

RECLAMATION DISTRICT NO. 108
Minutes of the Regular Meeting
Of the Board of Trustees
September 17, 2015

President Durst called the Regular Meeting of the Board of Trustees to order at 8:30 a.m. on Thursday, September 17, 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: Lewis Bair, General Manager
Bryan Busch, Assistant Manager
Chad Navarrot, Operations Manager
Cathy Busch, Executive Secretary
Beverly Walls, Bookkeeper
Steve Saxton, Legal Counsel-Phone
17 Members of Public (See Attached List)

Agenda – It was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to approve the Agenda as presented.

Open Forum

President Durst opened the Open Forum. He gave an update on the Sites Reservoir Project. The Sites JPA Board was increased from a seven member Board to eleven members, adding four additional Tehama-Colusa Canal Authority seats. The new General Manager, James Watson, has taken the Project lead and is focused on getting the project budget and governance in place to get the water commission scope of work underway. There was discussion on the possible cost of Sites water and that the District has submitted a request for 20,000 acre-feet. There was concern expressed by Landowners related to the ultimate cost for water and the corresponding assessment to their lands. Manager Bair described a process in which all backup water supply options would be considered and ultimately the landowners would vote on the District's direction.

There was discussion regarding fall water. The District will submit a request to USBR to divert water November 10 through December 10 for rice decomp and to help provide waterfowl habitat.

The Board reported that they are seeking to become a Groundwater Sustainability Agency (GSA) for groundwater within the District boundaries. The process will include drafting a Plan for groundwater sustainability. The Groundwater Sustainability Plan must be in place by 2020 and sustainability by 2040 with interim reviews by DWR through to 2040. It was the consensus of the attendees that the District should move forward in becoming a GSA.

Manager Bair reported that FEMA is beginning to finish the Colusa County flood mapping and should be completed within the next 24 months. When the remapping is completed all new construction will have to utilize flood proof construction or be built above the flood plain. Manager Bair reported that the District Boardroom is not always large enough to accommodate landowners and water users for Board meetings or special meetings. The Board is seeking landowner input on the decision to add a Boardroom to the back of the current office before the completion of the FEMA remapping. The cost of the new Boardroom is estimated to cost District landowners about \$5 per acre. The District is encouraging landowners to express their opinion to the general manager or one of the trustees.

The Public Forum closed at 9:30 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 Doherty and unanimously approved to approve the consent agenda, including the Minutes of the August 20 Board meeting and Special Board meeting and Capital Outlay held on September 4, 2015 with two editorial corrections.

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 \$5,090,115, including payments to landowners for the first water transfer payment, and on-line payments to be ratified in the amount of \$85,999 and payments made in August to

be ratified \$14,635 and Irrigation Fund in the amount of \$574,618, including System Rental of \$469,829 and payments to be ratified in the amount of \$20,660 for power.

BUSINESS ITEMS

NCWA – Manager Bair reported that NCWA offers a six month Water Leadership program. The District is lucky to have 6 interested individuals within the District. After discussion, it was moved by Trustee Cornwell, seconded by Trustee Miller and unanimously approved to nominate six participants for the NCWA Water Leadership Program, Kim Gallagher, Deke Dormer, Todd Miller, Hillary Armstrong Reinhard, Derek Strain and Rob Meyer.

1. Operation's Report – Operations Manager Navarrot reported on maintenance projects within the District. He reported that the District received good information from the water measurement program and that there were less than 10 errors out of 450 measurement sites. He commended the Watermen and staff on their 100 percent commitment to making the program work smoothly. One issue that will need to be address is the existing/temporary/portable pumps with meters. This comprises about 50 meter sites. Operation Manager Navarrot suggested that an encroachment permit be required when a temporary pump and meter are installed so that the meters are installed according to specifications and with the least impact to the District's canals. In reply to a request, staff will compare the measurement program water use to District diversions and reuse water and report at the October Board meeting. The Board will review the Proposition 218 process and timeline at the October Board meeting.

2. Sacramento River Settlement Contractors Association (SRSCA) Formation – Manager Bair reported that Downey Brand was working on the proposed Bylaws for the SRSCA. Much of the activities contemplated by the SRSCA are currently being paid by the District, GCID and NCWA. The SRSCA goal is to cover the mutual SRSC activities and improve communications among the Settlement Contractors. After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to authorize the District to join the Sacramento River Settlement Contractors Association. It was further moved by Trustee Doherty, seconded by Trustee Miller and unanimously approved to appoint Trustee Cornwell as the District representative and to direct Trustee Cornwell to apply to be a Board member.

3. Implementation of the Sustainable Groundwater Management Act (SGMA) – President Durst announced that the District held a hearing in both Yolo and Colusa Counties regarding the District becoming a GSA. The District did not receive any comments from landowners or agencies from either County. It was moved by Trustee Doherty, seconded by Trustee Leonard and unanimously approved to adopt RESOLUTION No. 15-11 in the matter of RD108 becoming a Groundwater Sustainability Agency under the Sustainable Groundwater Management Act and to direct Manager Bair to do all things necessary.

4. Water Operations – Assistant Manager Busch reported that the District submitted a Proposition 1 Project to manage rice fields for water supply and ecosystem benefits in partnership with the California Rice Commission. The pilot program will provide water to 5,000 acres of rice ground from the Sacramento River in times of very high stream flows to store the water for multiple benefits such as water supply conservation and/or the ecosystem as a whole. Once the fields are drained, they would be available to collect high river flows during the next peak flow event. The estimated cost of the program would be \$1 million, including payments to participating landowners at \$25 per acre per year, the study costs and any additional costs for road or sediment damage. The District should hear if the project has been funded within the next couple months.

5. Knights Landing Outfall Gate Project (KLOG) – Manager Bair commended Operations Manager Navarrot and staff on the erosion repair at the Project site. He reported that Shimmick Construction (Contractor) has setup the crane in preparation of starting work. Manager Bair reviewed the funding sources and stated that there is about \$200,000 for change orders. A dedication for the Project is schedule for October 22 at 10 a.m. at the Project Site.

6. East Bay Municipal Water District Water Transfer Environmental Document – After discussion, it was moved by Trustee Doherty, seconded by Trustee Cornwell and unanimously approved to have the District be included in the 2016 East Bay Municipal Utilities District environmental document which would provide the environmental coverage should the District decide to transfer water to them in 2016.

7. Cost Share with SRWSDL for Bullock Bend Material – President Durst and Trustee Cornwell departed the meeting during this discussion. There was discussion regarding the value of the Ag Easement on Tract 6 in trade for the material from the Bullock Bend Project and trucking. After discussion, it was moved by Trustee Doherty, seconded by Trustee Leonard and

unanimously approved to request that SRWSLD pay \$88,000 to RD108 for ½ the estimated value of the ag easement that RD108 was providing to Westervelt in exchange for trucking and 65,000 cu yards of soil. This value was split between RD108 and SRWSLD since they both receive approx. 50% of the material.

8. Board Election Results – Manager Bair reported that there were only three nominating petitions filed for three open seats, therefore, there will not be an election in 2015.

9. Upper Bypass Fishery Project (Wallace Weir) – Manager Bair reported that he met with DWR and the State Resources Agency to discuss RD108 assisting with the implementation of a fish friendly replacement of the Wallace Weir (the other salmon entry point in addition to KLOG into the Colusa Basin Drain). The Project would replace the existing earth structure that washes out annually, with a hardened berm and bladder dam that could quickly be back in working order following a flood event. This would prevent fish straying into the Colusa Basin Drain at modest flood flows. When the structure was overwhelmed at high flows, it is the biologist's opinion that Salmon would largely head toward the overwhelming flows entering the bypass over the Freemont Weir. DWR is looking to the State and federal contractors to fund the facility as they are required to do by the Project's biological opinion. RD108's role would be as a local implementer and not require any funding. The State Resources Department is looking to finalize the role of RD108 by the end of October.

CLOSED SESSION

The Board went into Closed Session at 11:10 a.m. to conference with legal counsel – for one potential litigation, pursuant to subdivision (b) of section 54956.9. The Board came out of Closed Session at 11:45 a.m. and President Durst announced that no action was taken.

INFORMATION REPORTS

NCWA's Report

Trustee Cornwell reported on the NCWA Meeting. He said that discussions were held regarding 30 States suing over the Waters of the US legislation. California was not included in the lawsuit. President Durst commended Trustee Cornwell for his participation in NCWA on behalf of the District.

Attorney's Report – Nothing further at this time.

Sites Report – President Durst reported that the Sites JPA has amended the membership agreements to add four new seats on the JPA and to take out language regarding indebtedness of the JPA. After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Leonard and unanimously approved to adopt the Second Amendment and Restated Joint Powers Agreement (9/9/2015). President Durst reviewed the Sites JPA proposed budget and the District's total 2-year share of costs (\$998,000 for Phase 1). After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Miller and unanimously approved to approve the Sites Budget and the District's funding obligation for Phase 1 in the amount of \$998,000.

Assistant Manager's Report - Assistant Manager Busch reported that the 2nd Newsletter has been completed and mailed out to landowners and water users.

Manager's Report – Manager Bair reported on the recent Groundwater Legislation which focused on expedited adjudication and included reference to the Long Valley case.

Manager Bair reported on the estimated timeline for the CalWaterFix process. The proponents are trying to take advantage of a supportive governor and get to key decision points during his remaining term.

Reserve Fund Report – Mr. Gage Houser, Hutchinson Financial Investments, gave a report on the District's investment funds and how he sees the future markets. There was discussion regarding the proceeds from the Water Transfer program. It was the consensus of the Board for Manager Bair to determine what funds should be transferred to Hutchinson Capital Investment to be invested.

RECESS

At 12:35 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 1:15 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
General Manager