warranted and when developing the enforcement documents.

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The maximum ACL amount authorized by statute for an unauthorized diversion is \$500 for each day on which trespass occurs. Mann also failed to file a statement by July 1 of 2010 reporting water use and is therefore subject to \$1,000 penalty for failing to file a statement on time. Enforcement staff have reason to believe the trespass has been occurring since prior to 1978 and Mann appears to have owned the property since at least 1992. Maximum liability could be based on the last 19 years of estimated use by Mann, which yields a maximum liability of \$500 a day times 6,935 days or \$3,467,000. The staff recommended liability for this case is \$66,000 based on the last three years of use and consideration of many factors. In assessing the amount of civil liabilities, enforcement staff, pursuant to Water Code Section 1055.3, considered the relevant

circumstances, including but not limited to the following; economic benefit gained from the violation including avoided costs, extent of harm, nature and persistence of the violation, length of time over which the violation occurs, and any corrective action taken.

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As previously stated, we only considered economic benefits during the last three years of the violation. We evaluated the reservoir -- we evaluated for reservoir losses that would be replaced on an annual basis. included evaporation losses based on surface -- 13 acres surface area of the reservoir, which amounted to approximately 23 acre feet of water, losses due to stock watering of 300 head of cattle, which was identified on inspections, amounts to about five acre feet of water. This gives a total of 33 acre feet of water lost per year. Using a UC cooperative extension study for the North Coast area we identified that pumping costs for a 120 foot deep well with a ten horsepower motor is approximately \$198 per acre foot. The economic benefit estimate discussed here does not include benefits such as increased property values associated with having a reservoir. The avoided cost of water is approximately \$6,534 annually or \$19,685 over three years. taken -- or this was estimated using the 33 acre feet per year annual loss times 198 annual feet of water --

or \$198 per acre foot. The additional avoided cost of water right fees in the last three years has amounted to \$369. Mann's unauthorized reservoir has provided an economic advantage conservatively estimated at \$20,054 in the last three years.

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The other factors considered were extent of harm, nature and persistence of violation, length of time in which the violation occurred, and any corrective action The Gualala River watershed contains threatened essential California costal steelhead trout fishery, and unauthorized diversions of water have been shown to contribute to the cumulative impact of the reducing water supplies and habitat for the fishery. reservoir has existed for many years, and water has been diverted to storage in each of those years without a basis of right. Mann is also the holder of Water Rights License 444, which authorizes the diversion and use of water from the Pit River. Accordingly, Mann is aware of the water rights system and the need for diversion -for the diversion of water in the State of California to be authorized by a water main.

The Division provided Mann with a findings

letter, which identified the reservoir as subject to the

State Water Board's permitting authority and required

Mann to proceed with taking corrective action. Mann

responded to the findings letter. However, the response was not adequate and did not provide the Division with any of the requested information or indicate any intent to pursue corrective action. Mann was initially a cooperative -- cooperative by allowing staff to inspect the property and did take initial steps by filing statement and responding to the findings letter though both were deemed inadequate. Mann had over seven months prior to issuance of the enforcement actions to provide an adequate response and diligently follow up on the matter. However, none was provided. To quantify the other relevant circumstances in this matter, a disincentive factor was applied to the estimated avoided costs for this case. Considering all of the above factors that I just mentioned and the Division's goal of deterrence, a factor of three times the estimated economic benefit was deemed appropriate. After using a disincentive factor, the adjusted liability was calculated at approximately \$60,000 before considering additional violations and associated staff costs. The other violation at issue in the ACL is

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The other violation at issue in the ACL is failure to a file statement. As previously outlined by Ms. West, the California Water Code Section 5107 provides the State Water Board may administratively impose civil liability pursuant to Section 1055 in an

amount not to exceed \$1,000 plus \$500 per day for each additional day on which the violation occurs and the person fails to file a statement within thirty days after the State Water Board has called the violation to the attention of that person. Mann failed to file a statement for the diversion and use of water for the unnamed stream for either 2009 or 2010 with a deadline of July 1 of either year. Mann was provided notice during the inspection and did file the statement on October 19, 2011. Therefore, the maximum liability considered for this violation would be \$1,000.

2.1

Additional enforcement costs incurred were staff costs from conducting the initial investigation, reviewing the existing project, and developing the enforcement documents. This was estimated at \$5,136.

Additional staff costs have been incurred subsequently in pursuing compliance and enforcement, but those costs were not considered as a basis for the liability amount proposed in the ACL.

Given all the factors discussed above, the final recommendation for the ACL liability was \$66,000.

The draft Cease and Desist Order was initially -is initially needed because the reservoir is subject to
permitting authority of the State Water Board and
collects water storage on an annual basis. The draft

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CDO issued will bring Mann into compliance and eliminate
1
    the continued unauthorized diversion.
2
                                            Staff CDO
3
    outlines various steps needed to be taken to obtain an
    appropriative right for the diversion of water and to
 4
5
    comply with the North Coast Instream Flow Policy or have
    the reservoir removed and cease the unauthorized
6
7
    diversion. Staff recommendations for this case are for
    the Board to issue the ACL order as proposed with the
8
    additional staff cost incurred to pursue compliance and
10
    issue the proposed Cease and Desist Order requiring Mann
11
    to take immediate action to bring this matter into
12
    compliance and to ensure diligent pursuit of the
13
    application or other corrective measures by Mann or
14
    future trustees.
15
           This concludes our presentation, and we'll take
16
    any questions or comments that you have.
17
                THE HEARING OFFICER: This is the
18
    opportunity for you to ask questions and then for staff
19
    and for Stephen and I to ask questions of the
20
    prosecution team.
2.1
           Do you have any questions that you'd like to ask?
22
                MS. MANN:
                           Is there water?
23
                THE HEARING OFFICER: Is there water.
    think there is.
2.4
25
           Michael, is there water. Could --
```

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MS. MANN: Or a water fountain or something.
1
2
                MS. WEST: By the restrooms, there's a
3
    fountain.
 4
                MS. MANN: Sorry.
5
                THE HEARING OFFICER: Let's do it. Let's
6
    take a little break.
7
                          (Break taken.)
8
9
10
                THE HEARING OFFICER: We will reconvene the
    hearing. And the next item on the agenda is for you to
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12
    ask questions if you have questions about the statements
    that have been presented or evidence that's been
13
14
    presented if you have any.
15
                MS. MANN: Can we ask for clarification of
16
    what they have said?
17
                THE HEARING OFFICER: Clarification or --
18
                MS. MANN: Can you hear me? I can't hear
19
    you very well.
20
                THE HEARING OFFICER: Put your green light
2.1
    on.
22
                MS. MANN: Oh, there you go.
                THE HEARING OFFICER: There. I can hear you
23
24
    much better and then speak as close as possible -- yes.
25
    I know it's not very convenient.
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MR. MANN: My name a Robert Mann, and 29876
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2
    Cazadero, California -- excuse me. 29876 King Ridge
3
    Road Cazadero, California. I'm the property owner. And
    let me get the page here of what I was supposed to -- my
4
5
    qualifications, I guess, are the fact that I am --
                THE HEARING OFFICER: Oh, this is not for
6
7
    you to --
                MR. MANN: Oh.
8
9
                THE HEARING OFFICER: This is just to ask
    questions. Do you have questions based on --
10
11
                MR. MANN: I'm sorry.
12
                THE HEARING OFFICER: -- what you have heard
13
    from the prosecution team?
                           Well other than --
14
                MR. MANN:
15
                THE HEARING OFFICER: It's essentially your
    cross-examination but it's --
16
17
                MR. MANN: I don't really have any
18
    questions. There's some of the content that I don't
19
    feel is accurate, but I don't really have any direct
20
    questions.
2.1
                THE HEARING OFFICER: Okay. That's fine.
22
    Now, do --
23
                MS. MANN: I have a couple of questions.
24
    Well, maybe it's more of a comment.
25
                THE HEARING OFFICER: Would you identify --
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1 MS. MANN: Yes. My name is Lucy Mann. 2 29876 King Ridge Road Cazadero, California. 3 When Mr. Wetzel was speaking, he talked about 4 when they started the program about identifying the 5 different reservoirs, and he said that they had sent out 6 350 letters to some of the property owners on an 7 outreach education and compliance measure. We didn't 8 get that. And my thought is we probably didn't get it because there was an assumption that we knew about water rights because of property owned in Modoc County. 10 Modoc property is irrigated. We don't irrigate. I had 11 12 no idea. I think we would not be here today if there 13 had been more education and outreach. Maybe we would 14 have wanted --15 THE HEARING OFFICER: So let me just -- so 16 your question to the prosecution team is when --17 MS. MANN: Is why didn't we receive the letter? 18 There was an assumption maybe that maybe we 19 knew something that we didn't. I don't know why you'd 20 sent out 350 letter if you didn't send out all 11 2.1 hundred property owners letters. 22 MS. WEST: I'd like to respond to Ms. Mann's 23 questions. 2.4 MS. MANN: Yeah.

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MS. WEST: Mr. Miller did testify to the

fact that the 350 letter were sent to property owners which we did not have contact information for and that the investigations where we did have, let's say, a phone number, which was the case for your property because you were in the water rights system, that instead of -- in lieu of sending a letter, we made direct telephone contact and then scheduled an onsite inspection. And that, subsequently, Mr. Miller testified to the fact that -- or Mr. Wetzel testified to the fact that at that inspection, information that was in the letter was conveyed verbally during inspection. And then additionally in followup with the findings letter, contains significantly the same information concerning both the water rights requirements, the policy, and statement of filing requirement, which were, again, discussed at the inspection and provided in the findings letter.

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So the different treatment that Mr. Miller testified to, and he did not mention specifically in his testimony both here today that, that the letter -- the initial notice letter was not sent to the Mann's property or to Mann because we did have contact information for you and we contacted you directly to convey that information.

THE HEARING OFFICER: Okay.

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MS. MANN: Also, there was a mention of 300
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2
    cattle. At the point he was there, we maybe had a
3
    hundred and thirty total cattle. I actually brought my
    cattle records if you want to look at them. On the
 4
5
    property that serves around where the dam is, there's a
6
    herd of maybe 12 that go down and drink out of the
7
    reservoir and then a herd of maybe 32, 34 at the time he
    was there that sometimes go down there. The question is
8
    where the 300 head of cattle come from.
                MR. WETZEL: The number of 300 cattle comes
10
11
    from my field notes during my site inspection.
12
    believe it was information provided by you in regards to
    how many -- roughly, how many cattle you guys have
13
14
    roughly on this property.
15
                MS. MANN: Okay. Well, that's an error.
    That's it.
16
17
                THE HEARING OFFICER:
                                     Okay. Do staff have
18
    questions for cross-examination?
19
                MR. BUCKMAN: I have a couple questions for
20
    Mr. Miller.
2.1
           In your testimony, at the end of page five
22
    indicates that you used three years to determine the
23
    Administrative Civil Liability, and I was curious as to
24
    why you guys used -- chose three years.
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MR. MILLER: I think that was at a

recommendation from counsel, so I'll let Yvonne answer that question.

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MS. WEST: Yes, in response to your question, the Division, in the past, has, has chosen to limit its consideration for the purposes of Administrative Civil Liability to the past three years of violation. We acknowledge that administrative proceedings are not subject to a statute of limitations. We do not have a specific statute of limitations on our violations. Nonetheless, we chose to limit it to three years because the civil code contains a general statute of limitations for civil actions and because the amount of liability, generally, that is incurred in those three years is significantly more than what we would seek in these types of actions, in order to avoid any sort of legal questions, we tend to limit it to the past three years -- consideration to the past three years of liability incurred even though, again, we do not believe that any sort of statute of limitations applies to our actions.

MR. BUCKMAN: One more question. I have one more question. Also for Mr. Miller, testimony at the end of page six, under the heading, the extent of harm et cetera, you mentioned that the potential harm to the ESA species was steelhead. I was curious if that was

the extent of the potential harm that you evaluated. 1 2 MR. MILLER: Yes. Essentially, it was more 3 on a general basis. We know that the fishery exists and the watershed. It's well established that there's 4 5 threatened species. I believe the written testimony 6 says it wasn't directly quantified for this case, but, 7 you know, it happens to exist. Cumulatively 8 unauthorized diversion can cause compacts. It's more of a general statement. 10 MR. BUCKMAN: Is it limited only to the ESA 11 species, though, or are there other potential harms that 12 you looked at? 13 MR. MILLER: We didn't look at any other 14 potential harm for this case. It was just -- this was 15 the most relevant potential impact. There could be 16 impacts on other species I would assume but it depends 17 on how many of them would be -- we identified this was 18 one because it is threatened. 19 MR. BUCKMAN: What about outside, just 20 biology in general, like other water right holders, 2.1 other harms that could be --22

MR. MILLER: I believe it's identified in my written testimony. There can be other harms to legitimate water right users when water is diverted.

MS. WEST: And just to speak to that, those

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types of analysis is what we would expect would be done
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    in a permitting process. There weren't -- this was a
    large scale enforcement effort against a number of
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 4
    reservoirs. We did not go to that level of, let's say,
5
    obtaining a natural resources damage assessment or doing
    a water availability study, but we would stress that one
6
7
    of the benefits of bringing these types of reservoirs,
    and specifically Mann's reservoir, into compliance with
8
    the water right permitting system is that in the
    application process, those types of analysis would be
10
11
    done.
12
                THE HEARING OFFICER: And, Michael, for the
13
    record, the past two questions, could you identify
14
    yourself as to who you are and --
15
                MR. BUCKMAN: Michael Buckman, senior
    environmental scientist in the hearings unit.
16
17
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MS. MCCUE: Jean McCue in the hearings unit. I just had a question for Mr. Miller.

On the bottom of the page when you -- I wanted to know how you calculated the losses -- evaporative losses because there was a 13.4 acre reservoir and three feet of water loss and then you came up with 28 acres. It doesn't seem like just a multiplication there. And there's another -- how do you calculate that?

MR. MILLER: Are you asking where the three

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feet comes from?
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                MS. MCCUE: No. Is it three feet times
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    13.4, or is there a different calculation?
                MR. MILLER: No. It should be three times
 4
5
    13.4.
                MS. MCCUE: Okay. So that's not 28 feet
6
7
    then.
                MR. MILLER: Actually, I take that back. I
8
9
    believe when doing the calculation, we took into account
    side-sloping factors of the reservoir.
10
11
                MS. MCCUE: Oh, okay.
12
                MR. MILLER: So there are would be three
    times the surface area times a factor accounting for the
13
14
    fact that it's not -- the reservoir on the side does not
15
    drop straight down.
16
                MS. MCCUE: Okay. Okay. Thank you.
17
                MR. MEJIA: Good morning, and for the
18
    record, I'm Carlos Mejia. I'm staff counsel of the
    Board, advising the hearing officers in this proceeding.
19
20
    I have a few questions first for Mr. Wetzel.
2.1
           Mr. Wetzel, good morning. I'd like to first
22
    direct your attention to Exhibit WR-6. Do you happen to
23
    have that in front of you?
2.4
                MR. WETZEL: Yes.
25
                MR. MEJIA: And during your oral testimony,
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you referred to a field report that you created and
1
2
    produced shortly after your investigation. Were you
3
    referring to WR-6 in that testimony?
                MR. WETZEL: That's correct.
 4
5
                MR. MEJIA: Okay. Thank you.
                                                If I may, I'd
6
    like to direct your attention to the next exhibit, WR-7.
7
    What, if any, role did you have in the creation of that
    document?
8
                MR. WETZEL: Well, I believe I, ultimately,
10
    produced it. It stems from a general template that the
11
    Division, kind of, outlined that we can use
12
    post-inspection to generate this letter. And so using
13
    that template, you, you create the letter to be site
14
    specific per your reservoir, per the inspection.
15
                MR. MEJIA: And to the best of your
16
    recollection, does it reflect your conclusion at the
17
    time you made your investigation?
18
                MR. WETZEL: Yes.
19
                MR. MEJIA: I'd like to turn your attention
20
    to Exhibit WR-10 if I may. Are you familiar with that
2.1
    document?
22
                MR. WETZEL: I am familiar with this letter,
23
    yeah.
24
                MR. MEJIA: Okay. I'd like to ask you to
25
    take a brief moment to review it if you would.
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MR. WETZEL: Go ahead.

2.1

MR. MEJIA: Does the substance of that document seem at all consistent with the results of your investigation of the property in question?

MR. WETZEL: Well, my inspection was looking at the storage and diversion of surface water, and this Division of Safety of Dams Inspection, in his letter here, is focused on the construction and the impoundment and the safety factors associated with it. So to your question, I think the two documents are a slight disconnect.

MR. MEJIA: Do you see any factual discrepancies in that letter's description of the property at issue that are in any way inconsistent with the factual findings you made during your investigation?

MR. WETZEL: Without comparing specific -- all the specifics of the letter, no I don't. I -- this inspector identifies over 100 acre feet of water. I believe he also in his -- anyway, my estimate was 183 acre feet of water, so there was a slight disconnect there.

MR. MEJIA: But you'd agree they're not inconsistent.

MR. WETZEL: They're not inconsistent. I think both inspectors identified that this is just an

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1
    estimate of the storage capacity.
2
                MR. MEJIA: Thank you, Mr. Wetzel. I'd also
3
    like to direct your attention to Exhibit WR-15, and I'd
4
    like to, once again, ask you to take just a brief moment
    to review that document.
5
                MR. WETZEL: Go ahead.
6
7
                MR. MEJIA: Again, are the factual findings
8
    within that document consistent with what you observed
9
    and included following your field investigation of the
    property in question?
10
11
                MR. WETZEL: Yes.
12
                MR. MEJIA: Thank you, and then finally for
13
    Mr. Wetzel, Mr. Buckman, could I ask you to put up
14
    prosecution team's Slide 16 from their PowerPoint
15
    presentation.
           Mr. Wetzel, I believe during your testimony, you
16
17
    said this was a photograph that you received from the
18
    Division of Safety of Dams, Department of Water
    Resources.
19
20
                MR. WETZEL: That's correct. Well, it was a
2.1
    photo attached to their annual inspection report.
22
                MR. MEJIA:
                           Do you recognize any features of
23
    the land identified in this photograph?
24
                MR. WETZEL: I do. I recognize the dam,
25
    reservoir, and spillway.
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1
                MR. MEJIA: As -- what do you recognize them
2
    as?
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                MR. WETZEL: As the -- it's the same site
    that I was on.
4
5
                MR. MEJIA: Thank you, Mr. Wetzel.
           And I have just a couple questions for
6
7
    Mr. Miller, with the hearing officer's indulgence.
           Good morning, Mr. Miller. I'd like to direct
8
9
    your attention to your testimony, that's Exhibit WR-1,
    and I'd specifically like to call your attention to
10
11
    paragraph one on pages six and seven.
12
                MR. MILLER: Okay.
13
                MR. MEJIA:
                            I note that you state in there
14
    that -- and let me read from it, it's conceivable that
15
    the unnamed stream could be a class one stream during
    parts of the year due to its proximity to Pepperwood
16
17
    Creek. That follows some discussion of maps that you
18
               What, if any, basis do you have for
    reviewed.
    concluding that that stream might be a class one stream?
19
20
                MR. MILLER: My prior field experience as a,
2.1
    you know, enforcement investigator and my prior
    experience in the permitting unit -- or in the permits
22
23
    section within the Division. I worked on the
24
    development of the North Coast Policy. I have processed
25
    applications. I have been in the field. It's -- you
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know, primarily from my experience gained working for
1
2
    the Division of Water Rights. To me, in my opinion,
    based on the proximity to Pepperwood Creek, which would
3
    appear to be a, you know, a creek that has water in it
 4
5
    most of the year, which would support a fishery, it's
6
    conceivable that during high flow, during the winter
7
    months, that the unnamed stream with the dam it's built
    on could contain water sufficient for some sort of
8
    fishery habitat. It may not be for very long, but it
    could. It's a possibility. And so I was drawing from
10
11
    my own experience when making that statement.
12
                MR. MEJIA: And I'd like to ask a few
13
    questions concerning prior times in which you calculated
14
    the economic benefit that was potential violation.
15
    First, just for the record, you have been with the Board
    since 2001; is that correct?
16
17
                MR. MILLER: Yes.
18
                MR. MEJIA: During that time, have you
19
    previously calculated the economic benefit of an alleged
20
    or potential violation of California Water Rights law?
2.1
                MR. MILLER: Not until I became a senior
22
    water resources control engineer in the course --
23
    taking -- you know, basically running an enforcement
24
    unit was when I was experienced to that.
25
                MR. MEJIA: But since that time, have you
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done so?
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2
                MR. MILLER: Yes.
3
                MR. MEJIA: About how many times would you
4
    say?
                             I believe most of the cases in
5
                MR. MILLER:
6
    that summary table in one of my presentation slides,
7
    they're -- almost all of them were issued by my work.
                MR. MEJIA: I'll like to direct your
8
9
    attention to Exhibits 21-A, 21-B, and 21-C. Note for
10
    the purposes of my questions, it's necessary that you
11
    review them, but I do want to note that's what I'm
12
    referring to.
           When you previously calculated economic benefit
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14
    of alleged or potential violation of California's water
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    rights laws, did you rely on studies similar to those in
    Exhibits 21-A, 21-B, and 21-C to form your conclusions?
16
17
                MR. MILLER: Yes. In fact, I have relied on
18
    these documents multiple times.
19
                MR. MEJIA: And to the best of your
20
    knowledge, are those the types of studies or reports
2.1
    that other folks with similar expertise might rely upon
22
    in calculating the economic benefit of an alleged water
23
    rights violation?
2.4
                MR. MILLER: I would believe so. I mean, I
25
    specifically went to them not necessarily for the
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purpose that they were produced for but because of the
1
2
    information contained within them that led me to be able
3
    to determine approximate costs for pumping groundwater.
 4
                MR. MEJIA: Thank you, Madame Hearing
    Officer.
5
6
                THE HEARING OFFICER: Steve, do you have a
7
    question?
                MR. MOORE: Yes, I have one question for
8
9
    Mr. Miller.
10
                THE HEARING OFFICER: Identify yourself.
11
                MR. MOORE: I'm Stephen Moore, co-hearing
12
    officer on this case.
           For Mr. Miller, Mr. Buckman, can we bring up the
13
14
    slide -- I think there was a -- you mentioned that in
15
    the course of correspondence with Mr. Mann, WR-5
    indicates an inadequate response. That's Exhibit WR-5
16
17
    from Mr. Mann. And then we -- in WR-8 the Division's
18
    letter notify -- or that was -- I'm sorry. WR-7 is the
    Division's finding letter in response, and then you
19
20
    received a corrected statement and ultimately WR-16,
2.1
    Exhibit WR-16 was the corrected statement that you
22
    received from Mr. Mann. And in your presentation, you
23
    indicated that that response was adequate, and could you
24
    explain to me the basis for the determination as to why
25
    the -- Exhibit WR-16, the letter dated February 24th,
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2013, that you believe that an adequate response had been received.

2.1

MR. MILLER: I believe this exhibit is, which was submitted to the Division's statement processing unit, and it was a request to what they had asked after receipt of the initial statement and additional information that is needed in order for them to then process, give a statement number, and put it into our record as a statement we could use.

MR. MOORE: Right. So it had to do with the location.

MR. MILLER: Yes.

MR. MOORE: And was that the last remaining piece of information for a complete statement, or were there other elements, quantities, or use or point of use that were -- continued to be deficient because that's part of your overall recommendation is that response has been inadequate.

MR. MILLER: The overall recommendation was more to the inadequate response to filing an appropriative water rights application and proceeding with, you know, obtaining a permit for the reservoir and/or taking corrective action to stop the unauthorized diversion of water. The statement is, you know, part of the law that was passed in 2009. There's an additional

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requirement that they did eventually come into
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2
    compliance with. It's also why the maximum liability
3
    imposed or recommended is only $1,00 because of the
    failure to file it at first but once told, they followed
4
5
    through. They eventually submitted additional
6
    information.
7
                MR. MOORE: Thank you.
8
                MS. WEST: I just wanted to speak to that a
9
    little bit. I do believe -- and this is something we
10
    can ask them -- Mann -- about. I do believe there were
11
    subsequent conversations with the statement staff
12
    concerning quantity after this February 24th, 2013
    letter, but I believe that this letter was sufficient
13
14
    for them to accept as a statement and that the
    additional conversations occurred after that.
15
16
                MR. MOORE: All right. Okay.
17
                MS. WEST: But that's not in our record.
18
                MR. MOORE: Okay. That's helpful.
                                                     Thank
19
    you.
20
                THE HEARING OFFICER: So if that is all of
2.1
    the cross-examination, just in the abundance of caution,
22
    I want to make sure that all the exhibits that you have
23
    submitted are accepted in the record.
2.4
                MS. WEST: Yes, I was going to -- if that is
25
    it for the questions at this time, I was going to move
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to have the Division's enforcement staff exhibits, Water
1
2
    Rights -- WR-1 through WR-27, moved into evidence.
3
                THE HEARING OFFICER: Mr. Mann, do you have
4
    any objection to that?
5
                MS. MANN:
                           No.
                THE HEARING OFFICER: Indicated no.
                                                      So
6
7
    those are accepted.
8
                MS. WEST: Thank you.
9
                THE HEARING OFFICER: So now we will turn to
    the, the statement, opening statement and your testimony
10
11
    from Mr. Mann.
12
                MR. MANN: My name is Robert Mann. I live
13
    at --
14
                THE HEARING OFFICER: Is your button pushed?
15
                MR. MANN: I'm sorry. I didn't hear
    anything there.
16
17
           My name is Robert Mann. I reside at 29876 King
18
    Ridge Road Cazadero, California. I am the property
    owner, subject property owner here, trustee of the
19
20
    trust, and all that.
2.1
                THE HEARING OFFICER: And you also -- this
22
    is for the -- you want to identify your -- any written
23
    material that you have sent in, and I believe we have a
24
    few, that they are yours and that you affirm that they
25
    are true and correct.
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MR. MANN: Yes, I submitted a written letter to the -- to the Water Resources Board and I, I deem them true and correct.

2.1

I feel my qualifications for, for -- my justification for the issues we have here is, is that I have 42 years of adult direct understanding and experience in this drainage. You'll notice there isn't a counselor here to help me. I feel that I can speak the truth from my heart and -- if it doesn't get my throat.

I appreciate the time the Board is taking and staff time here for this. It's -- and my apology for, for some of this time taken. I think there's a gross misunderstanding and interpretation of the problems here on, on what, what is before us.

The first one would be the word of "diversion."

And I might back up a bit, because there is a note from prosecution that I'm supposed to be well aware of, you know, water rights laws or, or they didn't say "well aware." I think they used a little bit more moderate term, but I did acquire a piece of property in Modoc County, and it's for irrigating alfalfa. It seemed really obvious to me that if you're pumping out of the river, that you're diverting water. We have a water master out there that handles all the details, and I

think that's an entirely different situation than this one here.

2.1

At no time -- you know, you -- the media, and I'm not a big one for the news, but the media definitely, you know, talks about water. And we're in a time now where, of course, it's a very critical issue, and I'm well aware of that. But in this unique situation, I think -- I never felt that there was a water right issue. And I -- really not until recently when I had a long discussion with staff member John O' Hagan, did I really fully understand the -- what the State's interpretation was of all this.

The reservoir was built after a very large local fire that destroyed a lot of ground in the areas, and fortunately, at that time, my ancestors had the finances and the ability to, to do that under, under the, the -- you might say, the urging of, of, of the, the local soils conservation people. And that was done quite a bit around in the state at that time. It was done mostly for ocean control. Although, I know there are a lot of reservoirs that were -- that were built for stock watering needs. That was not critical at all in our situation, certainly, a side benefit, but the reservoir was built for erosion control and habitat. And my grandfather and subsequently family members who have --

including myself -- feel strongly the same way. And I think that is in concert with the environmental and conservation desires of the state. And when I received the phone call, it was very unfortunate I could not be in attendance to speak with the young people that came.

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And, and I think one of the main points here on this whole thing is that this, this, this -- I think, generally speaking, a reservoir is built for some sort of financial gain. That wasn't the consideration here. It doesn't -- it doesn't water -- it doesn't directly water any of the cows. We constantly develop water for them from underground sources. Our troughs on the property are from, from sources other than the reservoir. Coincidently, at the time, we were -- I had acquired a water truck, and we used this water truck. We thought it might be helpful for the underground sources to haul some water in to some temporary troughs. And that's what was going on at the time. This was not customary, and after the discussion with my wife at the field meetings, we, we quit doing that. We don't go in defiance of what the law is asking, and since that day, we haven't hauled any water out of there. It wasn't -as I looked back on it, it wasn't a very practical thing to do anyway. My energy was much better spent in, in, you know, getting other sources for, for the cows from

underground and --

2.1

One of the prosecution's points was that there was some sort of harm done here, and I see it quite opposite. The uniqueness of this, this area is it has such very high rainfall, and that's why the erosion potential is so high. And when the water stops flowing over the dam, through the spillway, it essentially stops in that drainage. Now, this drainage, yes, it, it, it's relatively flat in where the dam is, or obviously it wouldn't be a good reservoir site. But then it gets to very critical, steep ground and rough and rocky ground that no trout have ever navigated, and it goes for quite some distance before it goes off the property.

And when I received the letter after their finding, their field investigation and the subsequent violation -- you know, took a while to get over it, hence, the lack of response. When you know that you're, you're in concert with what you should do environmentally, and conservation-wise, it's a real slap in the face.

I'm willing to take practical measures to settle this issue. I talked with Mr. O'Hagan, and he basically said that, you know, we're so deep into this now that it wouldn't make much difference, and I thought, well, at least I'll have a listening ear of the representation of

the -- of the public to hear my side. 1 2 So that's why we're here. Thank you. THE HEARING OFFICER: And identify yourself. 3 4 MS. MANN: Yeah, this is Lucy Mann, 29876 5 King Ridge Road Cazadero, California. Couple additional 6 items. We felt that the size of the dam was 7 misrepresented and at one point I thought -- and I'll have to look. I thought I heard this "65 foot" 8 somewhere. There's no spillway 65 feet deep if that was what was mentioned. 10 11 And also, we're being penalized on 300 cows, and 12 as I said earlier, at the time Mr. Wetzel was out there, 13 we may have had maybe 130. We're way down now. And out 14 of that 130, potentially, 12 on one side of the dam and 15 some of the other cows on the other side, but there's not 300 cows drinking out of that reservoir at any time. 16 We don't have 300 cows. 17 18 MR. MANN: Yeah, the 130 cows is, is our total operation and if you reviewed all the -- all the 19 20 property, it's considerably more than the drainage of 2.1 that dam. I'm not sure -- there was a misunderstanding 22 obviously about the number of head of cattle. There's a 23 lot of misunderstanding here. There's, there's

justification for, for, you know, how much I'm saving

from pumping water, and they're using a ten horsepower

24

pump. Well, you know, I'm pretty green on, on growing hay with irrigated pasture, but I can tell you that, that from my experience in Modoc County, a ten horsepower pump is about 20 times what you would need to pump water into a trough for a cow.

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The -- I mean, I have a whole list of stuff down here. I don't know when it's appropriate to go through. It wasn't really questions, but the different testimonies here on where the inaccuracies are. I -- you know, with a three-hour field inspection and then you go back and you -- I mean, things like vineyard and olives were brought up as -- you know, our family doesn't want to, to convert any of the land into intensified agriculture. And it's quite a challenge to not go there. There's more fees than taxes every year, and, and I don't care for, for all the things that go with vineyards and the like, everything comes along with it. And so we tried to hold our own with, with keeping, you know, with keeping the fire hazards down with the cows, and I go out and earn money other places to keep the place afloat, and I hope to continue to do that and find a family member that can take over as steward of the land.

A comment on the size of the dam, I really should comment on that. I was there and -- when Mr. Low came

in, he had a -- he had a tool that he used, and he said that it was the latest and greatest, and it was probably the one used in the field. And he, he -- the way they measure the dam -- and I don't feel it's fair, but it's the way they do it, and I talked with the engineer about it, but this dam was, was put in between two solid rock structures, and the downside of the berm was in a sloped area, and he said, "Well, we always measure from the toe to the top of the dam." Well, I said, "Well, the keyway of the dam is certainly quite a bit up the hill from there, and, and then certainly the level of the base of the dam or the water is, is considerably above that," and he said, "No. I'm sorry. That's the way we measure the dam." Now, I haven't sounded the dam, but I'm sure it's not over 35 feet. I would be surprised if it's that much with all the sediment that's come in there over the years. So when you compile all these different things, the 300 cows and the size of the dam and the fact that -- I mean, I can't do anything about water evaporation. There certainly should be -- we pay sacrifice for, for, for many of our gains and if we're to conserve water and to stop erosion and all that and you can take your wetlands and we put water out into wetlands. Just think of the evaporation there, but the evaporative loss -- the cost of the evaporative loss

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certainly offs -- is offset by, by the gain. And I 1 2 think that's what applies in this situation, too. The options for me as a landowner, the first two, 3 4 I mean, just seem -- to remove the dam, to remove the 5 habitat to -- I mean, that just didn't make any sense. 6 I mean, if the reservoir belonged to the State and 7 somebody came along and suggested they were going to 8 remove it and take away all the habitat for everything that -- organism that's been there for sixty years -- I just, I was confused by it all. 10 11 I think that concludes my testimony for now. 12 deem it to be true and correct. 13 THE HEARING OFFICER: Thank you. And I 14 think what we'll do is take another five-minute break, 15 and come back here at -- well -- at roughly a quater of 11:00 for cross on your testimony. Thank you. 16 17 18 (Break taken.) 19 20 THE HEARING OFFICER: The two clocks in the 2.1 room are a little bit different, but we'll go ahead and 22 reconvene the proceeding. 23 And now, does the prosecution team have

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MS. WEST: Again, this is Yvonne West with

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cross-examination?

the prosecution team. Yes, I'd like to take a moment to ask a few questions and then I'd like to do a little -- a short redirect if that's the appropriate sequence of events.

2.1

Mr. Mann, thank you for coming today. I just had a few quick follow up questions to some of your testimony and your submissions.

In Exhibit Mann-1 you stated that you were the individual who owns and maintains the reservoir. I was wondering if you could tell us a little bit about what type of maintenance that you do to the reservoir.

MR. MANN: Well, first of all, most important thing is when, when the storms come in, you have to make sure that the spillway is clear and remove anything that might cause a potential hazard to the reservoir, itself. That's probably the most important.

MS. WEST: Over the years, have you ever done any work on the dam portion of the reservoir?

MR. MANN: At -- after my grandfather past away -- let me regress a little bit. For those who may not understand the hydrology here, there's considerable amount of water that goes over this dam, and I felt that it was important to have an emergency spillway and a little more freeboard on the dam. And, and so yes, I did include -- I did change it so there was an emergency

spillway and increase the -- as you may have noticed in 1 2 the photo, you see, kind of, a little bit unusual shape at the top of the dam. And that was just for an 3 4 insurance policy to protect the -- I mean, it never had 5 had a problem but, you know, I experience some pretty --6 some pretty high head on the dam in my lifetime and I 7 just felt like that was an important thing. 8 MS. WEST: So just to understand a little 9 better, have you -- when you have -- you raised the

MR. MANN: No.

height of the dam?

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MS. WEST: Okay. But you just modified the shape of the dam?

MR. MANN: I raised the -- when I use the term "freeboard," that's the amount of dirt that's above the water level.

MS. WEST: Uh-huh.

MR. MANN: I increased that amount so that when you get a heavy storm, that's what's called a "head" and, and -- at least that's the terminology I use -- and it's, it's just a, a heavy flow and then it subsides, and you have to have protection for that. It seems as though the spillways always, you know, just don't -- if the spillway was clear across the dam, there would be no head. But in this case, you know, spillways

have their smaller openings, so there's always a little, head water and then they subside.

2.1

2.4

MS. WEST: Okay. I believe also in Exhibit Mann-1 you also state that you have come to an agreement with reporting staff on a reasonable way to calculate the portion of -- from your livestock use from the reservoir and you have fulfilled the reporting requirements to the best of your knowledge, and what I wanted to ask you is what that calculation is and whether it's different than this -- well, let's just start there.

MR. MANN: I'm trying to think of the gentleman name's. Well, anyway, reporting staff and I talked on the phone and we discussed the difficulties of measuring and the way that the State wanted me to, and he said, "Well, we need to get something, and if you can give a educated estimate on what the use of your cows are," and I know how many cows go down there. I know how many -- I know when they use the dam approximately. I know what, what other sources they use, and so I just calculated the days of use and the approximate gallons they drink and gave them as, as honest an estimate as possibly could on the uses during the time of the year.

MS. WEST: And do you remember what those estimates were?

MR. MANN: You know, I meant to bring them 1 2 with me. They -- I really meant to bring those with me 3 in case somebody did ask that question. They're in the 4 thousands of gallons of -- you know, I think one 5 month -- or no. I'm sorry. I don't recall but it's --MS. WEST: That's fine. 6 7 MR. MANN: -- it's much less than what was 8 discussed in the report. 9 MS. WEST: Okay. In one of our exhibits, it's labeled Water Right-5, we have the initial 10 11 statement that you filed. And just to understand, in 12 that statement, I don't believe you provide a quantity, 13 a quantity in there. You listed "unknown." Since the 14 filing of that statement, you have supplemented that 15 with additional information in dealing with our statement staff and revised that and provided a specific 16 17 quantity; is that accurate? 18 That's correct. MR. MANN: Yes. 19 Great. Following along on the MS. WEST: 20 statement, you filed a supplement letter. And I believe 2.1 it is -- let's see. In our -- in our exhibits it's 22 WR-16, and that was, again, to supplement your initial 23 statement. And in that letter, you state that you have

hired an engineer, Lee Erickson, to work with you on

projects -- with us on projects and have not determined

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the capacity of the diversion yet. I was wondering if
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    you have continued to work with that engineer and if you
    have established if that engineer has an estimate of
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 4
    capacity for your reservoir?
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                           The engineer is -- since we were
                MR. MANN:
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    going to hearing, he has not, you know, concluded his
7
    investigation. I felt that -- I still felt that, you
8
    know, we weren't really taking a -- needing a water
    right here and so we have him on hold until we come to a
    conclusion here.
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                MS. WEST: Okay. And could you just tell us
12
    a little bit about the property surrounding the
13
    reservoir. Do you know -- do you own the property
14
    that's -- completely surrounds the reservoir?
15
                MR. MANN:
                           Yes.
16
                MS. WEST: And how large is that?
17
                           You mean the, the total acreage
                MR. MANN:
18
    around the reservoir?
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                MS. WEST:
                           Right, that you own.
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                MR. MANN:
                           Or the watershed.
2.1
                MS. WEST: Just -- well, if you could
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    provide both, that would be great, but specifically,
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    your property that you own that surrounds -- the total
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    acreage of the property that you own that surrounds the
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    watershed -- surrounds the reservoir that's basically
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connected to the reservoir and surrounds it -- not
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    that's otherwise separated from --
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                MR. MANN: Well, there are probably two
    parcels that -- there are two parcels that the reservoir
4
5
    sits on. The parcel line goes right down through the
6
    middle of the reservoir, and together, I think there are
7
    like 600 acres.
8
                MS. WEST:
                           And you own additional acreage?
9
                MR. MANN:
                           Yes.
                MS. WEST:
                           Next to those?
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11
                MR. MANN:
                           Yes.
12
                MS. WEST: And so the whole acreage
13
    surrounding the reservoir that you own, do you know the
14
    acreage of that?
15
                MR. MANN:
                           Yes.
                MS. WEST: Okay. Do you mind providing it?
16
                           It's 25 hundred acres.
17
                MR. MANN:
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                MS. WEST:
                           Okay. And you only -- you had
19
    mentioned a number of cows that you have, 130 I believe?
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                MR. MANN: Well, that's not on that
2.1
    property.
22
                MS. WEST:
                           Okay.
23
                MR. MANN:
                           No. There's probably 75 total on
24
    the 25 hundred acres. This is not, you know, irrigated
25
    Sacramento valley land.
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MS. WEST: No. I'm just trying to understand.

2.1

Okay. Okay. I believe that is all the questions that I had for Mann for cross-exam. I don't know if you would like me to move to redirect now or if you had questions that you'd like to take.

THE HEARING OFFICER: Why don't we take questions from both staff and from us prior to your redirect.

Any staff questions? And Michael.

MR. BUCKMAN: Michael Buckman, hearings unit chief. You mentioned in your testimony on page three of the last page, first paragraph, that, I'm confident causes no effect to downstream neighbors, water rights, nor fish and wildfire but rather provides many times more value compared to the reservoirs absence in the headwater of this drainage, and I was curious what is the basis for your conclusion — for that conclusion that's causing no harm to downstream users and no effect to fish or wildlife.

MR. MANN: That's from my lifetime of experience in the watershed. The, the watershed dries up in the summertime. Approximately -- this is an estimate -- of a half a mile downstream is not navigable for fish and, and the water never reaches that -- the

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next tributary which comes in, which is just -- I
believe it's Blue Line Stream -- coming in from another
direction. I'm not sure if I answered all your question
there.
            MR. BUCKMAN:
                          Yes.
                                Thank you. Are you guys
aware of any downstream water rights holders from you
that would --
            MR. MANN:
                      Oh, that. That's -- thank you.
There's a large ranch, too, surrounding us and, and
there's, there's nothing there. It then dumps into
the -- into House Creek and -- which shortly becomes a
fork of the Gualala River, and, and I, I don't know of
anyone that even draws water out of that other than the
neighbors' cows. And certainly, we're -- our close
proximity to the ocean -- why -- I can't imagine it
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ever -- some of them would have probably said something by now. No, I, I don't think there's anyone being affected by this. I mean, and the fact that it -- when it stops raining over the dam, it stops finding its way to House Creek, and that's the long and short of it. And it fills the reservoir, which I haven't mentioned, but the reservoir fills in on the first significant rain of the year because of our rainfall.

MR. BUCKMAN: Are you aware or have you had any -- have you observed the property in the absence of

the dam and what the natural watercourse looked like?

Do you have any knowledge of that?

2.1

MR. MANN: I'm pretty young at that point, so, you know, from a child's viewpoint, and I do, kind of, remember it. And I really don't know why, why you remember some things and not others, but it was just, kind of, a small, flat area before the water broke over and went down this real rough terrain on and off the property half a mile or so later. That's all I remember.

MR. BUCKMAN: Thank you. The reason why I ask is because you had mentioned that you had never observed fish in that area of the stream, and I was curious if you had a chance to observe that area before the --

MR. MANN: Right. And the only reason I can -- is, is my father, who was a very a avid fisherman, as my grandfather was, and if they were to fish, they got permission from the neighbor. And they went down to that area off the property where the -- where the terrain gets less steep. And the fish came up to that -- basically, right to our property line before it climbed up really steep. And so did I personally observe it, no. But I mean, we have been, you know, our family has been there since 1872, so, you know, long

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before a lot of this stuff.
1
2
                MR. BUCKMAN: Thank you.
3
                THE HEARING OFFICER: Any other staff
    questions?
4
5
           Yes.
6
                MR. MEJIA: Good morning. Once again,
7
    Mr. Mann, I'm Carlos Mejia. I'm an attorney for the
    Board, and I'm advising the hearing officers on the
8
    Board in the proceeding. I have a few questions for you
    if you don't mind.
10
11
           First, I wonder if you can tell the hearing
12
    officers about the nature of the Robert C. Mann 1999
    trust.
13
                MR. MANN: About the what?
14
                MR. MEJIA: The nature of the trust, which I
15
    understand is called the Robert C. Mann 1999 trust that
16
17
    owns the property at issue in this case.
18
                MR. MANN: The nature of it?
19
                MR. MEJIA: Yes. What is it?
20
                MR. MANN: It's property that belongs to me,
2.1
    held in trust to try and protect our family farm.
22
                MR. MEJIA: Are you the sole -- oh, excuse
23
    me.
24
                MR. MANN: Yes, I am the sole --
25
                MR. MEJIA: You're the sole trustee of the
```

```
trust?
1
2
                MR. MANN: Yes.
3
                MR. MEJIA: And are you, at present, the
    sole beneficiary of the trust?
4
5
                MR. MANN:
                           No.
                MR. MEJIA: Who else is a beneficiary of the
6
    trust?
7
                MR. MANN: My children and my wife.
8
9
                MR. MEJIA: Okay. The prosecution team has
    submitted into evidence a document that they have
10
11
    labeled as WR-23-A.
12
           Mr. Buckman, I wonder if, for Mann's benefit, if
    we could put that up on the screen.
13
14
           As you can see, Mr. Mann -- you have it in front
15
    of you? So Mr. Mann I'm glad that you have the document
    in front of you. As you see at the top of the document,
16
17
    the document lists six properties in Modoc County
18
    that -- and identifies them as being owned by the Robert
    C. Mann trust. Does that seem accurate to you, sir?
19
20
                MR. MANN: Is that what?
2.1
                MR. MEJIA: Does that seem accurate to you?
22
                MR. MANN: Yes.
23
                MR. MEJIA: Okay. And the prosecution team
    has further identified that the total assessed value of
24
25
    those properties by the Modoc County assessor is
```

```
$1,067,041. Does that seem accurate to you?
1
2
                MR. MANN:
                           That's what I paid for it.
                MR. MEJIA: Okay. And some similar
3
    questions about what's farther down on the document.
4
5
    The prosection team further identifies 23 parcels in
6
    Sonoma County that it states are owned by the Robert C.
7
    Mann trust. Does that seem accurate to you?
                MR. MANN: There's, there's an error or two
8
9
    there. Property was sold.
                MR. MEJIA: Oh, okay. So you have sold one
10
11
    or more of those parcels?
12
                MS. MANN: Right.
13
                MR. MEJIA: How many of the parcels have you
14
    sold?
15
                MR. MANN:
                           Two, I believe.
16
                MR. MEJIA: So the -- to your knowledge, the
    Robert C. Mann trust owns 21 parcels in Sonoma County?
17
18
                MR. MANN:
                          Yes
19
                MR. MEJIA: Okay. And, again, at the bottom
20
    of the summary of properties in Sonoma County, the
2.1
    prosecution team has identified a total assessed value
22
    of $1,430,572, which I presume includes the two parcels
23
    that you indicated the trust sold. Bearing that in
24
    mind, does that total amount seem accurate and
25
    consistent with your recollection?
```

```
I guess that's the assessor's
1
                MR. MANN:
    opinion. I don't know how this is relevant to this case
2
3
    I might ask.
                MR. MEJIA: So the Board is charged with
 4
5
    considering all relevant factors if -- should the Board
6
    decide to impose Administrative Civil Liability.
                                                       So I'm
    inquiring about factors that may be relevant to the
7
8
    determination of these amounts, and that's why I'm
    asking.
10
                MR. MANN:
                           The determination of what?
11
    sorry.
12
                MR. MEJIA:
                            The amount of Administrative
    Civil Liability should the Board elect to impose any.
13
14
           So you said that that strikes you as an accurate
15
    reflection of how the Sonoma County assessor has
16
    assessed those properties?
17
                MR. MANN: Close enough.
18
                MR. MEJIA: Okay. And then finally, the
19
    prosecution team has identified two properties that it
20
    claims that you own individually in Sonoma County; is
    that accurate?
2.1
22
                MR. MANN:
                           That's not accurate.
23
                MR. MEJIA: That's not accurate. You don't
24
    own those properties?
25
                MR. MANN:
                           No.
                                That's a -- one of them that
```

```
I saw there was a -- was a personal property thing on a
1
2
    former -- it was equipment is what it was that the
3
    County had assessed. And that's no longer -- that's
    been disowned.
 4
5
                MR. MEJIA: Okay. So you don't own those
6
    two properties?
7
                MR. MANN:
                           Right.
8
                MR. MEJIA: Okay.
9
                MR. MANN: And I don't really know what --
    well, that's probably personal property thing on the
10
11
    second one. The 123, that's probably also some sort of
12
    personal property, farm equipment and -- that applies to
13
    the ag property tax.
14
                MR. MEJTA:
                            Uh-huh.
                MR. MANN: Familiar with that?
15
                MR. MEJIA: Uh-huh.
16
17
                           So is it an asset?
                MR. MANN:
                                                Yes.
18
                MR. MEJIA: Okay. All right.
                                                Thank you,
19
    Mr. Mann.
20
           I don't have anything, Madame Hearing Officer.
2.1
                THE HEARING OFFICER: Do you have a
22
    question?
23
                MR. MOORE:
                            Thank you, Mr. Mann, for
24
    attending today and your testimony. You mentioned there
25
    was a discussion about Lee Erickson, the engineer.
```

```
Could you refresh my memory. He was helping with
1
2
    some -- to answer some questions that the State Water
    Board staff proposed, but was he answering any questions
3
4
    proposed by the staff from the Division of Dam Safety in
    terms of testing the conditions --
5
6
                MR. MANN:
                           Yes.
7
                MR. MOORE -- of the dam?
                MR. MANN: He did -- he did answer some
8
9
    questions there, yes.
10
                MR. MOORE: Okay. And so was there more
11
    work that he was planning to do pending, you know, your
12
    direction based on this hearing, or had he completed his
    assessment of the dam condition?
13
14
                           Well, as I said before, I think
                MR. MANN:
15
    he has completed it until the hearing is concluded, and
    then we'll have to proceed from there whatever is
16
17
    necessary.
18
                MR. MOORE: And did he provide you an
19
    engineer's report?
20
                MR. MANN: He has not yet.
2.1
                           Okay. And I did note in the
                MR. MOORE:
22
    record that staff from Division of Dam Safety, the
    Department of Water Resources, which is another state
23
24
    agency, has put together two inspection reports, and
25
    have you had a chance to review those?
```

```
1
                MR. MANN:
                           Yes.
2
                MR. MOORE: Okay.
3
                MR. MANN: And I met personally with each
4
    one of those people. Actually, I think they have had
5
    three inspections.
                MR. MOORE:
                           Okay.
6
7
                MR. MANN: I had a second inspection from
8
    Mr. Low.
                MR. MOORE: Uh-huh.
                MR. MANN: And, and at least what he told
10
11
    me, he was, you know, pleased with how the dam was being
12
    maintained. They had some -- you know, they would like
    to have seen a drain on the dam. The dam doesn't have a
13
14
    drain. The practicality of a drain is not possible.
15
    mean, not practical and probably a bit risky especially
    considering the terrain, but he seemed pleased with what
16
17
    was there and was being taken care of.
18
                MR. MOORE: I'm curious, you know, I'm the
    liaison with the North Coast Regional Water Board and
19
20
    familiar with the Gualala River, water quality
2.1
    challenges, and community around that. Have you ever
22
    met with or, or folks who are part of the Gualala
23
    Watershed Council, their local watershed group,
24
    landowners that get together and do stewardship in the
25
    watershed?
```

```
1
                MR. MANN: I have attended meetings, and I'm
2
    not aware of anything recently, but yes, I was aware of
3
    that going on.
 4
                MR. MOORE: And did the issue of your
5
    reservoir or, you know, reservoir management issue,
6
    management issues come up in those discussions with the
7
    council?
8
                MR. MANN:
                           No, no.
9
                MR. MOORE: Okay. What were some of the
10
    main land management issues that you recall from
11
    attending the watershed council?
12
                MR. MANN: Well, I think first and foremost
    would be erosion control and, and concern over
13
14
    development in the area, and that sort of thing.
15
    that's -- you know, we're, we're kind of "old
    school." We haven't changed clanged anything. So, you
16
17
    know, I think people are happy with that, and so they,
18
    kind of, you know, are, are agreeable with what you're
    doing. So I think that's why we haven't been on the
19
20
    spotlight.
2.1
                MR. MOORE: Just good to hear that you have
22
    been participating in the watershed related discussions.
23
    Thanks for answering those questions.
2.4
                MR. MANN:
                           Thank you.
25
                THE HEARING OFFICER: Any other questions?
```

```
Okay. Now, we'll move to the rebuttal, and we'll
1
2
    start with Division of Water Rights, and then we'll move
    to -- oh, I'm sorry. You're right.
3
 4
           You should be moving your testimony into, into
5
    evidence. You have the email that is Mann-1 piece of
6
    written information.
7
                MR. MANN: I'm sorry. I can't hear you very
    well.
8
9
                THE HEARING OFFICER: Oh, I'm sorry. Could
10
    you please move your statement into evidence. You
11
    should just --
12
                MR. MANN: Oh, yeah. I would like to submit
    my statements into evidence to the hearing processor.
13
14
                THE HEARING OFFICER: Right. Thank you.
15
                MR. MANN: Robert Mann.
                THE HEARING OFFICER: Now, we're onto the
16
    rebuttal, and we'll start with the prosecution and then
17
18
    we'll move to Mann's. Pardon?
19
                MR. BUCKMAN: I think Ms. West mentioned
20
    something about redirect.
2.1
                MS. WEST: That's, that's fine. I just
22
    wanted to follow up on -- with a few questions with
23
    staff to qualify some of the issues that we have
24
    discussed here. I don't know if we'd qualify it as a
25
    rebuttal per se. I do not have any additional evidence
```

to submit for rebuttal purposes.

2.1

I just wanted to take a moment, and call it redirect or rebuttal, to ask Mr. Miller just to clarify or to discuss just a little bit for us how much of the proposed liability is apportioned to, to cattle. It seems that there's some dispute as to the amount of cattle on the property. Our statements are based on what we thought was the number of cattle as conveyed during the inspection. Of course, Mrs. Mann has disputed that, and so I would just like to take a moment to have Aaron, Mr. Miller, clarify how much of our proposed liability is apportioned to that 300 head of cattle.

MR. MILLER: I think, you know, during my presentation, I pointed out the annual losses due to evaporation and to the cattle, and the only information that I had in front of me at the time was the 300 head of cattle amount. It only amounted to about five acre feet of water annual use. Following the calculation outline for trying to determine what sort of liability to impose, you know, it doesn't amount to a large portion of the total recommended liability. If you were to remove that five acre feet of water in entirety and said, there's no cattle using the reservoir whatsoever, you know, you're looking at, you know, five acre feet

```
times $198 per acre foot over the course of three years
1
2
    and the -- again, the multiplication of the disincentive
3
    factor, ultimately, I think -- doing a rough calculation
    in my head -- it's about $8900 would be removed from the
4
5
    total. So there's not -- a significant portion of, of
6
    our recommendation.
7
                MS. WEST:
                           With that, the prosecution team
    doesn't have anything else to submit. It is my
8
    understanding that --
10
                THE HEARING OFFICER: And you're right.
                                                          Ιt
11
    is redirect.
12
                MS. WEST: Okay.
13
                THE HEARING OFFICER: So that closes your
14
    case.
15
           Do you have any redirect?
                MS. WEST: I'm sorry. I just want to
16
17
    clarify that you're not taking oral closing arguments
18
    that you're going to --
19
                THE HEARING OFFICER: No, I'm not.
20
                MS. WEST: Then with that, we're done.
2.1
                THE HEARING OFFICER: Okay. Did you have
22
    any redirect that you wanted to -- we will not be doing
23
    a closing oral statement, but there will be an
24
    opportunity for you to send something in writing as a
25
    closing.
```

```
MS. MANN: After this is closed, we'll be
1
2
    able to?
3
                THE HEARING OFFICER: Right. When this is
    closed, which will be quite soon, the closing briefs
4
5
    will be due thirty days following the date the
6
    transcripts are released, which is roughly 11 to 15
7
    business days. So 11 to 15 business days plus thirty
8
    days will be the date for transcript -- for closing
    briefs to be received. And they're limited to ten pages
    and 12 point font, so not too tiny. So closing briefs
10
11
    are due in thirty days after you get the transcript.
12
                MS. MANN: And that will be emailed to us or
13
    whatever.
14
                THE HEARING OFFICER: They'll have to make
15
    a -- give her your card and you have a -- you'll make
16
    the, the agreement between the, the two of you.
17
                              We'll notify the parties when
                MR. BUCKMAN:
18
    the hearing transcript is available.
19
                MR. MANN: So we don't have closing
20
    statement today?
2.1
                THE HEARING OFFICER: No closing statement
22
    today. It will be in writing in, you know, roughly six
23
    weeks.
24
                MR. MANN: Okay. So for --
25
                THE HEARING OFFICER: Do you have any
```

redirect?

2.1

 $$\operatorname{MR.}$$  MANN: Can I do some re-clarification on some kind of --

THE HEARING OFFICER: Sure. Go ahead.

MR. MANN: Okay. I don't want to make any assumptions here as far as where people are going, but, but just fresh on my mind is the questions from counsel here and, and really why that has anything to do with this. And I know where you're going because I have lived with this my whole life. But family farms, the layman term is you're dirt poor. And as time goes on, that, that gets more obvious in the liabilities and the responsibilities. We don't -- we don't own this farm to sell it and make a big profit, and so the value of the farm really has no reflection on our ability to, to pay, and I want to make that point.

THE HEARING OFFICER: Thank you.

MR. MANN: The size of the dam I think is, is very questionable. I did not get a report from the engineer but I, I have a pretty good idea that -- first of all, I know it isn't 65 feet -- it's closer to half of that when you're talking about water level. So -- but bottom line is that I don't feel like I'm using a water right here but if I am, why then, that's, that's what the State has decided.

So another clarification was -- no, I think we covered that as far as the cows. And the -- we did not talk about the, the benefits to the State for fire protection. It seems though the comments made in the testimony by the prosecution was that this was, was for my benefit. I don't see it that way at all. I think that something like this, especially that's accessible for helicopters -- and CDF has even done their practice session for their bombers here because of location -and this is an asset to the State. We really didn't touch much on this, but there's a lot about this that's asset to the State of California and the environment. And so -- and the fact that I have cease and desist from the time I was made aware that this was not appropriate thing to do, hauling water out of the reservoir. concludes my comments. Thank you.

1

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2.1

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25

THE HEARING OFFICER: Thank you. And I do appreciate that you came in for this -- for this hearing.

We will -- the entire board, all five members of the Water Board, will take this matter under submission. The staff will prepare a proposed order for consideration by all board members. The participants in this hearing will be sent a notice. So you will receive information of the Board's proposed order in this

matter, and the date of the Board meeting -- we'll have a Board meeting where the entire board will vote on, on the proposed order -- or where it will be considered and possibly voted on. And after the Board adopts an order, any interested party has thirty days within which to submit a written petition for reconsideration by the Board. So there's still a fair amount of process.

MR. MANN: Right.

2.1

THE HEARING OFFICER: That we -- in an abundance of caution. I hope you appreciate that.

MS. MANN: Oh, we do.

it's a very -- particularly, as you noted, it's very serious right now at a time when there's so little water available for the many creatures as well as people who use the water, and there is such an interconnection of streams and tributaries to larger streams and tributaries that it is a -- we think it's a very, very seriously issue as you can tell. And I thank you for coming in. I totally appreciate that you are -- that this is overwhelming but it is -- it is very, very important. I just want to emphasize that, because it's not just about you. It really is about the State of California, the waters.

So with that, are there any other  $\operatorname{\mathsf{--}}$  are there

```
any other things that I have forgotten? No.
1
2
           Then we will close the hearing, and then you
3
    should make sure you make arrangements to, to get the
    transcript, and you will be notified when the transcript
4
5
    is available and also what the deadline is, the
6
    thirty-day deadline for getting your closing statements
7
    in and the same would be for the prosecution team.
8
                MS. MANN: Do we come -- you said when the
9
    Board has a discussion, are we going to be coming back?
10
                THE HEARING OFFICER: You certainly are
11
    welcome.
12
                MS. MANN: "Can" but we don't have to be
13
    here.
14
                THE HEARING OFFICER: Correct.
15
           And the question was, should they come back, and
    they are certainly welcome.
16
17
                MR. MOORE: It's an open public meeting.
18
                THE HEARING OFFICER: It's an open public
    meeting, and you're welcome, but you aren't required.
19
20
                MR. MOORE: Right.
2.1
                THE HEARING OFFICER: Thank you very much.
22
23
       (Whereupon the proceeding concluded at 11:23 a.m.)
24
25
                              --000--
```

I, Brittany Flores, a Certified Shorthand Reporter of 1 the State of California, duly authorized to administer 2 3 oaths, do hereby certify: That the foregoing proceedings were taken before me 4 5 at the time and place herein set forth that any 6 witnesses in the foregoing proceedings, prior to testifying, were duly swore; that a record of the 7 proceedings was made by me using machine shorthand which 8 was thereafter transcribed under my direction; that the foregoing transcript is a true record of the testimony 10 11 given. 12 Further, that if the foregoing pertains to the original transcript of a deposition in a Federal Case, 13 14 before completion of the proceedings, review of the 15 transcript ( ) was ( ) was not requested. I further certify I am neither financially interested 16 17 in the action nor a relative or employee of any attorney 18 of party to this action. 19 IN WITNESS WHEREOF, I have this date subscribed my 20 name. 2.1 22 Dated: 23 24 25 Brittany Flores CSR 13460 CALIFORNIA REPORTING, LLC (415) 457-4417.