

RECLAMATION DISTRICT NO. 108

Minutes of the Regular Meeting Of the Board of Trustees

February 18, 2016

President Durst called the Regular Meeting of the Board of Trustees to order at 8:35 a.m. on Thursday, February 18, 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
Bryan Busch, Assistant Manager
Chad Navarrot, Operations Manager
Cathy Busch, Executive Secretary
13 members of Public (List Attached)

Steve Beckley, Consultant
Kevin O'Brien, Legal Counsel

Agenda – Trustee Cornwell moved to approve the Agenda as submitted. Trustee Doherty seconded the motion and the Board unanimously approved the Agenda.

Open Forum

President Durst welcomed the public to the meeting and opened the Public Forum for questions and/or comments from the Landowners and Water Users. Landowner Scott West commended Manager Bair and Assistant Manager Busch on speaking at the Colusa County Board of Supervisor's meeting regarding the County Groundwater Ordinance, and the support from the District Board.

Manager Bair reported that the District sent letters to Landowners regarding the Proposition 218 Election for the proposed 2016 water rates. He explained that water rates would be broke into three equal components: (1) acreage cost, (2) crop water duty, and (3) measured water used. He reviewed the billing system, including double cropping and winter water. Manager Bair reported that the Proposition 218 Election is a protest election, which requires a 50 percent protest vote by landowners to prohibit the new water rate. The Hearing is scheduled for March 17 at 9:30 a.m. as part of the Regular Board Meeting. If there is less than 50 percent protest, the Board may take action to implement the new water rate during the meeting.

Manager Bair reported on the 2016 Water Supply. The District's USBR Settlement Contract asserts that when the annual natural inflow into Shasta Reservoir is above 4 million acre-feet, the District would receive a 100 percent supply. The February forecasted inflow to Shasta at the 90

percent exceedance level is 4.3 million acre-feet; therefore, the USBR has sent us a letter confirming our 100 percent supply. However, the USBR is concerned about meeting the requirements of the Salmon Biological Opinion and may have to consult with NMFS on the River operations. It may be the case that NMFS restricts releases from Shasta Reservoir which would conflict with the Districts contractual rights and water rights. Unfortunately, at this point the District cannot give Water Users any assurances on water supply and availability.

At the January Board meeting, the Board directed Manager Bair to meet with Landowners regarding the proposed Colusa-Sutter transmission powerline running through the north end of the District. It is the consensus of the Board to support the Landowners efforts to stop the power lines. Manager Bair will setup a meeting with the impacted Landowners to discuss how the District can help.

There was discussion regarding 2016 water transfers. The San Luis Delta Mendota Buyers released an offer sheet for water transfers at a rate of \$550 per acre-foot which is approximately at 20% decrease from 2015 due primarily to their lower commodity prices and higher than expected delta conveyance losses.

President Durst explained the NCWA Water Leadership program and that six young landowners were participating on behalf of the District. The NCWA Water Leadership participants gave a brief report on their first meeting held at Lundberg Family Farms.

Several landowners expressed concern over the affordability of Sites water for the District. The District expressed the intent to develop a financial analysis to spell out the District water supply risks and the cost of additional water supply options to assist the landowners in making investment decisions.

The Public Forum ended at 10:07 a.m.

ADMINISTRATION

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

Consent Agenda – After discussion, Trustee Cornwell moved to approve the consent agenda, including the Minutes of the January 21, 2016 Board Meeting, the February 3, 2016 Special Board

Meeting, and the February 2, 2016 Groundwater Committee Meeting as submitted. Trustee Doherty seconded the motion and the Board unanimously approved the consent agenda.

Accounts Payable – After discussion, Trustee Cornwell moved to approve the accounts payable in the following amounts: Maintenance Fund for \$291,683, February on-line payments for \$24,039, Irrigation Fund for \$12,119, and February payments for \$1,337. Trustee Leonard seconded the motion and the Board unanimously approved the accounts payable.

BUSINESS ITEMS

1. Operations Report – Manager Bair reported that Operations Manager Navarrot and District staff installed the drainage culvert and approximately 95 percent of the ditch improvements required as part of the Strain/West drainage agreement.

2. 2015 Water Operations – Assistant Manager Busch reported that the District could divert water in February/March without counting against the settlement contract water supply. There is concern regarding April/May water supply because of temperature operations in the upper Sacramento River for Salmon. The District is currently delivering water from the Emery Poundstone Pumping Plant when not interfering with maintenance work.

Assistant Manager Busch reported that San Luis Delta Mendota Water Authority has distributed a term sheet for 2016 Water Transfers. Included in the term sheet is a proposed option date of May 13, much later than last year's May 1 call date. All terms in the offer are still in negotiation stages and he recommended the District provide a counter offer. Assistant Manager Busch reported that the District, in 2015, transferred 29,575 AF based on land Idling to SLDMWA, 10,000 AF Project Water to Colusa County and Dunnigan Water Districts, and 6,937 AF Groundwater to Dunnigan and Colusa County Water Districts.

3. California Water Resolution – Manager Bair reported that he has attended two meetings of Governor Brown's Resources Department Water Resolution meetings. He is drafting a Salmon Action Plan and he hopes it will encourage cooperation on the fisheries issue. The group is proposing to first develop measurable objectives to drive the actions.

4. Fishery Project Update – Manager Bair gave a status report of the Wallace Weir Project. This Project will be part of the Salmon Action Plan and will be on a tight timeline.

5. Adoption of Resolution No. 16-04 – After discussion, Trustee Doherty moved to adopt RESOLUTION NO. 16-04 in the matter of adopting the Updated Regional Water Management Plan. Trustee Cornwell seconded the motion and the Board unanimously approved the Resolution. RESOLUTION NO. 16-04 is attached hereto and made a part hereof.

6. Consideration of Additional Groundwater Wells – The Board discussed the possible installation of groundwater wells in the District to provide an alternative water supply during dry years. Groundwater wells would mitigate impacts due to any future April-May restrictions on the Settlement Contract supply due to Shasta Reservoir operations providing cold water for Salmon. Landowner Monckton contacted the District and offered his property as a location for a groundwater production well. After further discussion, the Board directed Manager Bair to draft a proposal for a groundwater well installation plan, which would determine the most efficient locations for wells. President Durst commented that the District needs to use a portion of water transfer proceeds to invest in new water supplies.

7. Office Remodel – Manager Bair reported on the proposed plans for the Office Remodel. He expects by the end of April a final design for the Office Remodel.

8. Sacramento River Settlement Contractors Association – There was discussion regarding the creation of the Sacramento River Settlement Contractor Association. After discussion, Trustee Cornwell moved to adopt RESOLUTION NO. 16-05 in the matter of creating the Sacramento River Settlement Contractors, a California Nonprofit Mutual Benefit Corporation. Trustee Leonard seconded and the Board unanimously approved the Resolution.

Trustee Cornwell moved to appoint Trustee Doherty as the District's representative to the Sacramento River Settlement Contractor Association. Trustee Leonard seconded and the Board unanimously approved the motion.

9. Proposition 1 Storm Water Planning Grant with Yolo County WRA – Assistant Manager Busch reported that the Yolo Water Resources Association contacted the District regarding a storm-water grant opportunity. The District's project for the grant proposal would include the winter flooding of rice fields to produce food for fish in the River. The District previously applied for a Prop 1 grant for the winter flooding of rice fields' project. After discussion, Trustee Doherty moved to apply for a Proposition 1 storm-water grant with the Yolo WRA to support a winter flooding of rice field's project within the District to produce food for fish in the River. Trustee Cornwell seconded and the Board unanimously approved the motion.

CLOSED SESSION

The Board went into Closed Session at 11:50 p.m. to conference with legal counsel regarding two anticipated litigations (California Water Fix Comments, Settlement Contracts) pursuant to subdivision (b) of section 54956.9. The Board came out of Closed Session at 12:01 p.m. and President Durst announced that the Board did not take action.

INFORMATION REPORTS

NCWA Report – Trustee Cornwell gave a report of current activities of NCWA. NCWA is opposed to the Dam-Train Initiative as written in the initiative due to impacts to water rights. The NCWA Annual meeting is set for March 6 at the Sierra Nevada Brewery in Chico.

Sites JPA – President Durst gave a status report of the Sites JPIA. Sites JPIA members appointed Ms. Kim Vann as the Chairperson, President Durst as the Vice-Chairperson and Jamie Traynham as Treasurer. The JPA plans to request the California Department of Water Resources to turn over the environmental documents for the Sites Reservoir including the EIR/EIS.

Communications Consultant – Mr. Steve Beckley reported that he has been sending news articles to the District Board on Mondays.

Assistant Manager's Report – Assistant Manager Busch reported that Sacramento River West Side Levee District and KSN Engineering sent the Central Valley Flood Protection Board the one-year progress report for the System-Wide Improvement Framework Plan to be forwarded to the US Army Corps of Engineers. The SRWSLD is the lead agency for the SWIF program for the levee system including RD108. The SWIF and the Letter of Intent filed by SRWSLD keeps PL 84-99 funding coverage for rebuilding levees due to damage during a flooding event. KSN is also working on preparing the SWIF for submittal to the USACE at the end of the year.

Assistant Manager Busch reported that the USBR CALFED Water Use Efficiency Grant is due on March 28, 2016 and the California Proposition 1 Water Use Efficiency Grant Application are due on March 30, 2016. He also reported on the Flood System Repair Project funding to add gravel to roads on flood protection levees. The Government Accountability Office approved the funding Agreement and Operation Manager Navarrot will begin to gravel the designated levee locations when the weather permits.

Manager's Report – Manager Bair reported that the District has entered into contract with Precision Public Relations for 2016.

ADJOURNMENT

There being no comments from the public and no further business to come before the board, President Durst adjourned the meeting at approximately 1:00 p.m.

Respectfully Submitted

Lewis Bair
Manager