

RECLAMATION DISTRICT NO. 108

Minutes of the Regular Meeting Of the Board of Trustees

November 19, 2015

President Durst called the Regular Meeting of the Board of Trustees to order at 8:30 a.m. on Thursday, November 19, 2015 at Reclamation District No. 108 headquarters, Wilkins Slough, Colusa County, California.

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

Trustees Absent: None

Others Present: Lewis Bair, General Manager
Bryan Busch, Assistant Manager
Chad Navarrot, Operations Manager
Cathy Busch, Executive Secretary
Beverly Walls, Bookkeeper
8 members of Public (See Attached List)

Kevin O'Brien, Legal Counsel
Steve Beckley, PR Consultant
John Laudin, Colusa Co Supervisor

Agenda – It was moved by Trustee Cornwell, seconded by Trustee Doherty and unanimously approved to approve the Agenda as presented.

Open Forum

President Durst welcomed the public to the meeting and opened the Public Forum. Manager Bair gave a report on the Rice Decomp/water fowl water. The District was allocated approximately 2,500 acre-feet of winter water for rice decomp/water fowl, for use during November 1 through December 10. He reported that the Bureau of Reclamation (USBR) added restrictions to eligible lands that no disking could be done in order to provide the most food matter for the birds. It was suggested that Water Users leave the rice boxes boarded up in the flooded fields to give the water fowl the longest possible benefit of the water. Additional riparian ground will also be flooded, unless the State Board cancels riparian flows. If we receive an abundance of rain water and Term 91 is lifted, other ground might be flooded in December or early January/February. Operations Manager Navarrot noted that the District drains would be used to move storm water, therefore flooded fields would not be able to drain to accommodate additional storm water.

Manager Bair reviewed the threats to the District's water supply which include the drought; litigation, National Resources Defense Council (NRDC) lawsuit; Bay Delta water quality and the planned water tunnels to Southern Calif. The District can choose to counter these treats by

developing alternative water sources such as groundwater production wells, investing in Sites Reservoir and fallowing ground. The District is also trying to educate our representatives and their staff regarding Northern California agricultural is by sponsoring tours of the Sacramento Valley. He invited landowners and Water Users to participate in any tour put on by the District.

Manager Bair announced a Landowner/Water User meeting to be held on December 8 at 10:00 a.m. to discuss 2016 Water Measurement Program, including water rates and invoicing. Also the proposed Office remodel will be discussed.

The Public Forum closed at 9:20 a.m.

ADMINISTRATION

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

Consent Agenda – After discussion, it was moved by Trustee Miller, seconded by Trustee Cornwell and unanimously approved to approve the consent agenda, including the Minutes of the October 15, 2015 Board meeting and the Special Board meeting held on October 27, 2015 with one correction.

Accounts Payable – After discussion, it was moved by Trustee Doherty, seconded by Trustee Cornwell and unanimously approved to approve the accounts payable: Maintenance Fund in the amount of \$548,738 (\$189,300 payoff the Caterpillar Excavator) and on-line payments and payments issued in October/November to be ratified in the amount of \$162,935 and Irrigation Fund in the amount of \$42,158 and payments to be ratified in the amount of \$10,295.

BUSINESS ITEMS

1. **Operations Report** – Operations Manager Navarrot reported that early in the year North Steiner Pumping Plant was found to be problematic. The pump was pulled and it was found that the conductor pipe to the River was rotten and the oil tubing was disconnected. Bearings were wore out and damage to the shaft was found. Parts salvaged from the South Steiner Pumping Plant were used for the repairs. Operations Manager Navarrot reviewed the condition of the Rough & Ready Pumping Plant. He said that the interior intake and discharge pipes had ¼ inch walls or better and over 75 percent of the pipes had original coating still there. He reviewed the

plant evaluation and recommendations. Overall Rough & Ready Pumping Plant is in good shape. The total cost of the recommended maintenance would be \$762,000, which could be completed in phases.

3. 2015 Water Operations – Fall Water – This issued was discussed during the Open Forum.

4. Landowner/Water User Annual Meeting – The Board reviewed the proposed Agenda for the Landowner/Water User Annual Meeting. Issues to be discussed are the Measurement Program and the Prop 218 process for a rate increase, update on water contracts and proposed office remodel. President Durst asked that a Groundwater Committee meeting be setup in February or March of 2016.

5. Fishery Projects

Knights Landing Outfall Gate Project (KLOG) – Manager Bair gave a Project status report. He reviewed the costs, grants and District share. He reported the DWR is requesting an incidental take for the Giant Garter Snake for maintenance of the facility. This will extend the project into January or February at an estimated cost of no more than \$5,000.

Wallace Weir – Manager Bair reported that he has received the Scope of Work for the grant application. The estimated cost is \$8.5 million. The facility will be owned by the State Water Contractors Board. This facility will include a bladder dam which has a six-month lead time, a new road, a fish barrier and a fish trapping facility that will capture the fish to be transported back to the River. It is hoped the Project will be completed October 2016.

2. Strain-West Drainage Issue – Manager Bair reviewed the Strain/West drainage issue and the proposed solution. The three final issues include: operation of the gates by the District in flood events that share the flooding issues between both the Strains and the West; a cost share of 50 percent Strain, 50 percent District and land contribution by the Wests; and a release of liability in the agreement for the District. After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Leonard and unanimously approved to authorized Manager Bair to work with legal counsel to finalize an agreement and execute said agreement, with Landowners Strain and West with a cost share of no more than \$25,000 and a release of liability for the District's benefit included in the Agreement. Landowner West thanked Manager Bair for his work on resolving this issue.

6. 2016 Draft Financial Budget

Proposed Future Automation Projects - Assistant Manager Busch has researched grant opportunities for future projects. He distributed a list of proposed projects and estimated costs. He then reviewed available grants and the proposed projects eligibilities. The USBR Water Smart Grant has a total program funding of \$20 million with an award cap of \$300,000 or \$1 million based on the project length. Eligible Projects would conserve and use water more efficiently, increase the use of renewable energy and improve energy efficiency, benefit endangered and threatened species, facilitate water markets or carry out other activities to address climate-related impacts on water. The first 12 proposed projects would automate District irrigation canals. After discussion, the Board directed staff to apply for grants.

Office Remodel – Manager Bair reported that he met with Ms. Valerie Erheke and she submitted a bid of \$23,200 to design the proposed office remodel. After further discussion it was the consensus of the Board to retain this cost in the budget and continue to discuss the Project. Due to a conflict Trustee Doherty did not participate in decision to hire Ms. Erheke.

Public Relations – President Durst suggested that the District needs to aggressively explore the possibility of contracting with a Public Relations person or agency to get the District’s and Northern California’s agricultural story out to the Public. It is important that the Public hears what agriculture is doing to conserve water and help the wildlife to counter NRDC’s story.

2015 Financial Audit – Manager Bair reported that the District requested bids from several different accounting firms to complete the audit for financial year 2015. Ms. Beverly Walls reviewed the bid submittals of each firm. After further discussion, it was the consensus to retain the services of Smith & Newell for the next three years.

INFORMATION REPORTS

Attorney’s Report

East Bay Municipal Utility District Proposed Water Transfer - Attorney O’Brien reported on the East Bay Municipal Utility District’s (East Bay) draft first right of refusal water transfer proposal. This would be water conserved from fallowing or crop shifting. Attorney O’Brien reviewed the proposed terms of the water transfer. After discussion, Manager Bair was directed to counter offer with the District’s terms of \$100 per acre for first right of refusal and indemnification for the District should the water transfer be challenged in court.

CalPine CEQA Lead – Manager Bair reported that he was contacted by CalPine regarding a six-mile pipeline that they are asking the District to be the lead on CEQA. The pipeline would offer landowners an alternative to PG&E services. Attorney O’Brien said that the District could

take the lead and ask the District's cost be reimbursed. After further discussion, it was the consensus of the District to take the CEQA lead for the six-mile CalPine pipeline.

CLOSED SESSION – The Board went into Closed Session at 11:45 p.m. to conference with legal counsel regarding anticipated litigation, pursuant to subdivision (b) of section 54956.9 (Settlement Contractors). The Board came out of Closed Session at 11:50 a.m. and President Durst announced no action taken.

NCWA's Report - Trustee Cornwell reported on the NCWA meeting he attended. NCWA is having a very successful campaign getting their story out. He said that social media is up by 800 percent with a lot of followers. The 2016 Budget was passed with no membership fee increase.

Sites Report – President Durst reported that the third amendment to the Sites Joint Exercise of Powers Agreement. The most contiguous changes are in paragraph 7.2 "Termination". The Counties feel that they should always have a seat on the Board and not be able to be terminated. Once the agreement has been finalized, President Durst will bring it back to the Board. The JPA is not engaged with Calif. Dept. Fish & Wildlife (CDFW) since Prop. 1 states that there must be an agreement between CDFW and the Project since CDFW will manage the Public benefit.

Communications Consultant – Mr. Steve Beckley complimented the Board on how they are working to find solutions for water issues and environmental issues. He said that the District's facebook site now has over 150 followers and the District is picking up more newspapers. The District has begun to get its story out to the Public.

Assistant Manager's Report - Assistant Manager reported Flood System Repair Program (FSRP). The contracts have gone to General Services and gravel will be completed in 2016. He reported on the Update for the Water Management Plan, and stated that the update will be submitted by the region.

Assistant Manager Busch reported on the Groundwater Sustainable Agency (GSA). Colusa County has also applied to be a GSA with boundaries that overlap the Districts. A mediator has been hired to help work through this process. The completed plans are due in July 2017.

Manager's Report – Manager Bair reported that he has been contacted regarding an offer for 21 tons of VOC credits at \$10,000 per ton. The Board discussed the proposed sale and the value of the VOC. After discussion, it was moved by Trustee Doherty, seconded by Trustee Leonard and

unanimously approved to direct Manager Bair to counter offer the 21 ton of VOC at \$30,000 per ton.

Other Issues – Ms. Nadine _____, Family Water Alliance (FWA) gave a report of what the FWA is currently doing. She said that FWA is currently looking for sponsors for their Annual Dinner, which is their main fund raiser. After further discussion, it was moved by Trustee Cornwell, seconded by Trustee Miller and unanimously approved to become a sponsor for the FWA Annual Dinner in the amount of \$1,000.

RECESS

At 12:20 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 12:40 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 1:40 p.m.

Respectfully Submitted

Lewis Bair
Manager