

RECLAMATION DISTRICT NO. 108

Minutes of the Regular Meeting

Of the Board of Trustees

March 19, 2015

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

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
Beverly Walls, Bookkeeper

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

2015 Water Supply - Manager Bair reported that the District is still in discussion with USBR regarding 2015 water supplies. USBR will be requiring closer River coordination and reporting. Water diversions will not start until April 20 for rice and with a slow rice water startup through May as was done in 2014. The process for starting water for 2015 will be similar to 2014 where a field is put into a queue once it is ready to start water. Last year the average wait peaked at seven days.

Water Transfers - Assistant Manager Busch announced that the water transfer letters of interest are due next Tuesday. The District’s water transfer quantities and information is due to USBR on April 1. April 24 is the first call date for the crop idling/shifting. Should SLDMWA choose to wait until May 1 to call for the water, an additional \$30 per acre-foot of water would be paid to cover any land preparation costs that were incurred prior to the water-call. Assistant Manager Busch reviewed the process of how the District will determine participation in the SLDMWA transfer. If the interest is more than the water transfer quantity, a drawing will be held

to fill out the transfer quantity. The final determination may not happen until May 1. The process for an in-basin water transfer to Colusa County Water District and Dunnigan Water District will begin as soon as USBR confirms the District's water supply.

Knights Landing Outfall Gate Project (KLOG) – Manager Bair gave a status report of the KLOG project. This project will prevent fish from coming up the Colusa Basin Drain as happened on a significant level with Winter Run Salmon in 2013. USBR Restoration funding will pay about 50 percent of the construction cost with construction scheduled for September of this year. The District is currently seeking other cost-share funding.

The public departed the meeting at 9:00 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 February 19, 2015 Board meeting.

Accounts Payable

After discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to approve the Accounts Payable: Maintenance Fund in the amount of \$705,760, on-line payments to be ratified in the amount of \$22,337 and payments to be ratified in the amount of \$27,025 and Irrigation Fund in the amount of \$614 and one payment to be ratified in the amount of \$20.

BUSINESS ITEMS

Sites Reservoir Report – President Durst reported on the activities of the Sites JPA. At a meeting held with Senator LaMalfa and Congressman Garamendi the JPA was told that there would likely be no federal appropriations for Sites. The JPA is currently working on State and private funding. The JPA is currently working through project footprint issues concerning landowners. A proposal was developed by Colusa County in response to landowners input to re-route the pipeline and possible transmission power lines to reduce impact on landowners. There will be a meeting on March 25 at Glenn-Colusa Irrigation District, with maps of the

proposed changes. The JPA is currently working on investor outreach. Approximately 131,000 acre-feet of interest has been expressed by northern California to date.

1. Operations Report – Operations Manager Navarrot reported on current activities within the District. PG&E notified the District in December of a lightning strike that damaged the transformer and fuses at Lateral 8 Pumping Plant with an estimated repair cost of \$20,000. It was suggested that the District submit a claim for damages to ACWA/JPIA, the District's property insurance carrier.

There was discussion regarding a policy for the wier boards in the cement boxes and the initial rice water flood-up. There should not be any impact on flows if the boards are at field mud level. After discussion, President Durst directed staff to draft a policy for the cement boxes and boards inserted into the boxes for the April Board meeting.

2. 2015 Water Operations

- **Water Supplies** – The forecast for Shasta Lake level is under the 4 million acre-feet, therefore it is considered a critical water year and the District contract allows for a 25 percent cut in water supply, however, there are significant concerns by the fishery agencies that there will be challenges providing the contractual water supply.
- **Water Transfers** – Assistant Manager Busch reported that a letter will be sent to USBR regarding the District's requests for water transfers. The Colusa County Water District (CCWD) and Dunnigan Water District (DWD) water transfer will be set for a term of one year at a cost of \$400 plus the cost of water. Ms. Shelly Murphy CCWD said that the cost of water to her Water Users will be approximately \$570 per acre-foot. Concern was expressed about the orchards being planted on the west side of the valley with no new water supply. If the District decides to sell groundwater, it will be important to setup the transfers soon. It is estimated that the District could pump 2,000 acre-feet per month.

After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Miller to make up to 75 percent of the District's 75 percent Project Water (18,500 af) available for water transfer to CCWD and DWD at \$400 per acre-foot plus cost of water, with any water over the needs of CCWD and DWD being offered to the TCCA at a negotiated price. Trustee Cornwell pointed out that with the District's saving of the cost of water and restoration fees, the income to the District from the water transfer to CCWD and DWD is closer to \$500 per acre foot plus the groundwater recharge benefit.

It was further moved by Trustee Cornwell, seconded by Trustee Miller to do a one year water transfer in 2015 with CCWD and DWD transfer and to continue to work on a five-year agreement beginning in 2016.

3. Tract 6 Committee Report and Lease Extension Recommendation – Manager Bair reported that the Tract 6 Committee met and recommended that language be added to the two year extension amendment that would allow the District to pull back up to 20 percent of the leased land to participate in a water transfer. The tenant would be relieved of paying rent and leveling the fields. This would take effect in 2016, the first year of the extension. Manager Bair was directed to work with Attorney O'Brien on language for the two year extension. After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to amend the Tract 6 lease for two additional years, 2016 and 2017, with the inclusion of language regarding water transfers with the Tract 6 Committee approving the final language.

4. Knights Landing Outfall Gate Project – Manager Bair reviewed the Project design and how the gates would operate. The estimated construction cost of the Project is \$1.5 million and USBR Restorations funds of approx. \$700,00 have already been committed. The Project is scheduled to go to construction in September 2015, but could be delayed until 2016 if funding is short.

5. Consider RD108 Communications – A Communications Committee was setup with two Trustees, Manager Bair and Assistant Manager Busch. A memo was drafted with the Committee's recommendations. On March 9, the Committee interviewed four Communication companies and recommended that the District hire Kearns and West as the primary, supported by Steve Beckley for photography and content. After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to approve the Communication Committee's recommendation to hire Kearns & West and Steve Beckley and to amend the 2015 Budget to include \$40,000 for Public Relations.

6. Consider Submission of Water Conservation Grant – Manager Bair reported that there was not enough time to complete the Water Conservation Grant at this time, but the work that has been done will be saved for a future Grant.

INFORMATION REPORTS

NCWA's Report

Trustee Cornwell reported on the current activities of NCWA. NCWA is waiting on the outcome of the water rights fees and recommending that the districts continue to pay the fees under protest. Tours and educational meetings are being discussed for the new elected legislators and their staff to advance their knowledge on water issues.

Attorney's Report – A Settlement Contractors Association is being considered to deal with specific issues related to the Settlement Contractors. The attorneys were asked to draft formation papers to be structured as a non-profit organization. NCWA would perform the administration. This would give the Settlement Contractors an opportunity to discuss specific issues relating to the Contractors and to speak with one voice.

Assistant Manager's Report

Assistant Manager reported that the Groundwater Committee met on March 16. The Committee reviewed 2014 groundwater pumping and looked at DWR's website showing groundwater monitoring well levels and history within and around the District. It was noted that within the last five years, groundwater levels are on a downward trend, from increased groundwater pumping. Attorney O'Brien reported on Groundwater Sustainability Agencies (GSA), what they do and if the District should create one or join with other agencies. President Durst said that it will be important to develop a farsighted plan that considers the possibility that the District may need to use more groundwater and drill more wells. President Durst directed staff to draft the steps needed to create a GSA and/or participate in a larger group since the District is in a large aquifer located in two counties.

Assistant Manager Busch reported on the Colusa County Groundwater Committee. The County Groundwater Commission would like to limit groundwater substitution transfers outside of the County. He said that the County has a new counsel that knows groundwater. Manager Bair reported that Attorney O'Brien said that there should be no restrictions on area if there are no impacts. Attorney O'Brien comments on groundwater should be submitted to the Colusa County's legal counsel. Manager Bair reported that he asked David's Engineers to see how much groundwater is pumped in the County. It was found that 250,000 to 300,000 acre-feet of groundwater is pumped annually.

Manager's Report

Manager Bair reported that the legislation for Sites for hydro-power for RD108 will be submitted by Assemblyman Dodd and will take the better part of the year to get through the process without opposition.

President Durst directed staff to look into what the District has paid for our Water Contract since Shasta Dam has been built. Manager Bair also suggested that the attorney costs should also be included in that cost.

RECESS

At 12:00 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 12:40 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

Lewis Bair
Secretary/Manager