

RECLAMATION DISTRICT NO. 108

Minutes of the Regular Meeting Of the Board of Trustees

September 17, 2017

Trustees Present: Roger Cornwell, Fritz Durst, Hilary Reinhard and Jon Leonard

Trustees Absent: Sean Doherty

Others Present:	Lewis Bair, General Manager	Don Huff III, Landowner
	William Vanderwaal, Deputy Manager	Deke Dormer, Landowner
	Gary Marler, Superintendent	Fred Durst, Landowner
	Cathy Busch, Secretary	Clark Ornbaun, Landowner
	Beverly Walls, Bookkeeper	Blair Voelz, Landowner
	Kevin O'Brien, Legal Counsel	Perry Charger, Landowner
	Norm Newell, Smith & Newell	Steve Beckley, Public Relations

Call to order and approval of Agenda – Trustee Cornwell moved to approve the Agenda as presented. Trustee Leonard seconded. Approved 4 – 0.

Open Forum

DM Vanderwaal reported on the Alternative Water Supply Study Committee meeting. He reported on possible alternative water supplies and estimated costs. There was discussion about the benefits of landowner vs. District groundwater development resulting in a consensus that it would be an important decision, but for the purposes of this evaluation, we could simply proceed with the cost estimate using District costs. There was also the possible inclusion of water from Sites Reservoir that comes at a high cost. One benefit that Sites Reservoir will have for the State is the additional environmental water.

GM Bair reported that the water supply for this Fall looks good and that the District should be able to provide post-harvest water. The 2017 Fall Water rates will remain the same as 2016.

GM Bair reported the Fish Food Project showed good results in 2016. There is a good chance that the Project will be offered again in 2017. The District will be looking for fields close to the Rough & Ready Pumping Plant to participate since those fields would be close to the diversion site. The Project proved that rice decomposition fields can produce an abundance of fish food and will now look to see how the food can be diverted back into the River. A meeting is scheduled for Monday with the investors to see what funding might be available.

GM Bair reported on the BayDelta related activities. He said that the State Board will soon have a document out regarding the River flows that are needed from the Sacramento Valley for fish. The Settlement Contractors are trying to resolve this issue through a Voluntary Agreement. The State Board is taking a flow centric approach to recovering fish. It is important to inform the State Board about how the landscape and the flows interact and how assuming just adding water is not likely to help fish and comes with a very high cost to water users.

DM Vanderwaal gave a status report on both Yolo and Colusa County SGMA Programs. Yolo County is looking to hire a consultant to complete the State Application for funding to develop a Groundwater Sustainability Plan, which is due by November 14. Colusa County is currently seeking to hire legal counsel and a consultant to complete a Water Balance Study. Since both Colusa County and Glenn County share a water basin, they will be working on the Water Balance Study together. An Executive Meeting will be held tomorrow to determine if Colusa or Glenn County will take the lead on the Study.

GM Bair reported that NCWA Water Leader Program is starting a new class. The District is entitled to nominate participants to the program, he asked if any Landowner and/or Water User was interested in participating, to contact the office. Trustee Cornwell reported that NCWA will be holding a Harvest Celebration on October 19 at the Matchbook Winery. He encouraged Landowners and Water Users to attend and to invite others that would like to learn more about water issues.

GM Bair reported that the District will have an election this year. We received three petitions for two open seats; Hilary Reinhard, Todd Miller and Joe Lauwerijssen.

The Public Forum ended at 9:50 a.m.

ADMINISTRATION

Public Participation: No Public participation at this time.

Consent Agenda – It was moved by Trustee Cornwell to approve the consent agenda, including the Minutes of the Board Meeting held on August 17, 2017 as submitted. Trustee Leonard seconded. Vote: Approved 4 - 0.

Accounts Payable – It was moved by Trustee Cornwell to approve the accounts payable: Maintenance Fund in the amount of \$792,657 and on-line payments issued in August to be ratified

in the amount of \$33,921; and Irrigation Fund in the amount of \$828,035 and payments to be ratified in the amount of \$53,572. Trustee Reinhard seconded. Approved 4 – 0.

2016 Financial Audit Report – Mr. Norm Newell reported that the District had a clean unmodified opinion on the 2016 Financial Audit, which shows that the District is in good financial condition. He reviewed both Maintenance and Irrigation Fund financial reports in both full and partial accruals. He reviewed both Maintenance and Irrigation Funds. After further discussion, it was moved by Trustee Reinhard to accept the 2016 Financial Audit Report as presented. Trustee Cornwell seconded. Approved 4 – 0. There was some discussion regarding drafting and adopting District policies. President Durst setup an ad hoc Committee of Trustees Reinhard and Cornwell to work with staff on drafting polices. The Committee was requested to bring a plan and timeline for completing policies to the October Board meeting.

BUSINES ITEMS

1. Operations Report – Supt. Marler reported that the irrigation season is winding down and Watermen are checking measurement facilities for needed repairs throughout the water system. Pump No. 5 at Wilkins Slough Pumping Plant was pulled because of excessive noise. After sending the motor to Industrial Electric in Modesto, it was found that the motor was not the issue. The next step will be to switch the power head to verify that it is not the cause.

Supt. Marler reported that the new Spray Truck is ready to go. Staff will receive training on the new system. He also reported that Vehicle No. 61 (flatbed dump truck) had a major drivetrain failure and it was scheduled to be replaced in 2018. He is asking to move the purchase of the new truck to 2017 since it is used a lot during the maintenance season. President Durst asked that the Capital Outlay Committee meet to discuss this issue and bring their recommendations back to the next Board meeting. Trustee Reinhard recommended finding out what is wrong with the truck in order to see what value it may have, if any. Staff agreed to investigate the repair and provide direction on recovering the highest value from the damaged vehicle.

The Board reviewed the request by Clarke Ornbaun to install a pipe riser in the 10E (Meridian Drain) at the northwest corner of Field 106H owned by the Huff Family in order to use drainage water for rice decomposition. It was determined that Mr. Ornbaun would be responsible for operation and a meter installed to measure water used for billing. After further discussion, it was moved by Trustee Reinhard to authorize GM to draft an agreement, with legal review, with Landowner Huff detailing who will be responsible for operation and responsible for any issues

and/or damages caused by the use of this drain to divert drainage water. Trustee Leonard seconded. Approved 4 – 0.

2. Sites Project Authority – President Durst reported that The City of Sacramento and the Sacramento County Water Agency is seeking membership on the Sites Project Authority with a joint seat on the Board. After discussion, it was moved to adopt RESOLUTION NO. 17-12 in the matter of Approving the City of Sacramento and Sacramento County Water Agency Becoming an Authority Member of the sites Project Authority. Trustee Leonard seconded. Approved 4 – 0. RESOLUTION NO. 17-12 is attached hereto and made a part hereof.

3. Wallace Weir (WW) and Knights Landing Outfall Gate Projects (KLOG) – GM Bair reported on the WW and KLOG Projects. He said that he would like to offer operation of the two Projects for the first year of operations before handing over to the State. GM Bair reported that if the Board was willing to take on the proposed operation, he would contact the District's Liability Insurance Carrier to see if the District would have coverage for a facility that it operated but did not own. It was the consensus of the Board for GM Bair to move forward in discussions regarding a one-year startup operation of both the Wallace Weir and KLOG Project facilities and seeking information regarding liability insurance.

4. Alternative Water Supply Study – The Board reviewed the Alternative Water Supply Study during Open Forum. Trustee Reinhard stated that the District should make sure that only facts on Sites Reservoir water are presented to Landowners and that a list of variables potentially affecting Sites water value simply be described without trying to forecast their impacts due to the substantial uncertainty. The Board discussed continuing to reevaluate Sites water as time starts to clarify these variables.

5. Closed Session - The Board went into Closed Session at 11:15 a.m. to conference with legal counsel – anticipate litigation. Significant exposure to litigation pursuant to subdivision (b) of section 54956.9 (CalWater Fix Comments, Settlement Contractors, NRDC, SWRCB Settlement Process and Voluntary Agreement, El Dorado Pumping Plant and KLOG). The Board came out of Closed Session at 11:32 a.m. and President Durst announced that no action was taken.

INFORMATION REPORTS

NCWA Report – Trustee Cornwell reported on current NCWA activities. He said that NCWA was starting a new Water Leadership Class and was looking for nominations from member districts.

He reported that NCWA would be hosting a Celebration of Salmon on September 27. This celebration will highlight the fish projects completed last year.

Sites Authority Report – President Durst reported on the current activities of the Sites Authority. He said that 2017 final invoices are being prepared. The District’s cost should be about \$300,000 less the District’s credit balance.

Public Relations Report – Mr. Steve Beckley gave a status report on Facebook, Twitter and pictures he has taken during the month. There was discussion on future public relation projects that could be done to help get agriculture’s story out to the public.

Deputy Manager’s Report – DM Vanderwaal gave a status reports on the following Projects:

- PWRPA – DM Vanderwaal attended the Strategic Planning Session held on September 7. The result of the meeting was the formation of a Work Group that will examine the existing JPA structure and recommend changes that can make it more flexible and prepare a vision for PWRPA.
- Emission Reduction Credits – DM Vanderwaal reported that he was contacted by UC Davis and was notified that they have received the preliminary numbers and are close to a final deal.
- Gas Lease – The District has received a request to lease lands within Tract 6 for gas exploration. He will work with legal counsel on the procedures for gas leases.
- Rio Vista Side Channel – DM Vanderwaal reported that the Rio Vista Side Channel Project will likely not be completed this year due to a landowner issue. It has been proposed that the efforts be moved to the Lake California Side Channel. It was staff’s recommendation that the Project site be changed to Lake California Side Channel. It was the consensus of the Board to hold this matter to the October Board meeting.

Manager’s Report - GM Bair reported that the El Dorado Agreements have both been signed by River Garden Farms and the District based on the terms the Board had agreed on.

GM Bair reported that the District received three nominating petitions for the two open seats on the Board, therefore, there will be an election. The three nominees are Hilary Reinhard, Todd Miller and Joe Lauwerijssen.

The Board stepped out to tour the construction site. DM Vanderwaal reviewed the total proposed budget and contingency with and without an emergency generator. The total estimated budget for the Project is \$1.14 million. After discussion, it was moved by Trustee Leonard to move the Project

contingency from 10 percent to 15 percent and to remove the generator from the Project. Trustee Reinhard seconded. Approved 4 – 0.

ADJOURNMENT

There being no comments from the public and no further business to come before the board, the meeting was adjourned at approximately 1:25 p.m.

Respectfully Submitted

Lewis Bair
General Manager