

RECLAMATION DISTRICT NO. 108

Minutes of the Regular Meeting Of the Board of Trustees

July 16, 2015

President Durst called the Regular Meeting of the Board of Trustees to order at 8:32 a.m. on Thursday, July 16, 2015 at Reclamation District No. 108 headquarters, Wilkins Slough, Colusa County, California.

Trustees Present: Fritz Durst, Roger Cornwell, Sean Doherty, Jon Leonard and Mike Miller

Trustees Absent: None

Others Present: Bryan Busch, Assistant Manager
Chad Navarrot, Operations Manager
Cathy Busch, Executive Secretary
Beverly Walls, Bookkeeper
12 Members of Public (See Attached List)

Kevin O'Brien, Legal Counsel
Steve Beckley, PR Consultant
Norm Newell, Auditor

Agenda – The Agenda was approved as presented.

Open Forum

President Durst welcomed the public to the meeting and opened the Public Forum. Assistant Manager Busch reported on the River operations and District diversions. The River elevation at Wilkins Slough got down to a new low of 2,800 cfs. He said that the Bureau of Reclamation's (USBR) Temperature Plan for the River was on schedule. The District will use some Project Water in 2015, but it will not impact the water transfers with Colusa County Water District and Dunnigan Water District. RD 108's groundwater levels are close to 2014's lowest levels; therefore, the District is monitoring the groundwater levels closely and will run groundwater wells intermittently so that there will be no impact from subsidence. The District's groundwater wells water quality are within the District's water quality policy.

Assistant Manager Busch gave a status report on the Knights Landing Outfall Gate Project. He said that the Project will go out to bid on Friday for construction in 2015. All permitting will be done by the end of August. The USBR has committee Restoration Funds in the amount of \$1.3 million, the State has said that it will provide \$500,000 and DWR and CFWS will provide \$50,000 each. Assistant Manager Busch reported on all the benefits that the District has received from this Project, even before it has been constructed. Attorney O'Brien reported that when the

Settlement Contractors go back to contract renewal that KLOG and the cooperative Sacramento River operations will help the case.

Assistant Manager Busch reported that the Nature Conservancy is seeking to have a Shore Bird Project in 2015, similar to last year. The Nature Conservancy will only have enough funds for about 250 acres to participate this year. The Central Valley Joint Venture, which includes Point Blue, The Nature Conservancy, Ducks Unlimited and others, have expressed their concern that there will not be any water for the shore birds and waterfowl this fall. It was thought that the District might have some water available for bird habitat at a cost of about \$100 acre-foot, including the cost of running the groundwater wells and a small payment to landowners. It was also suggested that if we received some wet weather, the District could encourage a program to leave boards in rice boxes. The program would hold rain water in fields for bird habitat and reduce peak flows in the Districts drains.

President Durst reported on the Sites Reservoir Project. He traveled to Washington DC along with Thad Bettner, GCID, David Guy, NCWA and others to seek funding support for Sites. They attended 22 meetings in two days. A program call Reclamation Infrastructure Finance Act (RIFA) may be a source of funding for Sites. It would allow Sites to apply for construction loans that are low interest and will not be required to pay back until five-years after Sites has been completed, thus allowing Sites to produce income before starting to repay the loans.

The Public Forum closed at 9:20 a.m.

ADMINISTRATION

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

Consent Agenda – After discussion, it was moved by Trustee Cornwell, seconded by Trustee Miller and unanimously approved to approve the consent agenda, including the Minutes of the June 18 Board meeting and Special Board meetings held on June 19 and June 22, 2015.

Accounts Payable – After discussion, it was moved by Trustee Doherty, seconded by Trustee Cornwell and unanimously approved to approve the accounts payable: Maintenance Fund in the amount of \$291,239 and on-line payments to be ratified in the amount of \$27,630 and Irrigation

Fund in the amount of \$697,947, include System Rental of \$469,829 and payments to be ratified in the amount of \$101,700 for power.

2014 Financial Audit Report – Mr. Norm Newall presented the 2014 Financial Audit Report. He said that the District had a clean opinion and was in good financial condition. He expressed his concern with investments held by Colusa County since they go out to 2027. It was his recommendation that the District review the County's investment program. Mr. Newell reviewed the Districts Income and Expense Statement and Balance Sheet making comparisons to the prior year 2013. After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Leonard and unanimously approved to the 2014 Financial Audit Report as presented.

President Durst commented on the need for District policies and procedures. He requested that Manager Bair work with staff and Mr. Newell on drafting policies and procedures for the District Finance Committee to review.

BUSINESS ITEMS

2. Tract 6 Committee Report – Trustee Cornwell reported that the Tract 6 Committee met before this meeting to discuss the agricultural land preservation easement (easement) of 88 acres and the lease extension. It was the Committee's recommendation that the easement be designated in Field No. 198WN. They felt that this was a location that the District would not want to take out of ag production. After discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to designate 88 acres of Field No. 198WN as an agricultural land preservation easement for the Bullock Bend Project. In return for this easement the District will receive the spoil from the Bullock Bend Project with Westervelt also providing the trucking. The spoil will be used to buildup 5.6 miles of toe road along the Sacramento River and 5.7 miles of interior irrigation canal berms and access roads.

Trustee Cornwell reported that the Tract 6 Committee approved of the lease extension for an additional two years and for the inclusion of language that would not allow Tract 6 lessees to participate in water transfers. It allows the District to idle up to 25 percent of the land for water transfers and to pay lessees for any preparation work that might have been done on the idled fields. If the lessee pays for preventive planting, the District would also reimburse those costs. After further discussion, it was moved by Trustee Doherty, seconded by Trustee Cornwell and

unanimously approved to approve the 1st Amendment to the Tract 6 Lease Agreements. The agreements will be sent out to the tenants for their review and signature.

3. Compliance with the Sustainable Groundwater Management Act (SGMA) – Attorney O’Brien reported on the SGMA and if the District should choose to become a Groundwater Sustainable Agency (GSA). The SGMA empowers local agencies to adopt groundwater management plans tailored to their resources and needs, by becoming a GSA. The question is whether a GSA should be setup as a groundwater basin as a whole or broke up by local agencies. The GSA must be setup by June 2016. Attorney O’Brien stated that if there were overlapping GSAs then coordination agreements would have to be prepared. He felt that DWR was not looking for a lot of individual GSAs, but more county wide or basin wide GSAs. It was the consensus of the Board that the District should go through the process of becoming a GSA so that it will be included in all discussions regarding SGMA and what is best for the groundwater basin.

4. 2015 Water Operations & Water Transfers – Assistant Manager Busch reported on the water operations. Water diversions at the Wilkins Slough Pumping Plant are down due to the additional groundwater from landowner pumping and the cooler weather. There was discussion regarding shutting down the landowner groundwater pumping. Assistant Manager Busch reported that the landowner groundwater pumping was scheduled to run to mid-August. It was his recommendation that the District continue pumping for a week then start shutting down landowner wells over a period of time so as not to draw the River down to quickly, starting with the wells that are the least efficient.

Operations Manager Navarrot reported that because of the low River, one of the pumps at the Emery Poundstone Pumping Plant is make vibration noise and he has plans to pull the pump and have it checked. President Durst suggested that once the River level is up to see how the pump runs, if the pump runs fine with no noise then don’t pull the pump.

5. Knights Landing Outfall Gate Project – Attorney O’Brien reported that the District needed to take action to adopt a mitigated negative declaration, approving notice of determination and giving final approval for the Knight Landing Outfall Gate Project (KLOG). After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Miller and unanimously approved to Adopt Resolution No. 15-07 in the matter of Adopting a Mitigated

Negative Declaration, Approving Notice of Determination, and Giving Final Approval for Knights Landing Outfall Gates Project. Resolution No. 15-07 is attached hereto and made a part hereof.

Assistant Manager Busch reported that KLOG construction bids will go out Friday and are due in two weeks. The engineer will review the bids and the District will have a special meeting to award the construction contract to the low responsive bid. The total estimated cost of the Project is \$2.2 million. The District has USBR Restoration funding of \$1.5 million, \$500,000 State commitment, CDFW & Flood Board \$100,000, leaving the Project short by \$100,000. River Garden Farms and other Settlement Contractors have also said that they will contribute to the Project. At this time there are no funding agreements in place and until we do there are some risks to the District.

6. Support for Water Fowl this Fall and Winter – Assistant Manager Busch reported that The Nature Conservancy (TNC) is seeking help from the District in providing Fall and Winter water for the Water Fowl. TNC currently has just enough funds for about 250 acres of participation. There was discussion regarding how the District might be able to provide some water for the birds. President Durst suggested a program that would leave boards in the rice fields during the wet season to save the rain water for the birds and providing an incentive payment to the landowner. Assistant Manager Busch stated that TNC said that if the District submitted possible projects to help the birds, they would seek funding for them. After further discussion, Assistant Manager Busch was directed to work with TNC to see if the District could help with the bird issue.

7. RD108 Board Elections – The District has three seats up for election in 2015, President Durst, and Trustees Cornwell and Doherty. After discussion, it was moved by Trustee Doherty, seconded by Trustee Cornwell and unanimously approved to adopt Resolution No. 15-06 in the matter of Calling an All-Mailed Election Ballot and Set Election Date for November 17, 2015. Resolution No. 15-06 is attached hereto and made a part hereof.

INFORMATION REPORTS

NCWA's Report

Trustee Cornwell reported that there was no NCWA Report. He commended Mr. David Guy on his work on behalf of Northern California.

Attorney's Report – Attorney O'Brien reported that he was contacted by Landowner Strain's attorney regarding the drainage issue between Landowner Strain and West. Both landowners are currently working on a settlement and will be looking for a contribution from the District. This will be added to the August Board Meeting Agenda.

Attorney O'Brien gave an update on river curtailments. He said that the State Board issued a revised notice to stop pumping. If the judge approves the notice, the Board will be able to go after water users after they have been noticed to stop pumping. This does not impact the District in anyway. There is concern that if the drought continues and there is not enough water that someone will draft legislation to try and fix the water right issue. It was suggested that maybe Northern California should seek an author for legislation that would protect our water rights. NCWA would be very supportive of this issue. After discussion, President Durst directed Attorney O'Brien to work with NCWA to look into the pros and cons of seeking water rights legislation.

Attorney O'Brien reported that after hearing the concern of the District's auditor, he recommended that the District review Colusa County's investments. The Board concurred.

Sites Report – President Durst said that the Sites JPA is still working on hiring the new General Manager. The position will now be hired as an independent contractor. The vote on the new members is on hold until the new General Manager is hired. Attorney O'Brien suggested that the Sites JPA approach Trinity Water District since they are looking for new water sources.

Manager's Report – President Durst gave a status report on the El Dorado Pumping Plant Maintenance Project. Manager Bair is currently setting up a meeting with River Garden Farms. He also reported that AB-568 passed. This legislation was present by Assemblyman Bill Dodd and provided the District with hydro-power authority.

The Board reviewed the cost and benefit of the District's residences. Operations Manager said that the one of the benefits of the residences is having an employee on site when needed. After discussion staff was directed to request proof of renters insurance from the District tenants in the residences.

Assistant Manager's Report

Assistant Manager reported on the Groundwater Well No. 6, located on County Line Road, pipeline to the Main Canal. The benefits of the project would be to have a backup source of water for the Emery Poundstone Pumping Plant service area, a decrease in conveyance losses and decrease in travel time and increase of flexibility to move the water. The estimated cost is \$38,000 plus District labor and equipment. After discussion, Assistant Manager Busch was directed to look for water efficiency funding opportunities for this project.

Communications Report – Mr. Steve Beckley reported that he has opened a facebook and twitter account and already posted District pictures. Staff was directed to contact Mike Larsen regarding his current work with the District.

RECESS

At 12:20 p.m. the meeting recessed for lunch. Those present at the meeting were invited to join the Board for lunch. The meeting reconvened at approximately 12:50 p.m.

ADJOURNMENT

There being no comments from the public and no further business to come before the board, the meeting was adjourned at approximately 12:40 p.m.

Respectfully Submitted

Bryan Busch
Assistant Manager