

RECLAMATION DISTRICT NO. 108
Minutes of the Regular Meeting
Of the Board of Trustees

July 19, 2018

President Durst called the Regular Meeting of the Board of Trustees to order at 8:33 a.m. on Thursday, July 19, 2018 at Reclamation District No. 108 headquarters, Wilkins Slough, Colusa County, California.

Trustees Present: Fritz Durst, Todd Miller, Hilary Reinhard, Sean Doherty and Roger Cornwell

Trustees Absent: None

Others Present:

Lewis Bair, General Manager	David Alves, Poundstone Bros Rep.
William Vanderwaal, Deputy Manager	John Louden, Colusa Co Supervisor
Meegan Nagy, Deputy Manager	Don Huff, III Landowner
Kevin O'Brien, Legal Counsel	Clarke Ornbaun, Landowner
Monica Browner, DB Summer Associate	Fred Durst, Landowner
Gary Marler, Superintendent	Deke Dormer, Landowner
Cathy Busch, Secretary	Mike Andreotti, Landowner
Beverly Walls, Bookkeeper	Kim Gallagher, Landowner
Steve Beckley, Landowner	Mary Fahey, Colusa County

Agenda – It was moved by Trustee Cornwell to approve the agenda as submitted. Trustee Miller seconded. Approved 5 – 0.

Open Forum – President Durst welcomed guests to the Open Forum. He expressed his appreciation of the participation by District Landowners and Water Users in the Sites Reservoir meetings and discussions. He feels confident that when the District is required to decide on Sites Reservoir participation it will be made with a good understanding of costs and issues.

Attorney O'Brien explained what the State Water Resources Control Board (SWRCB) Process is and how it impacts the District and the Sacramento River Basin. The SWRCB is by law required to complete a Water Quality Plan (Plan) every 3 years. The last Plan was done in 2006. The Plan includes water quality, salinity and fish recovery. The SWRCB is looking at dedicating a portion of the calculated unimpaired flow from the watershed which would be required to be untouched through the system and out to the Ocean. Their approach would result in very frequent unavailability of surface water. The Board and Staff are very engaged

in this process. The Sacramento River Settlement Contractors (SRSC) have been negotiating a comprehensive approach to fish recovery, which would require less water.

Manager Bair reported that he traveled to Washington DC with President Durst, Attorney O'Brien and other SRSC to discuss this matter, among other water issues.

Manager Bair announced that a Special Meeting has been scheduled for a Landowner workshop on Sites Reservoir July 31 at 10:00 a.m. in the Boardroom. In response to a question regarding if the issue of Sites will be a Board or Landowner decision, President Durst stated that the District cannot encumber land, therefore, it will be a Landowner decision. He pointed out that this will be one of the toughest decisions faced by the District in quite some time.

The Public Forum ended at 9:43 a.m.

ADMINISTRATION

Public Participation: There were no further comments from the Public 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 June 21, 2018 and the Special Meeting held on June 26, 2018. Trustee Miller seconded. Vote: Approved 5 - 0.

Accounts Payable – It was moved by Trustee Doherty to approve the accounts payable: Maintenance Fund in the amount of \$506,452; checks to be ratified issued in June in the amount of \$45,480; on-line payments issued in July in the amount of \$10,831, electronic payments in the amount of \$16,714, and transfers between River City Bank account to Money Market Fund in the amount of \$140,000 to be ratified. Irrigation Fund in the amount of \$624,215. Trustee Cornwell seconded. Approved 5 – 0.

BUSINESS ITEMS

1. Operations Report – Superintendent Marler reported on District-wide maintenance. He reported the Back Levee has been burned and dragged. Bait stations for rodents have been setup where activity was noticed. A pipe fence is being constructed to prevent boat launching on the Back Levee at County Line Road.

2. Update on Dunnigan Water District Management (DWD) – Deputy Manager Vanderwaal reported that he met with Donita Hendrix and Steve Soares at Dunnigan Water District (DWD). It is planned to start having a RD108 Waterman train with Mr. Soares one day a week so he has backup. Deputy Manager Vanderwaal will take on the role of Manager at DWD's August Board meeting. Deputy Manager Vanderwaal and Ms. Hendrix met with the Bureau of Reclamation and other TCCA Districts to discuss Relief from Ability to Pay and the early Capital Repayment option.

3 Consider and Approve Financing a Larger Scale Project and Longer Repayment Period for SRWSLD Missouri Bend Project – Deputy Manager Nagy reported that the State received additional funding for flood maintenance and projects. She explained how the funding was split between completing repairs from the 2017 storm event, multi benefit projects and other projects. She explained that DWR is looking for shovel ready projects to correct deferred maintenance. SRWSLD permitted the Sacramento River West Bank Seepage Mitigation Project which encompassed the Missouri Bend Flood System Repair Project (FSRP) and an additional area immediately downstream that also had known seepage deficiencies. She was able to acquire an additional \$2.5 million that would allow the district to complete a total 8,800 feet seepage berm. The District could complete 8,800 linear feet of seepage remediation, including the FSRP critical sites and the USACE periodic inspection seepage deficiency sites. It was her recommendation to allow access to an additional \$2.5 million to complete the critical site and seepage deficiencies in the most cost-efficient way.

The Board discussed the pros and cons of a loan of funds from Reclamation District 108 to the Sacramento River West Side Levee District (SRWSLD). Legal counsel advised the Board that a loan of this type falls within the scope of authorized investments under the District's investment policy because the loan would be evidenced by a promissory note executed by a public agency (SRWSLD). During the course of the discussion the members of the Board emphasized the need to ensure that Reclamation District 108 receives interest on this loan in a total amount that exceeds what the District would have received in total returns from its other investment accounts. Ultimately the Board determined that a loan in the amount of \$2 million with the loan period extending to 2032 with a reset of the interest rate in 2024 would be reasonable and appropriate. It was moved by Trustee Doherty to authorize President Durst to execute the loan agreement on the terms stated above, subject to legal counsel approval of the final form of the document. Trustee Reinhard seconded. Approved 4 – 0 with Trustee Cornwell abstaining.

INFORMATION REPORTS

1. NCWA Report – Trustee Cornwell reported on current NCWA activities. These activities included a communicating timeline for 2018 Fall, reconnecting the floodplains, the Fremont Weir Modifications to reconnect the Yolo Bypass with the Sacramento River and opportunities to manage water for multiple benefits and the need for spring diversions on the Sacramento River.

2. Sites JPA – Deputy Manager Vanderwaal reported that the Sites JPA has come out with their projected costs for Phase 2 of the Sites Project and found them to be close to costs used at the first Landowner Workshop. He will prepare a breakdown of cost by amount of water commitment. The Board discussed sending out a survey for landowners to find out how they feel about Sites and the estimated water costs, should the District invest as a whole or allow individual landowners to invest in Sites. President Durst pointed out that the District would have to play a part in the Sites program if only individual landowners invest in the Project since only public agencies can invest under the law.

3. **Public Relations Consultant** – Mr. Steve Beckley reported on Public Outreach.

4. **Deputy Manager's Report**

- **Sycamore Slough Solar Plant Operation** – The Sycamore Solar Array is still not up and running. Deputy Manager Vanderwaal is seeking quotes on a smaller inverter design that will prevent the full array from going out instead of just a few arrays. He has talked to the technician and they are looking into parts and the life span of the inverter.

- **Project Updates** – Deputy Manager Vanderwaal reported that the Project status reported are in the meeting packets. Please contact him if you have any questions on any of the projects.

5. **Manager's Report** – Manager Bair reported that the ACWA Fall Conference will be held the week after Thanksgiving in San Diego. Please contact Cathy Busch if you would like to attend. Manager Bair reported that the District received a letter from the Colusa County Fire Department about contributing to a confined space program. This is a very needed program for the safety of our staff. President Durst directed staff to determine the amount of participation by the District. Manager Bair met with Landowner Deke Dormer regarding communications between District staff and Landowners and Water Users. Setting up an annual meeting between staff and water users and sharing water user issues with staff are two of the recommended suggestions. Superintendent Marler will set up the first meeting with staff and water users.

6. **Closed Session** – The Board went into Closed Session at 10:58 a.m. to conference with legal counsel on anticipated litigation. Significant exposure to litigation pursuant to subdivision (b) of section 54956.9 (CalWaterFix Comments, Settlement Contracts, NRDC, SWRCB Settlement Process and Voluntary Agreement, and KLOG). The Board came out of Closed Session at 11:45 a.m. and President Durst reported that no action was taken.

RECESS

The Board recessed for lunch at 11:45 A.m.

ADJOURNMENT

There being no comments from the public and no further business to come before the board, the meeting was adjourned at approximately 12:45 p.m.

Respectfully Submitted

Lewis Bair
Manager