

RECLAMATION DISTRICT NO. 108

Minutes of the Regular Meeting Of the Board of Trustees

August 17, 2017

Trustees Present: Roger Cornwell, Sean Doherty and Fritz Durst by telephone at 9:30 a.m.

Trustees Absent: Jon Leonard and Hilary Reinhard

Others Present:

Lewis Bair, General Manager	Kim Gallagher, Landowner
Meegan Nagy, Deputy Manager	Fred Durst, Landowner
William Vanderwaal, Deputy Manager	Blain Voelz, Landowner
Gary Marler, Superintendent	Don Huff III, Landowner
Cathy Busch, Secretary	Clarke Ornbaun, Landowner
Beverly Walls, Bookkeeper	Don Kitamura, Landowner
Kevin O'Brien, Legal Counsel	Roger Moore, Landowner
Dan Kaiser, Environment Defense Plan	John Louden, Colusa Supervisor
Thor Hibbeler, Consultant (by telephone)	

Open Forum

Cannabis in Colusa County Presentation – Colusa County Supervisor John Louden gave a presentation on proposed cannabis production in Colusa County. He said that it was his task to see what impacts cannabis production would have in the County and asked attendees for their comments and concerns. Impacts mentioned were labor supply, federal agriculture loan program and law enforcement. He distributed and reviewed a handout listing the types of cannabis cultivation licenses that Colusa County is considering. The Colusa Board of Supervisors should have a decision on growing cannabis in the County by January 2018. He asked that if anyone had any additional concerns or questions to give him a call.

Central Valley Habitat Exchange – Deputy Manager Nagy introduced Mr. Dan Kaiser, Environment Defense Fund, and gave an overall review of the Habitat Mitigation Credits on Working Lands Pilot Program (Pilot Program) through the Mid-Upper Sacramento River Regional Flood Management Plan (Flood Plan). She reported that applications for the Pilot Program are due by August 21.

Mr. Kaiser reported that the Flood Plan recognized that working lands within the region provided significant habitat value with no mechanism to allow property owners to receive any credit. The Flood Plan has received grant funding to inventory and assess a property's potential to generate advance mitigation on working lands using the Central Valley Habitat Exchange (Exchange). The Exchange is a program that creates opportunities for willing property owners to generate habitat

credits by conserving and restoring habitat for at-risk species on their lands. Through the Exchange, property owners can sell the credits to entities in need of mitigation, such as local flood control projects, or use for their own projects. They are currently looking for seven to ten landowners that would like to participate in the pilot project with lands that could generate habitat credits for Swainson's Hawk and Giant Garter Snakes. If any Landowner was interested, they should contact Deputy Manager Nagy.

The Public Forum ended at 9:30 a.m.

Vice-President Cornwell called the Regular Meeting of the Board of Trustees to order at 9:30 a.m. on Thursday, August 17, 2017 at Reclamation District No. 108 headquarters, Wilkins Slough, Colusa County, California.

President Durst entered the meeting at 9:30 a.m. by conference call.

ADMINISTRATION

Call to order and approval of Agenda – Trustee Doherty moved to approve the Agenda as presented. President Durst seconded. Approved 3 – 0.

Public Participation: Landowner Clarke Ornbaun proposed a pipe crossing on Drain 10E adjacent to the Huff property to enable the Landowner to pump water from the drain. The drainage water comes from lands north of Mr. Huffs property both within and north of the District. Mr. Ornbaun said that he contacted all impacted landowners and there were no concerns with Landowner Huff taking water from the drain. Superintendent Marler was directed to work with Landowner Ornbaun on a plan to be presented at the September Board meeting.

Landowner Blair Voelz reported that his rice field is being impacted with Primrose by the adjacent organic field due to chemical restraints. President Durst stated that spraying is allowed around an organic field with a sufficient buffer area and during times when the water supply is turned off of to the organic field. The District staff agreed to work with the two landowners to improve the weed control.

Consent Agenda – It was moved by President Durst to approve the consent agenda, including the Minutes of the Board Meeting held on July, 20 and the Special Meeting held on August 11, 2017 as submitted with two editorial corrections. Trustee Doherty seconded. Vote: Approved 3 - 0.

Accounts Payable – It was moved by Trustee Doherty to approve the accounts payable: Maintenance Fund in the amount of \$517,151 and on-line payments issued in August to be ratified in the amount of \$31,734; and Irrigation Fund in the amount of \$726,132 and payments to be ratified in the amount of \$293,867. President Durst seconded. Approved 3 – 0.

BUSINES ITEMS

1. **Office Annex Project** – Deputy Manager Vanderwaal gave a status report on the Office Annex Project. He said that he is working hard to stay within the budget set by the Board, but noted that for a project like this, it is normal to have a construction contingency of 15 percent. At this time, change orders total 5 percent of the total Contract value. He also reported that the current Project Budget does not include audio/visual systems, IT system, furniture, finish asphalt paving for the parking area, striping and landscaping. Mr. Vanderwaal stated that he would have a more complete Project Budget projection for all of these items at the September Board meeting.

2. **Emission Reduction Credit (ERC) Sale** – Mr. Thor Hibbeler was contacted by telephone at approximately 9:45 a.m. Deputy Manager Vanderwaal reported that he contacted Mr. Thor Hibbeler, consultant that specializes in ERC transfers and sales and who has worked for the District before, to discuss the proposed sale of ERCs to UC Davis. The Broker for UC Davis extended an offer to purchase 3-5 tons of VOCs and 8-12 tons of CO. After working with Mr. Hibbeler, the District made a counter offer of \$16,129 per ton for VOCs; \$800 per ton for CO; \$19,355 per ton for PM-10, which includes a seven percent brokerage fee. The Broker has drafted a sales agreement and Attorney O'Brien has reviewed it and his edits have been applied. After further discussion, it was moved by Trustee Doherty to authorize Deputy Manager Vanderwaal to enter into an agreement with UC Davis to sale ERCs at \$16,129 per ton for VOCs, \$800 per ton for Cos, with an offer period of 90 days from August 17, 2017. President Durst seconded. Approved 3 – 0. Mr. Hibbeler disconnected his telephone connection at 10:00 a.m. Mr. Vanderwaal reported that Mr. Hibbeler drafted and updated a memo regarding sale and transfer of ERCs so that the District would be able to handle any future ERC sales and/or transfers.

3. **Mid-Upper Sac River Regional Flood Plan** – Deputy Manager Nagy reported on the Pilot Program for Habitat Mitigation Credits on Working Lands. Applications are due by August 21. She asked if there was interest in submitting an application for lands within Tract 6. After discussion, it was moved by President Durst to authorize Deputy Manager Nagy to submit an application for the Habitat Mitigation Credits on Working Lands Pilot Project for lands within Tract 6 for Swainson Hawks and Giant Garter Snake. Trustee Doherty seconded. Approved 3 – 0.

4. **Attorney's Report** – There was no Legal Report.

INFORMATION REPORTS

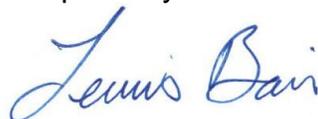
Operations Report – Superintendent Marler reported that irrigation operations have continued to run smoothly with spraying for aquatic weeds and repair of rat holes and pipe washouts. Maintenance crews have completed repairs to the slip on the Back Levee at White Road, including removing and reinstalling levee gates. Crews are also making repairs to the wave wash area on the Back Levee. General maintenance was done on a portion of 7B1 drain, the length of Field No. 93B, which required the shutdown of the south bound lane of HYW 45 while the work was being done. Two old culvert pipes were removed and replaced with a larger single pipe at the entrance of Fields 93F and 116D on the same drain. Landowner Voelz complimented the District on the new online water measurement program and stated that he would hate to lose this program in the future.

Deputy Manager's Report – Deputy Manager Nagy reported that five Back Levee slip sites have been designated as Priority 2 and will be repaired by te Corps this year. If the repairs are not completed by the next storm system, a raincoat can be applied to four of the five sites. These repairs will be completed through PL84-99 at no cost to the District. Ms. Nagy reported that all paper work for excessive power used during the 2017 storm season has been submitted to FEMA. She is currently working on labor for levee patrol and flood fighting. Ms. Nagy also stated that she was looking for a grant through FEMA for an emergency generator. If approved it would be a 75 percent/25 percent cost-share. President Durst suggested that the District publish a newsletter to Landowners showing them how the District is benefitting from both Deputy Managers Nagy and Vanderwaal's expertise.

ADJOURNMENT

There being no comments from the public and no further business to come before the board, the meeting was adjourned at approximately 10:40 a.m.

Respectfully Submitted



Lewis Bair

General Manager