

RECLAMATION DISTRICT NO. 108

Minutes of the Regular Meeting Of the Board of Trustees

October 20, 2016

President Durst called the Regular Meeting of the Board of Trustees to order at 8:30 a.m. on Thursday, October 20, 2016 at Reclamation District No. 108 headquarters, Wilkins Slough, Colusa County, California.

Trustees Present: Fritz Durst, Jon Leonard, Roger Cornwell, Sean Doherty and Hilary Reinhard

Trustees Absent: None

Others Present:

Lewis Bair, General Manager	Fred Durst, Landowner
Gary Marler, Superintendent	Cameron Kaelin
Chad Navarrot, Asst. Superintendent	Don Huff III, Landowner
Cathy Busch, Executive Secretary	John Louden, Supervisor Colusa Co
Beverly Walls, Bookkeeper	Zeke Dormer, Landowner
Kevin O'Brien, Legal Counsel, by Phone	
Steve Beckley, PR Consultant	Derek Strain, Landowner
John Segale, Public Relations	Kim Gallagher, Landowner
Gage Houser, Hutchinson	Tom Ellis, Landowner
Steve Wilks, Hutchinson	Candy Dormer, Landowner
Eileen Diepenbrock, Attorney by Phone	Bartley Adams, Landowner, RGF

Agenda – It was moved by Trustee Cornwell to approve the Agenda as submitted. Trustee Doherty seconded. Vote: Approved 5 - 0.

Open Forum

President Durst welcomed the public to the meeting. Manager Bair reported that Reclamation District No. 1500 and Sutter Mutual have been discussing the possibility of a shared office with RD108 and the Sister District's. The District was considering the tradeoffs to this option vs. the expanded office in our current location. He went on to discuss the benefits of a shared facility. He asked that landowners take a moment to think about this issue and contact Trustees or staff with comments within the next two months.

Attorney O'Brien entered the meeting at 8:43 by conference call to discuss the Sustainable Groundwater Management Act (SGMA). Attorney O'Brien reported that all Groundwater Sustainability Agencies (GSA) must establish boundaries by June 30, 2017. There are two general options being explored to comply in the District's area: 1) a single GSA with a single Plan model, this would be the best option where there is no overdraft issues; and 2) Multiple GSA's working under a Joint Power's Agreement, to develop a single plan. He cautioned the District that it will be important to reserve the right to be an independent GSA in the future should the group

approach fail. The Groundwater Sustainable Plan (GSP) must be completed by 2022. It is important to the District to protect landowners' right to pump groundwater, especially since there are threats to the reliability of our surface water rights.

Manager Bair reported that Term 91 was temporarily lifted and that the District will deliver water after November 1 until Term 91 is back in place.

The Public Forum ended at 9:25 a.m.

ADMINISTRATION

Public Participation: There were no further comments from the Public at this time.

Consent Agenda – It was moved by Trustee Reinhard to approve the consent agenda, including the Minutes of the Board Meeting held on September 25, 2016. Trustee Leonard seconded. Vote: Approved 5 - 0.

Accounts Payable – It was noted that the District received a deficit O&M billing from USBR for additional cost of 2015 water, in the amount of \$1.1 million. The higher cost is due to very low total Central Valley Project water deliveries during that period. It was moved by Trustee Doherty to approve the accounts payable: Maintenance Fund in the amount of \$714,091 and on-line payments issued in September and October to be ratified in the amount of \$35,835; and Irrigation Fund in the amount of \$1,184,423 and payments in September and October to be ratified in the amount of \$110,736 Trustee Cornwell seconded. Vote: Approved 5 – 0.

BUSINESS ITEMS

1. Operations Report –Superintendent Marler reported on District-wide operations. He reported that fish trapping in the Colusa Basin Drain south of Countyline Road would start on November 1. Superintendent Marler requested authorization to replace a F-250 Pickup that had a motor failure. The pickup has 117,000 miles and it was felt it was a better decision to replace the pickup than to invest in a new motor for an older vehicle. The motor repair was estimated to be \$12,000. After discussion, it was moved by Trustee Doherty to replace the F-250 pickup. Trustee Reinhard seconded. Approved 5 – 0.

Assistant Superintendent Navarrot distributed and reviewed an October Operations and Maintenance Report detailing current projects and maintenance within the District. The Report is attached hereto and made a part hereof, Attachment A.

2. District Staffing – Manager Bair reported that he is working with a recruiting firm to fill the two open positions. Interviews are planned for mid-November and have both positions filled by December 1. Manager Bair asked the Board if they would like to participate in the interview process. President Durst stated that he would like to participate.

3. 2016 Water Operations – Manager Bair reported that Shasta was at 2.7 million acre-feet of water. Term 91 has been lifted and if we do not receive any rain, will most likely be called again.

4. Project Reports

KLOG – Attorney Sean Filippini, Downey Brand, was contacted by phone at 10:07 a.m. The Board went into Closed Session to conference with legal counsel on significant exposure to litigation pursuant to subdivision (b) of section 54956. The Board came out of Closed Session at 10:24 a.m. and it was reported that no action was taken.

5. El Dorado Bend Pumping Plant Maintenance Project – Attorney Eileen Diepenbrock entered the meeting by phone at 10:30 a.m. The Board went into Closed Session to conference with legal counsel on significant exposure to litigation pursuant to subdivision (b) of section 54956 regarding the El Dorado Bend Pumping Plant Maintenance Project. Trustee Cornwell stepped out of the meeting for this discussion. The Board came out of Closed Session at 10:50 a.m. and it was reported that no action was taken.

6. Adopt the Water Management Plan – Manager Bair reported that the Regional Water Management Plan is currently being updated. The update should be completed prior to the next Board meeting. He is seeking authorization to sign and file the Water Management Plan on behalf of the District. It was moved by Trustee Cornwell to authorize Manager Bair to sign and file the Water Management Plan. Trustee Reinhard seconded. Approved 5 – 0.

7. Amend the Conflict of Interest Code for New Positions – It was moved by Trustee Doherty to approve the amended Conflict of Interest Code for new positions. Trustee Leonard seconded. Approved 5 – 0.

INFORMATION REPORTS

Attorney's Report – Manager Bair gave an update on the California Water Fix.

NCWA Report – Trustee Cornwell reported that NCWA will be holding an event tonight at Matchbook Winery between 4:30 p.m. to 7:00 p.m. to celebrate the ongoing successful project partners.

Sites JPA – President Durst gave a status report of the Sites. A workshop is scheduled for tomorrow in Maxwell for the new JPA members. There are three organizations that are willing to put money on the table, but are seeking a seat on the Board. There are compelling reasons for each of these three potential members for holding a seat.

Communications Consultant – Mr. Steve Beckley gave a report on current communication efforts. Mr. John Segal reported on the press event for Wallace Weir Project.

Manager's Report – Manager Bair reported that the District contributed \$1,000 towards the Family Water Alliance Annual Dinner in 2015 and asked if the Board would like to participate in 2016. It was moved by Trustee Cornwell to authorize payment to the Family Water Alliance in the amount of \$1,000. Trustee Reinhard seconded. Approved 5 – 0.

Investment Consultant Report – Mr. Gage Houser reported that Mr. Bill Hutchinson was moving towards retiring and that he and a partner, Mr. Steve Wilks, are purchasing the business. The new ownership is required to have each of their clients sign an ownership update. After discussion, it was moved by Trustee Doherty to sign the ownership update. Trustee Cornwell seconded. Approved 5 – 0. Manager Bair reported that the signatories for the Schwab accounts needed to be updated. It was moved by Trustee Doherty to authorize Manager Bair, President Durst and Trustees Doherty and Reinhard to be signatories to the Schwab account for the District, the Employee Retirement Fund and the Employee Deferred Compensation Account. It was seconded by Trustee Cornwell. Approved 5 – 0.

Mr. Houser reviewed the District's investments and the five-year ladder investing strategy.

ADJOURNMENT

There being no comments from the public and no further business to come before the board, the meeting was adjourned at approximately 12:15 p.m.

Respectfully Submitted

Lewis Bair
Manager

Attachment: A

October Operations Report – Copy may be obtained upon request.