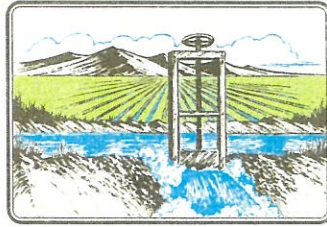


# Reclamation District No. 1004



**RECLAMATION DISTRICT NO. 1004  
BOARD OF TRUSTEES  
REGULAR BOARD MEETING MINUTES  
December 13, 2023**

Board of Trustees (BOT) present: Chairman Hulbert, Vice Chairman Borrelli, Trustee Herkert, Trustee Mord and Trustee Bailey. RD1004 staff present: District Manager Terry Bressler and Secretary to the Board of Trustees Barbie Buchanan. Public attendees present: Deryl Phyl and Nicole Garofalo. Public attendees present by phone: Dan Souza and Erik Foraker.

**1. Call the Meeting to Order**

Meeting called to order at 10:00 a.m.

**2. Approval of Agenda**

Motion to approve agenda for December 13, 2023: Trustee Herkert

Second: Trustee Borrelli

Vote: Unanimous

**3. Approval of Minutes**

**A. November 8, 2023 Regular Board Meeting**

Motion to approve minutes from November 8, 2023, Regular Board Meeting with suggested edits:

Trustee Borrelli

Second: Trustee Bailey

Vote: Unanimous

Trustee Bailey asked for clarification pertaining to November's Chairman's SRSC update. In November's minutes, page 4, first paragraph, Chairman Hulbert referenced landowners being paid for water during a BIN 3 year including all lands within the District, not just in-service lands. Trustee Bailey stated the 400 fields are not in District boundaries, however, are within the District service area. Chairman Hulbert stated that the District has been servicing the referenced fields for many years, and a change in that process could result in potential legal challenges.

**4. Public to address the Board**

Public attendee by phone, Dan Souza, asked if there has been any changes or amendments to the 2023 water toll. Chairman Hulbert responded that there have been no changes at this time.

**5. Financial Report-Discussion and Possible Action**

**A. Cash Report/Account Balances**

During November's Board Meeting the BOT asked Office Manager Barbie Buchanan to get information regarding fees associated with Edward Jones. Office Manager Barbie Buchanan reported that because Edward Jones has buying power to purchase assets in bulk at a wholesale cost, they are able to sell them at a slightly increased rate – approximately .03%. Our YTD costs for fees paid to Edward Jones is \$2,742.67. As far as current holdings, Office Manager Barbie Buchanan stated that the \$500k Treasury bonds that matured in November were put into CDs that will mature in August of 2024 ranging from 5.4% to 5.45%.

**B. Interim Disbursements**

Motion to approve Interim Disbursements as presented: Trustee Herkert  
Second: Trustee Borrelli  
Vote: Unanimous

**C. Accounts Payable**

Motion to approve Accounts Payable as presented: Trustee Borrelli  
Second: Trustee Herkert  
Vote: Unanimous

**D. Accounts Receivable**

Discussion only, no action taken.

**E. Profit/Loss Statement**

Discussion only, no action taken.

**F. Approval of Transfers**

Office Manager Barbie Buchanan requested the following transfers:

- \$2,500 for Water Rights from the general fund to Colusa County Fund 2 (499)
- \$10,000 for Princeton Pumping Plant from the general fund to Colusa County Fund 3 (500)

Motion to approve the two transfers as requested: Trustee Herkert  
Second: Trustee Borrelli  
Vote: Unanimous

**6. New Business:**

**A. Discussion and Possible Action regarding Payroll Policy Change from Semimonthly to Biweekly**

Office Manager Barbie Buchanan requested that the current payroll policy be changed from semi-monthly to bi-weekly effective January 1, 2024, and presented an amended personnel payroll policy to be effective January 1, 2024, to read as follows:

SALARY PAYMENT PROCEDURE:

Unless otherwise provided by law, all salaries and wages shall be paid on a bi-weekly basis. If pay date falls on a paid holiday, checks will be distributed the previous business day.

Motion to approve payroll policy change from semi-monthly to bi-weekly with the amended Personnel Policy, number 2, as presented: Trustee Borrelli

Second: Trustee Herkert

Vote: Unanimous

**B. Discussion and Possible Action regarding Butte County GSA – Butte Subbasin**

District Manager Terry Bressler presented the proposed Butte Subbasin cost allocation for 2024 and explained that during recent meetings, each of the current members have negotiated to be their own groundwater sustainability agency (GSA) within the Butte Subbasin and are in favor of an equal split for costs. The requested \$12,338 will cover the District's fees to be their own GSA within Butte Subbasin for 2024.

Motion to adopt and approve the equal split of \$12,338 (option 1) for 2024: Trustee Herkert

Second: Trustee Bailey

Vote: Unanimous

**7. Chairman's Report**

**A. Update on Sacramento River Settlement Contractors**

Chairman Hulbert shared that SRSC has extended an offer to Thad Bettner, who was the GCID General Manager, to start with SRSC in January 2024. At this point, Thad, who is a civil engineer, will have a starting range of approximately \$300k per year. Chairman Hulbert completed a comparative analysis and feels that the rate is fair and falls within the range of other civil engineers he works with.

SRSC is still working through many issues with USBR, and SRSC seems to be getting closer to a workable agreement. There are additional meetings with USBR coming up, and Chairman Hulbert confirmed that the District will have a meeting with Thad and the attorney to inform the District landowners and growers before any vote takes place. Chairman Hulbert clarified that any agreement that takes place with USBR will be for 2025 and that will start the 10-year period. 2024 will fall under the current agreement. A probability study was completed, and a ninety-one-year range was analyzed. With that study, the probability of water calls in any 10-year period is: 56% for no cuts, 44% of one or more cut years, 33% total cut is 500 TAF or more, 11% of more than one cut per year, 1% of three cut years. When comparing scenarios, it is likely that if we went into a BIN3 year, USBR would only call the first 250 a/f, not the full 500 a/f. Trustee Herkert shared if the sample used was 2012 – 2022, there would have been three BIN3 years which could skew the 1% statistic shared. If there are no cuts as referenced in the 56% statistic, the discussion has been that the \$200M the USBR puts up would go to infrastructure or extended for another 10 years. SRSC does not keep the funding.

Trustee Borrelli asked for clarification pertaining to a BIN3 year, specifically if the USBR will pay for the water and can someone still farm their property if there are wells on the property. Chairman Hulbert shared that yes, you may still farm your property and it would be a water transfer cutting a percentage of

the water and the USBR would have to pay. He again stated that crop insurance will not be impacted, and that the crop insurance topic comes up at each and every meeting and if the USBR decided against that, it would stop the agreement.

Further updates included the 2024 draft budget for SRSC. Chairman Hulbert stated that it is estimated that the dues will increase in 2026, and could double at that time and suggested that the District may need to carve out additional reserves to cover future dues increases. The SRSC budget committee will meet again in January 2024, to finalize the budget. SRSC should also be closer to the agreement with USBR at that time, which may also impact the SRSC budget.

Trustee Bailey asked if Thad Bettner will be an employee when hired, and Chairman Hulbert stated that he will not be an employee, but rather an independent contractor. Public attendee Deryl Phy asked if the opening should have gone out to bid since it was for an independent contractor. Chairman Hulbert stated that no bid was done due to the level of experience required for the position, and the fact that Thad Bettner is the only one with that level of experience, along with the institutional knowledge of SRSC and involvement necessary to keep current projects moving forward as they are. (Sole source procurement and justification)

Chairman Hulbert stated that the salmon studies budgeted for are about 50% complete. At this point, the USBR has not funded the salmon studies, however, SRSC does plan on asking for USBR funding for the salmon studies. The challenge when requesting funding, is U.S. Congress must approve the funding because it is federal monies and that has the potential to hold things up because of the long, complicated process to request additional federal funding.

Public attendee Deryl Phy asked for clarification regarding the administrative staff on the SRSC budget. Chairman Hulbert explained that will include the Executive Director, and administrative support to assist with administrative tasks when necessary. The Executive Director position will be a mobile position, and will most likely not have a set physical office location to start out in 2024.

## **8. Manager's Report**

District Manager Terry Bressler shared the Weedoo boat will be here on December 15<sup>th</sup> for a demonstration and will report back at January's board meeting.

The number four pump at the Princeton Pumping Plant burned out and is currently being repaired. The expected repair bill will be approximately \$20,000. Discussion continued regarding having a spare motor in case more than one motor goes down at once. District Manager Terry Bressler stated that it is about a year out to order a motor, and he will obtain a quote for a new one. Trustee Bailey inquired about pump efficiency testing and would like to see District staff start working on that beginning with the highest usage pumps and continue on over a three-year period. As PG&E continues to go up, the District needs to know what the efficiency is. District Manager Terry Bressler suggested putting meters on each pump at the Princeton Pumping Plant for early detection of potential issues. Trustee Herkert asked where USBR meters the water – the cement ditch or the individual pipes? District Manager Terry Bressler confirmed that the USBR meters are at the top of the cement ditch - after it comes out of the pumps, goes underground and comes out at the top of the cement ditch. Trustee Herkert asked District staff to determine if the USBR will approve adding the meters to the pumps at Princeton Pumping Plant.

District Manager Terry Bressler reported that the District has delivered 81,000 a/f and continues to deliver approximately 200 a/f per day, but with the upcoming storm water users are asking to start turning their water off now.

District staff met with Reynoso Bros. and Bobby Wright to obtain concrete quotes for the Avis project.

District Manager Terry Bressler gave an update from the conference call with the attorney regarding the Emrgy solar project. Emrgy is making changes to the current contract based on the attorney's comments. The biggest change in the contract was that the initial contract was a five-year contract with one (1) five-year extension. It will now be a five-year contract with five (5) five-year extensions if mutually agreeable. The proposed purchased agreement for two units should be ready to be reviewed by the attorney one last time and then be ready to sign next week.

**9. Assistance Manager's Report**

Chairman Hulbert reported that Assistant Manager Vince Laufer is no longer with the RD1004 and has taken a general manager position at Kanawha Water District.

**10. Old Business:**

**A. Discussion and Possible Action regarding-Butte Creek**

Discussion only, no action taken.

**B. Discussion and Possible Action regarding Solar Program and Proposal**

Discussion only, no action taken.

**C. Discussion and Possible Action regarding Hydro/Solar Program & Proposal-Emrgy**

District Manager Terry Bressler stated that the purchase agreement from Emrgy should be ready to sign next week, as reported in the Manager's Report above.

**D. Discussion and Possible Action regarding White Mallard Dam Automated Dam Level Cost, Feasibility and Operations**

Discussion only, no action taken. The full project is estimated to take approximately two to three years, and automation will take about one year. At this point, the District is waiting for the funding from Ducks Unlimited and California Department of Fish and Wildlife.

**E. Discussion and Possible Action of Construction Contract for Brooks Walker and Avis Pumps**

Discussion only, no action taken.

**F. Discussion and Possible Action regarding the 2023 Water Toll**

Discussion only, no action taken. Brief discussion of a possible 2023 amended water toll and potential use of the drought relief money if the BOT decides to back fill fees in any manner. Topic has been tabled until 2023-year end is closed and the year end audit is completed. At that time

discussion can continue to determine if drought funding should be used to subsidize the 2023 budget if necessary.

Break for lunch at 11:50 a.m.

Back in session at 12:25 p.m.

**G. Discussion and Possible Action regarding the 2024 Budget/Water Toll/Standby Fees**

Chairman Hulbert shared the updated draft 2024 budget for RD1004 which includes the edits suggested by the BOT at November's board meeting. This draft includes a \$21.00 water toll and a \$25.50 admin/standby fee, increased PG&E budgeted amount and reduced USBR fees.

Discussion continued regarding projected District fee changes, 218 process requirements, and last year's water toll of \$26.00 and admin/standby of \$22.50. Chairman Hulbert explained that a fairly tight budget is acceptable to him, and understands that there are reserves available if absolutely needed for a large deficit.

Office Manager Barbie Buchanan shared a document from USBR that breaks down all fees associated with the current total USBR charge of \$41.77 per a/f, not including restoration, Trinity Public Utilities District fees, and rescheduling fees that are charged and billed to the District based on the amount of project water used. District Manager Terry Bressler explained the process of rescheduling water and how additional USBR water fees are charged to the District. Discussion continued regarding the projected amount of water to be sold and the options for water toll amounts. District Manager Terry Bressler suggested a water toll of \$20.50 a/f, and keep the current admin/standby amount of \$22.50 per acre (which includes the \$2.06 admin charge). Trustee Herkert voiced his support for the District moving closer to what it actually costs to operate the District. Chairman Hulbert stated that it would require the District to perform the Prop 218 process, and supports moving toward actual costs over the next two to three years. He also stated that the District does not want to use all the reserves, as capital projects will use reserves and the District could end up running short on capital which would really drive the costs up.

Trustee Borrelli asked how much the District currently has in reserves. Chairman Hulbert shared that at the end of 2022, the District had \$3.65 million, plus the drought relief funding of \$1.9 million, for a total reserve of \$5.5 million – keeping in mind that part of the drought relief funding has been allocated for a few capital projects and some of the funding has been spent on Board approved items since then. Chairman Hulbert explained that the District's true reserve is \$3.65 million and no part of that has been allocated. Trustee Borelli stated that the BOT should consider reviewing reserves, and determine an amount that the District needs to keep in reserves, and then if reserves exceed that amount, the District should do what they can to not increase fees. The goal should be to keep fees down and still run the District. Chairman Hulbert explained that in 2015/16, after review of the financial reports and working with the accountant, the reserve target was \$5 million. He also stated that the current budget, follows the goal Trustee Borrelli just shared because the District is not adding to the reserves with the current proposed budget. Trustee Bailey and Trustee Herkert supports the current budget with 80,000 a/f sold, a \$20.50 water toll, and a \$22.50 admin/standby inclusive of the \$2.06 admin reflected.

Trustee Borrelli would like to wait to approve the 2024 draft budget until the USBR water usage fee issue with Rancho Caleta (RC) and Butte Creek Farms (BCF) is resolved. Chairman Hulbert understands the importance of the issue and agrees that the District needs to be accurate, but explained that the USBR water usage issue is a completely separate issue from the budget. Trustee Borrelli disagreed, and feels that the issue is directly related to the budget. Discussion continued regarding the USBR water usage and invoicing issue surrounding RC and BCF and potential future invoicing options were shared. Trustee Borrelli feels that RC and BCF should only be paying for the water that they use just like everyone else in the District. Trustee Herkert stated that he still feels the solution is the same as he stated in previous meetings; to bring those lands into the service area within District. Trustee Borrelli asked if the proposed \$22.50 admin/standby fee and the \$20.50 water toll would equate to a break-even budget for 2024. Chairman Hulbert confirmed that it would.

Motion to adopt and approve the 2024 admin/standby fee of \$22.50, inclusive of the \$2.06 admin fee, and the water toll of \$20.50: Trustee Borrelli

Second: Trustee Bailey

Vote: Unanimous

**H. Discussion and Possible Action regarding the Sacramento River Settlement Contractor Cost Analysis**

Chairman Hulbert explained that the dues are listed on the agenda, 2021 - \$14,377, 2022 - \$29,904, 2023 - \$14,377 and those are the costs, the benefits have been articulated, and with no further questions, this topic will be removed from the agenda.

**I. Discussion and Possible Action regarding Regroup Mass Notification System**

District staff has decided to remove this from the agenda and does not suggest moving forward with the system at this time.

**J. Discussion and Possible Action regarding CVP Reserved Works Application for Funding**

After speaking with the attorney, the District has decided to decline signing any support letters for the CVP Reserved Works Application because of the potential adverse financial impact to the District.

**K. Discussion and Possible Action regarding Action of Relief Allocation**

Discussion only, no action taken.

**11. CLOSED SESSION AND TOPICS TO BE DISCUSSED:**

Closed session called at 2:10 p.m.

**A. Discussion and Possible Action regarding Sacramento River Water Rights/Bureau of Reclamation & California Department of Water Resources.**

No action taken.

**B. Discussion and Possible Action regarding Public Employee Compensation for 2024, Bonuses for 2023 and employee reviews.**

Open session called at 2:45 p.m.

Report out from Closed Session:

The BOT presented Office Manager Barbie Buchanan with the 2024 employee compensation schedule and reported on the two actions taken during closed session:

Motion to increase District retirement contribution from the current 9% to 10% effective January 1, 2024: Trustee Borrelli

Second: Trustee Bailey

Vote: Unanimous

Motion to approve the proposed 2024 salary package, including 2023 bonuses: Trustee Borrelli

Second: Trustee Bailey

Vote: Unanimous

At this time, District staff distributed an updated draft 2024 budget to the BOT because there was a formula error on the number of acres for the admin fee on copy shared during open session. Formula was corrected then re-distributed.

Meeting adjourned at 3:00 p.m.

**Submitted by Barbie Buchanan.**



Ed Hulbert  
Chairman of the Board



Barbie Buchanan  
Secretary to the Board of Trustees