

RECLAMATION DISTRICT NO. 108

Minutes of the Regular Meeting

Of the Board of Trustees

February 19, 2015

President Durst called the Regular Meeting of the Board of Trustees to order at 8:30 a.m. on Thursday, February 19, 2015 at Reclamation District No. 108 headquarters, Wilkins Slough, Colusa County, California. (No January Board Meeting due to lack of quorum).

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

Trustees Absent: None

Others Present: Lewis Bair, General Manager
Bryan Busch, Assistant Manager
Chad Navarrot, Operations Manager
Cathy Busch, Executive Secretary
Kevin O'Brien, Legal Counsel
14 Attending Landowners & Water Users (see attached sign-in sheets)

Agenda – It was moved by Trustee Doherty, seconded by Trustee Miller and unanimously approved to approve the Agenda with one change, Attorney's Report Closed Session moved to before Item 5.

OPEN FORUM

President Durst welcomed Landowners and Water Users to the Board meeting and opened the Forum for discussion. Manager Bair reviewed the current water supply outlook for 2015 Water Year. He reported that the District's water contract is based on the inflows to Shasta. Contractually, we are looking at a 25 percent water reduction year. He reminded those attending that because of the District's recycling facilities the District can provide water for all crops with a 75 percent Water Year. During 2014 when the District also was in a critical drought year the salmon loss was higher than normal. This is raising concerns and may affect the ability to full the 75% contract supply if an operations scenario can't be developed to avoid a similar result. Attorney O'Brien gave an update on the water contract litigation. Manager Bair reviewed the District's water supplies, groundwater, State water licenses, water contracts and possibly of Sites as a future water source. The Board of Trustees took action to participate with Sites, with a final decision regarding water supply from Sites within the next two years. The cost of water

from Sites is estimated at \$600 per acre-foot during capital repayment. Landowners expressed both support for the engagement with Sites and the concern over cost.

President Durst reminded the Landowners and Water Users of the 2015 Annual Landowner meeting to be held on Tuesday, March 3 at 10:00 a.m. at the District headquarters. It was suggested that a sign be placed on the Scout Cabin just in case landowners think the meeting is there. Landowners and Water Users departed the meeting at 10:00 a.m.

ADMINISTRATION

Consent Agenda – After discussion, it was moved by Trustee Miller, seconded by Trustee Leonard and unanimously approved to approve the Consent Agenda as presented.

Accounts Payable

After discussion, it was moved by Trustee Cornwell, seconded by Trustee Miller and unanimously approved the January/February Accounts Payable: Maintenance Fund in the amount of \$4,046,548 including payments to Water Transfer participants, payments issued in January/February to be ratified totaled \$222,156; and Irrigation Fund in the amount of \$109,878 including online payments.

BUSINESS ITEMS

1. Adopt the 2015 Final Financial Budget – Manager Bair reviewed the Preliminary 2015 Financial Budget for Maintenance and Irrigation funds. After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to adopt the 2015 Final Budgets for both Maintenance and Irrigation Funds as submitted.

2. Operations Report – Operations Manager Navarrot reported on current maintenance activities within the District. He said that evaluations of the pumping plants have been made and a list of maintenance issues has been compiled. District staff will complete repairs and maintenance with Richfield Electric. The final measurement facilities will be installed and ready to test during the 2015 water year.

3. 2015 Water Operations

- **Water Supplies** – Manager Bair stated that the District received a letter from USBR postponing the final decision on water Supply into March. USBR will continue to monitor the hydrology of the River and will notify us of the actual water supply availability and timing by March 15.

- **Water Transfers** – Assistant Manager Busch reviewed the District's options for water transfers. The District could transfer up to 20,000 acre-feet in a crop shifting/idling program, up to 15,000 acre-feet of groundwater and any unused Project water. After discussion it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to offer up to 20,000 acre-feet of water for a crop shifting/idling water transfer. It was further moved by Trustee Doherty, seconded by Trustee Cornwell and unanimously approved that the District would retain 15 percent of the crop shifting/idling water transfer proceeds to cover administration and lost water revenue.

7. Election of Officers and Standing Committees – President Durst opened nominations for president. It was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to nominate Fritz Durst as Board President. It was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to close nominations for President and cast a unanimous slate for Fritz Durst. President Durst opened the nominations for Vice-President. It was moved by Trustee Doherty, seconded by Trustee Leonard and unanimously approved to nominate Trustee Cornwell as Vice-President. It was moved by Trustee Doherty, seconded by Trustee Leonard and unanimously approved to close nominations for Vice President and cast a unanimous slate for Trustee Cornwell as Vice President. President Durst opened nominations for Board Secretary. It was moved by Trustee Cornwell, seconded by Trustee Leonard and unanimously approved to nominate Lewis Bair as Board Secretary. It was moved by Trustee Cornwell, seconded by Trustee Leonard and unanimously approved to close nominations for Secretary and cast a unanimous slate for Lewis Bair for Secretary.

5. Closed Session – The Board went into Closed Session at 11:30 a.m. to confer with legal counsel on anticipate exposure to litigation pursuant to subdivision (b) of section 54956.9 (1 potential case). The Board came back into Open Session at 12:10 p.m. and President Durst reported that one action was taken. It was moved by Trustee Cornwell, seconded by Trustee Miller and unanimously approved to contract through Downey Brand a consultant to research the District's riparian and appropriate rights.

The Board recessed for lunch at 12:10 p.m. and returned to Open Session at 12:30 p.m.

4. Knights Landing Outfall Gate Project – Manager Bair gave a status report on the Knights Landing Outfall Gate Project (Project). He said that the permitting is costing more than anticipated (\$250,000). There is a lot of agency interest in the Project, but no funds available at this point. After discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to increase the Project budget to \$250,000 for permitting and planning.

6. Sites Report – President Durst reported that the Site JPA are looking for letters of interest for water supply from Sites. At this point the price of the water expected to be \$600 acre-foot. After reviewing the District’s current water supplies and usage the Board considered submitting a letter of interest for 20,000 acre-feet of water. Over the next 2 years, the Project planning studies are expected to cost 5 to 10 million dollars. After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Leonard and unanimously approved to submit a letter of interest to the Sites JPA for 20,000 acre-feet of water and contribute to the planning and design of the Project up to \$1,000,000.

The Board discussed a proposed groundwater transfer, using the proceeds to develop a water portfolio. After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty to participate in a groundwater transfer up to 15,000 acre-feet north of the Delta, and to proceed with the Project Water transfer with Colusa County and Dunnigan Water Districts with the proceeds, excess of expense, going into a water portfolio. The motion passed with Trustee Miller opposing.

8. Adopt Resolution No. 15-01 in the Matter of Authorizing Grant Application for DWR 2014 Flood Emergency Response Project – Manager Bair reviewed the 2014 Flood Emergency Response Grant. After discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to adopt RESOLUTION NO. 15-01 in the matter of Authorizing Grant Application for Department of Water Resources 2014 Flood Emergency Response Projects – Statewide 2nd Round Grant for “Mid/Upper Sacramento River Regional Flood Response Project – Phase II. RESOLUTION NO. 15-01 is attached hereto and made a part hereof.

9. Adopt Resolution No. 15-02 in the Matter of Water Resources Association (WRA) of Yolo County – Development of a Groundwater Sustainability Agency – After discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to adopt RESOLUTION NO. 15-02 in the matter of supporting the Water Resources Association of Yolo County acting as the Planning Forum for Development of a Groundwater Sustainability Agency. RESOLUTION NO. 15-02 is attached hereto and made a part hereof.

10. Tract 6 Committee Report – Manager Bair reported that the Tract 6 Committee met with the Tract 6 tenants, except for Rehman Family Farms who was out of the Country, regarding year end yields, 2015 cropping and extending the current Lease for an additional two years as offered in the lease. Each of the tenants, including Rehman Family Farms by email, have stated their wish to extend the lease with no change in terms. This matter will be carried over to the March Board meeting as an action item.

INFORMATION REPORTS

NCWA Report – Trustee Cornwell distributed copies of the NCWA 2015 Priorities for the Board's review.

Assistant Manager's Report – Assistant Manager Busch reported that he attended a Colusa County Groundwater Meeting to review the draft amendments to the groundwater ordinance. He reviewed the recommendations for both in and out of County transfers. The County proposes to make in County groundwater transfers an easy process with out of County transfers requiring permits, fees and case-by-case approvals. Manager Bair stated that he requested Grant Davids, Davids Engineering, to research how much groundwater has been pumped and what percent of that groundwater pumping was associated with surface water transfers. President Durst directed staff to keep the Groundwater Committee apprised of the proposed Groundwater Ordinance so if they need to contact the Board of Supervisors they can.

Assistant Manager Busch reported that the Nature Conservancy will not have funding for a Shore Bird Project in the spring of 2015. The Board suggested that the District could request rice growers to leave the boards in their fields after harvest, install bird boxes and offer water at cost if the River is high for a Bird Program in the spring/fall as additional habitat programs within the District.

Manager's Report - Manager Bair reported on his trip to Washington DC. After meeting with Senator Feinstein he felt that she would help support the Sites Reservoir Project. RD108's legislation to add hydropower authorities will be submitted by Assemblyman Dodd. There are currently two versions of the Bill, one is setup like RD1004 and the second version would include new language.

Conaway Farms has requested a meeting on Feb 24, 26 or 27 after 10:00 a.m. Manager Bair asked if two Board members would agree to attend this meeting. Manager Bair was directed to set up the meeting for Feb 27 at 1:00 p.m. with President Durst and Trustee Cornwell attending.

Other Matters – Manager Bair reported that there has been discussions regarding the creation of a Sacramento River Settlement Contractors Authority that would provide an entity that could speak with one voice for the Settlement Contractors. It was suggested that letters be sent to the Settlement Contractors to invite them to participate.

The District has discussed the need for a Public Relations person that could attend meetings and provide communications to the landowners, water users and broader public. Manager Bair said that he would set up interviews for this position.

Manager Bair reported that the District won the Bureau of Reclamation's Regional Director award for its Water Measurement Program.

ADJOURNMENT

There being no comments from the public and no further business to come before the Board, the meeting was adjourned at approximately 2:30 p.m.

Respectfully Submitted,

Lewis Bair
Secretary/Manager