

RECLAMATION DISTRICT NO. 108

Minutes of the Regular Meeting

Of the Board of Trustees

December 19, 2013

President Durst called the Regular Meeting of the Board of Trustees to order at 8:33 a.m. on Thursday, December 19, 2013 at Reclamation District No. 108 headquarters, Wilkins Slough, Colusa County, California.

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

Trustees Absent: None

Others Present:	Lewis Bair, General Manager	Hafeez Rehman, Landowner
	Bryan Busch, Asst. Manager	Young Rehman, Landowner
	Chad Navarrot, Operations Manager	Mark Faye, Landowner
	Cathy Busch, Executive Secretary	Jim Mumma, Landowner
	Beverly Walls, Bookkeeper	Joe Lauwerijssen, Landowner
	Grant Davis, Davis Engineers	Mike Andreotti, Landowner
	Larry Rodriquez, GEI	Gary Driver, Landowner
	Gage Houser, Hutchinson Capital	Vincent Andreotti, Landowner

Agenda – On motion by Trustee Miller, seconded by Trustee Cornwell the Agenda was approved as presented

OPEN FORMUM

President Durst welcomed Landowners and Water Users to the District's first Open Forum and opened the floor for discussion. Significant conversation occurred about transferring water from the District to areas west of the District due to anticipated water shortages. Specifically, landowners were asking about the ability to transfer water directly to their lands outside of the District. Manager Bair explained that the District was currently working with both Dunnigan Water District (DWD) and Colusa County Water District (CCWD) on a water transfer. He pointed out that Landowners do not have the right to move water between lands in different water districts, but districts Boards working together can result in similar outcomes if both Boards are agreeable.

Manager Bair gave a brief review of current issues:

- Fall Water – Manager Bair reported that since the District's winter water license is junior, and Term 91 was called on November 1, no water deliveries were permitted other than

water being applied to riparian lands. Term 91 is called when flows in the Sacramento River are not sufficient to meet in Basin water demands.

- Bay Delta Conservation Plan (BDCP) Activities – Manager Bair reviewed the different ongoing processes purported to help fix the Delta and the impacts on the District and its water supplies.
- President Durst reported on the Sites Reservoir Project and how the water stored there would be used, potentially taking pressure off the Sacramento River water users. He said a modeling of Sites has been completed and is very positive.
- Critically Dry Water Year – Manager Bair reported that during a dry year where the District receives 75 percent of our contract water supply, the District would have sufficient water supply without changing the cropping pattern due to the significant investments in water reuse, **water use efficiency investments**, potentially relaxing of water quality standards and groundwater usage. Should the year be very extreme and the District gets cut more than 25 percent, it is unclear yet just how water would be allocated.

President thanked the Landowners and Water Users for attending the Forum and invited them back next month.

ADMINISTRATION

Public Participation: There was no further public participation.

Consent Agenda – After discussion, it was moved by Trustee Doherty, seconded by Trustee Cornwell and unanimously approved to approve the consent agenda as presented.

Accounts Payable

After discussion, it was moved by Trustee Doherty, seconded by Trustee Cornwell and unanimously approved to approve the December Accounts Payable: Maintenance Fund in the amount of \$307,114; on-line payments to be ratified in the amount of \$994 and one check to be ratified is \$49; and Irrigation Fund in the amount of \$136,322 and one check to be ratified in the amount of \$4,825..

BUSINESS ITEMS

1. **Operations Report** – Operations Manager Navarrot gave a status report on the El Dorado Pumping Plant maintenance project. Operations Manager Navarrot distributed copies of the long reach excavator showing how the house ring had failed. There were discussions regarding replacement of the machine. Operations Manager Navarrot reported that the excavator was currently needed for district-wide maintenance and said the cost to rent a

machine is about \$11,000 per month. It was moved by Trustee Doherty, seconded by Trustee Miller and unanimously approved to part out or salvage the long-reach excavator and to get estimates on replacement of the long-reach excavator and to rent one as needed until a replacement is purchased.

2. Adopt Resolution No. 13-09 in the matter of recognizing Bill Miller and His Service to the District – Manager Bair reported that due to medical reasons Bill Miller would be retiring from the District after 31 years. After discussion, it was moved by Trustee Cornwell, seconded by Trustee Miller and unanimously approved to Adopt RESOLUTION NO. 13-09 in the matter of “Recognition of William “Bill” Miller and his Service and Devotion to the District.” RESOLUTION NO. 13-09 is attached hereto and made a part hereof.

3. Groundwater Investigation and Potential Water Banking Program – Assistant Manager Busch reported that the District has an opportunity for a USBR Water Smart Grant for water conservation projects. In relations to a proposed Water Banking Program Mr. Grant Davids was invited to discuss the changes in agricultural water use and Mr. Larry Rodriquez to discuss Water Banking.

- Mr. Grant Davids gave a presentation on the changing irrigated agriculture and land-use in the Sacramento Valley and early indicators of declining groundwater levels in certain parts of the Valley. The objective of his report is to quantify irrigation expansion and intensification and express it in terms of increased water consumption.
- Mr. Larry Rodriquez gave a short history of his background and water banking. He said that in the San Joaquin County they were seeing the same irrigated agriculture and land use changes and saw an opportunity to form a Water Bank Program. He explained how the process worked with both the pros and cons then opened it up for questions from the Board.

The overall cost to do the studies, modeling and EIR Process was estimated to be \$400,000 that could be cost shared through a 50/50 USBR Water Smart Grant. Assistant Manager Busch reported that the Water Smart Grant was due by January 23. It was the consensus of the Board to follow-up with discussions with landowners and other water districts. President Durst asked if a Board member would be interested in leading this process and Trustee Cornwell volunteered. It was moved by Trustee Cornwell, seconded by Trustee Miller and unanimously approved. Assistant Manager Busch was directed to complete the USBR Water Smart Grant and the Board would determine if it should be submitted at the January 16 Board meeting.

6. Landowner Issue: Use of the Back Levee Road for access to Lands – Manager Bair reported that he has been in negotiations with Landowner Hafeez Rehman regarding the use of the Back Levee road for ingress and egress to his lands adjacent to the Back Levee. Manager Bair said that the District is requesting that Mr. Rehman sign an agreement that he would be

responsible for any damages caused by his use of the Road and that the Levee Road usage would be restricted to quad use if the conditions were deemed to potentially jeopardize the levee. After further discussion, President Durst called a halt to the discussion and said that the District would continue to control ingress and egress as in the past and directed Manager Bair to draft an agreement for use of the Back Levee Road as described above. He further directed the Board and staff that there would be no further discussion on this matter unless it is in the Boardroom. Mr. Rehman and his son departed the meeting.

4. Participation in the Flood System Repair Project – Manager Bair reported that this item could be carried over to the January 2014 meeting.

5. Adopt 2014 Preliminary Budgets – It was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to adopt the 2014 Preliminary Maintenance Fund, Irrigation Fund and Project Budgets as presented. There was some discussion to wait and see if there will be a 2014 Water Transfer to cover the Irrigation Fund shortage or if a water rate increase would be needed in 2014.

7. Dry Water Year Preparation

- **Rules for Allocating Water in Dry Years** – Manager Bair reported that the District's Rules and Regulations state that the Board would setup rules for allocation of water should it be necessary. He said that Attorney O'Brien recommended that a letter go out to landowners notifying them of the severe drought conditions that the District cannot guarantee full water supply. After discussion, this matter was held over to the January Board meeting.
- **Five-Year In-Lieu Water Transfer** - Manager Bair gave an update on the proposed Five Year In-Lieu Water Transfer with Colusa County Water District (CCWD) and Dunnigan Water District (DWD). The agreement has been drafted but nothing can be done until the CEQA Process has been completed. Trustee Doherty abstained from this discussion.
- **Water Transfers South of the Delta** - Manager Bair reported that he was told that the Tehama-Colusa Canal might be looking for additional water in 2014. This transfer would be beneficial during May and June when water cannot be moved south of the Delta due to the Delta being out of balance. There was discussion regarding the disparity of rates between the TCC and the proposed transfer with CCWD and DWD.

INFORMATION REPORTS

NCWA Report – Trustee Cornwell reported that NCWA was actively preparing to respond to the Bay Delta Conservation Plan and drought related issues.

Sites JPA – President Durst reported on a meeting with DWR. The modeling has been completed and Sites was found to perform better than anticipated in both high and low flow BDCP scenarios.

Assistant Manager's Report - Assistant Manager Busch reported that we are currently waiting on PG&E to connect the power to the Groundwater Well located on Tract 6. Alsco Geyer will be hooking up the Groundwater Well located at Riggs to the existing power. Both wells should be operational by Spring 2014.

Manager's Report - Manager Bair reported he had nothing further to report at this time.

11. Closed Session – the Board went into Closed Session at approximately 12:10 p.m. to discuss one personnel matter pursuant to subdivision (b) of section 54956.9. The Board came out of Closed Session at 12:30 p.m. and President Durst reported that the annual review of Manager Bair was conducted and it was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved that the manager receive an 8 percent increase in salary with a merit bonus.

Investment Review – Mr. Gage Houser provided a review of the funds that he manages for the District as well as a general financial outlook.

RECESS

At 12:30 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 1:15 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 1:15 p.m.

Respectfully Submitted,



Lewis Bair

Secretary/Manager