

RECLAMATION DISTRICT NO. 108

Minutes of the Regular Meeting Of the Board of Trustees

January 21, 2016

President Durst called the Regular Meeting of the Board of Trustees to order at 8:35 a.m. on Thursday, January 21, 2016 at Reclamation District No. 108 headquarters, Wilkins Slough, Colusa County, California.

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

Trustees Absent: None

Others Present:	Lewis Bair, General Manager	Kevin O'Brien, Legal Counsel
	Bryan Busch, Assistant Manager	Steve Beckley, PR Consultant
	Chad Navarrot, Operations Manager	Pat Hamilton, Landowners
	Cathy Busch, Executive Secretary	Jeff Miller, Landowner
	Beverly Walls, Bookkeeper	Brenda Miller, Landowner
	13 members of Public (List Attached)	John Miller, Landowner
	Todd Miller, Landowner	Ardy Miller, Landowner

Agenda – It was moved by Trustee Cornwell, seconded by Trustee Leonard to approve the Agenda as submitted with Item No. 7, Offer to Purchase Emission Reduction Credits removed.

Open Forum

President Durst welcomed the public to the meeting and opened the Public Forum. Manager Bair reported on the water outlook for 2016. He reported that the participation to date shows California almost normal, however, due to a very dry watershed, runoff has only been about 25% of normal. In order to improve water supply, we will need to have two more months of participation like what was currently happening in January. This would provide sufficient cold water in Shasta to achieve the conservative temperature operation desired by National Marine Fishery Service and the State Water Resources Control Board without affecting the District's water supply. Manager Bair also reviewed the groundwater levels after pumping in 2015. He said the District groundwater levels have recovered to pre-pumping levels in most of the District. In response to a question regarding how the District felt about the Colusa County Groundwater Well Moratorium, President Durst replied that he hoped it would not continue since the groundwater issues are not County wide and that the District believes they are operating in a responsible manner.

Manager Bair reported that due to the passing of Trustee Miller there is a vacancy on the Board. He reported that the Board will likely vote today to start an open election process with nomination petitions submitted between March 23 and April 13 at 5:00 p.m. In order to be eligible to hold the seat you must be a District landowner or an appointed representative of a District landowner.

President Durst commented that the prospective nominee does not have to be an expert in water issues, and offered to discuss current water and District issues with anyone who was thinking of becoming a Trustee.

Manager Bair reported on the transmission line that CoSo is proposing that will run through the District along Tule Road and what position that the District should take. It was the consensus of the landowners at the meeting that they would like help from the District. It was pointed out that the transmission line would impact the District's wildlife habitat, farming practices and farmed lands. A group of impacted landowners have obtained legal services to fight the proposed transmission line route. The Board will discuss this matter later in the Board meeting.

The Public Forum ended 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 Doherty, seconded by Trustee Cornwell and unanimously approved to approve the consent agenda, including the Minutes of the December 17, 2015 Board meeting as submitted.

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 \$324,728 and on-line payments issued in January to be ratified in the amount of \$9,779,952, including \$9,732,202 for 2015 Water Transfer payments and Irrigation Fund in the amount of \$46,484 and payments in January to be ratified in the amount of \$1,953.

BUSINESS ITEMS

1. Resolution Honoring Trustee Miller – It was with great sadness that Present Durst reported the passing of Trustee Michael Miller and offered the Board's sincerest sympathy to his family. President Durst read Resolution No. 16-01 in the matter of honoring Trustee Michael Miller's life and service to the District. He pointed out that Trustee Miller's knowledge of the District and its history was so valuable to the Board. In Trustee Miller's quiet way, he had a large impact on the District and will truly be missed.

2. Operations Report – Operations Manager Navarrot reported on current and ongoing District-wide maintenance. In response to a question regarding water primrose, Operations Manager Navarrot discussed the spray program that is used throughout the District to control the primrose and credited the success to Gregory Correa who is in charge of weed control in the District.

3. 2015 Water Operations – Assistant Manager Busch reported that this matter was discussed during the Open Forum.

4. Adopt 2016 Budgets and Amend the 2015 Budgets – Manager Bair reviewed the 2015 Maintenance expenses and noted that following amendments to the Budget: Contract Renewal to \$92,546; Legal Services to \$51,500; Miscellaneous Fees to \$60,550; District Insurance to \$67,102; Contact Maintenance to \$7,182; Power & Energy to \$172,177; Shop Tools & Supplies to \$41,567; Equip/Veh Maint. Repair to \$80,418; Tract 6 Farms to \$260,366; Capital Outlay to \$483,773 and Miscellaneous Operating to \$25,680. There were no changes for Irrigation. It was moved by Trustee Cornwell, seconded by Trustee Leonard and unanimously approved to amend the 2015 Budget as recommended by staff.

Manager Bair reviewed the 2016 Financial Budget. After discussion, it was moved by Trustee Doherty, seconded by Trustee Cornwell and unanimously approved to adopt the 2016 Maintenance and Irrigation Budgets as presented.

5. California Water Resolution – Manager Bair raised concern over the inability of the State Water Resources Control Board to navigate their Bay Delta Water Quality Control Plan update process to achieve both environmental goals and water user goals in a timely and effective manner. This concern is seen by others as well. To assist the SWRCB, the Governors office is initiating a process to try and reach a negotiated solution. The process will start in February with a goal of having a proposal by the end of 2016. This is certainly a long shot since portions of the environmental community and water user community seem far apart in their understanding of what is needed.

6. Fishery Project Update

- **Knights Landing Outfall Gate Project (KLOG) Update** – The cost to the District for KLOG is projected to be approx. \$380,000. Manager Bair reported that we would contact USBR to see if there are any additional funds that can be used for KLOG.
- **Wallace Weir Project** – Manager Bair reported that DWR has signed a funding agreement for the Project for \$8.56 million. He reviewed a concept drawing of the proposed

project. AB52 legislation requires pre-consultation with tribes who submit letters to the agencies requesting that consultation. This is addition to the standard consultation requirement through the State Historic Preservation Office as part of California Environmental Quality Act. Both the Yocha Dehe Wintum Nation and United Auburn Indian Commission have submitted letters to the District for this Project and any future projects.

8. Board of Trustee Vacancy – Manager Bair reviewed the process for filling a vacancy on the Board of Trustees. After further discussion, it was moved by Trustee Doherty, seconded by Trustee Cornwell and unanimously approved to adopt RESOLUTION NO. 16-02 in the matter of Calling an All-Mailed Election Ballot and Setting an Election Date for June 14, 2016. RESOLUTION NO. 16-02 is attached hereto and made a part hereof.

There was discussion regarding voting Tract 6 lands. After discussion, it was moved by Trustee Cornwell, seconded by Trustee Leonard and unanimously approved to not have the District vote the Tract 6 lands.

9. Adopt Resolution No. 16.03 in the matter of approving the Investment Policy – The Board reviewed RESOLUTION NO. 16-03 in the matter of approving the Investment Policy. President Durst recommended that language be added to the Resolution that all trades with District investment funds require verbal confirmation. After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to adopt RESOLUTION NO. 16-03 in the matter of Approving the Investment Policy with the additional language requiring all market trades have a verbal confirmation when applicable. RESOLUTION No. 16-03 is attached hereto and made a part hereof.

CLOSED SESSION

The Board went into Closed Session at 11:12 p.m. to conference with legal counsel regarding two anticipated litigations (CalWater Fix Comments, Settlement Contracts) pursuant to subdivision (b) of section 54956.9. The Board came out of Closed Session at 11:22 p.m. and President Durst announced that the Board did not take any action.

INFORMATION REPORTS

NCWA Report – Manager Bair reported that NCWA Board is holding an election for Board members for the term of two years. After discussion, it was moved by Trustee Leonard, seconded by Trustee Doherty and unanimously approved to nominate Trustee Cornwell as one of four

Directors to the NCWA Board. Staff was directed to submit a Voting Membership Ballot on behalf of the District for Trustee Cornwell as our candidate.

Trustee Cornwell reported on the NCWA meeting. He said that NCWA will be holding a media training for its Board and has invited water leaders from member districts.

Sites Report – President Durst gave an update of the Sites JPA activities. He reviewed the Third Amended and Restated Sites Project Authority Joint Exercise of Power Agreement. After discussion, it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to approve the Third Amended and Restated Sites Project Authority Joint Exercise of Power Agreement as presented.

Communications Consultant – Manager Bair reported that the District has completed an agreement with Mr. Beckley for communications for 2016. Mr. Beckley will also include a weekly email with links to articles and reports related to the District and current issues.

Manager Bair reported that he is working with Precision Public Relations on an agreement for services for 2016. President Durst recommended that all Precision's work be approved by Manager Bair or himself first before becoming public.

Assistant Manager's Report - Assistant Manager Busch reported on SGMA-Colusa County meeting. He said the private pumpers are feeling left out of the process and that Colusa County was working hard to provide them with public outreach and a voice in the process. He reported that Colusa County will be holding a Groundwater Commission meeting tomorrow. It was suggested that David's Engineering presentation on groundwater be presented at a Colusa County Board of Supervisor's meeting along with how the District recharges groundwater with surface water.

Assistant Manager Busch gave a report on the proposed transmission line by CoSu. Attorney O'Brien stepped out of the meeting since he has a conflict on this issue. There was discussion regarding what role the District should take in this issue. It was the consensus of the Board that staff reach out to landowners and report back to the Board at the February meeting.

Manager's Report – Manager Bair reported that the District submitted an application for Prop 1 funding for a Project that would create and hold fish food in Tract 6 to be released into the River for the fingerlings. This Project was not selected on the first round of projects, but was also submitted for a second pool of funding through the Wildlife Conservation Board for funding.

Manager Bair reported that because of changes in the banking process, Colusa County will be leaving Bank of America and doing business with Redding Bank of Commerce. The District will have to decide if they will also change banks. It was suggested that this matter go to the Finance Committee for recommendations to the Board.

RECESS

At 12:33 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 1:00 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 1:00 p.m.

Respectfully Submitted



Lewis Bair
Manager