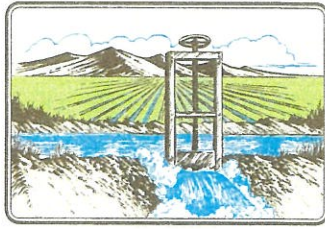


# Reclamation District No. 1004



**RECLAMATION DISTRICT NO. 1004  
BOARD OF TRUSTEES MEETING MINUTES  
January 10, 2024  
Regular Board Meeting  
10:00 a.m.**

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 Phy and Nicole Garofalo. Public attendees present by phone: Dan Souza and Erik Foraker.

**1. Call the Meeting to Order**

Meeting called to order 10:05 a.m.

**2. Approval of Agenda**

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

Second: Trustee Mord

Vote: Unanimous

**3. Quarterly Bifurcation Meeting**

District Manager Terry Bressler stated that the District has been working with Ducks Unlimited (DU) and California Department of Fish and Wildlife (CDFW) to perform updates to the White Mallard Dam. Currently, DU and CDFW would like to see automation gauges installed at the Bifurcation Plant to determine how much water goes each way. They are also still working on cleaning up Butte Creek south of the White Mallard Dam. Public attendee Erik Foraker reported that operations have been stable and operating as expected. District Manager Terry Bressler agreed, and stated that there have been no operational issues on the District's side as well. The District's point person at CDFW is Anna, and the DU contact is Virginia, however, DU is the entity leading the project.

**4. Approval of Minutes**

**A. December 13, 2023 Regular Board Meeting**

Motion to approve minutes from December 10, 2023, Regular Board Meeting with suggested edit on page 7: Trustee Bailey

Second: Trustee Borrelli

Vote: Unanimous

**5. Public to address the Board**

None at this time.

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

**A. Cash Report/Account Balances**

Office Manager Barbie Buchanan reported that the District is currently investing the \$1M that matured within the last few weeks and there will be another \$1.675M in CDs maturing at the end of January. Rates are going down and the average right now is 4.5% for short and 1 year. Office Manager Barbie Buchanan also reported that the District may need to transfer working capital from Edward Jones or the County reserves to fulfill refunds and additional bills in February. The District is currently at \$105k for working capital after account payable reported at today's meeting.

The BOT requested that a bottom line for 2023 be determined before February's meeting in order to determine if there will be water refunds processed based on acreage. Public attendee Dan Souza asked the BOT when the refunds would be determined and if the District will use the USBR drought funding for the refunds. Chairman Hulbert explained the BOT have had previous discussions and feel that the USBR drought relief funding would be appropriate to use and would go back to all landowners within the District. Chairman Hulbert and Trustee Bailey will come in to work with District staff to review financial information prior to February's meeting.

Public attendee Dan Souza also asked if the BOT has considered using the reserves to cover some of the District expenses to reduce 2023 fees. Chairman Hulbert explained that his opinion is to not use reserves to reduce 2023 expenses because there are upcoming projects within the District and the upcoming budget for 2024 has no money forecasted to move into reserves. Trustee Bailey supports using the USBR drought relief money to reduce the water toll rate, and possibly amortizing the water toll rates with the USBR drought funding over the next three years. Trustee Borrelli would like to see the BOT set a reserve target, and when the District exceeds the reserve funding target, the excess reserve funding could be used to subsidize fees. Chairman Hulbert explained his target reserve in the past has been \$5 million, however, expenses have gone up so the \$5M may not be a sufficient target. As of January 2023, the District had approximately \$3.2M in reserves after all obligations were paid, and then the District received \$1.9M from the USBR drought relief funding, however, the District has used a portion of the \$1.9M USBR funding. Right now, Chairman Hulbert estimated that the District is just under \$5M in unallocated reserve funding.

Trustee Borrelli suggested that Edward Jones rep look into Chase Bank is currently at 5% interest for 9-month CDs.

**B. Interim Disbursements**

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

**C. Accounts Payable**

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

BOT directed Office Manager Barbie Buchanan to use funds available in the Princeton Pumping Plant fund to pay for the North State Electric bill of \$23,987.70 which was the cost to rewind one of the original PPP motors from prior to 1982.

**D. Accounts Receivable**

Discussion only, no action taken.

**E. Profit/Loss Statement**

Office Manager Barbie Buchanan reported that water sales through December 31, 2023, are at \$2,166,552.94, which is 95.7% of the forecasted amount for 2023.

Discussion only, no action taken.

**F. Approval of Transfers**

Office Manager Barbie Buchanan requested the following transfers:

- \$2,500.00 for Water Rights from the general fund to Colusa County Fund 2 (499)
- \$10,000.00 for Princeton Pumping Plant from the general fund to Colusa County Fund 3 (500)

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

Discussion regarding upcoming landowners meeting in late February or early March, dependent on the timeline with the USBR agreement.

**7. New Business:**

**A. Discussion and Possible Action regarding Purchase of Weedoo Boat**

District Manager Terry Bressler shared a video and description of the Weedoo boat presentation at the Borrow Pit, which Trustee Herkert and Trustee Bailey were also present at. The Weedoo boat has the potential to reach areas for weed control that the long reach excavator cannot reach, and District Manager Terry Bressler stated that the weed cleanup will save water. Trustee Bailey suggested using excavator mats to reach out further just as the District did near the California and Five Points area. Trustee Herkert shared concerns regarding the flow and the current size of the road along the Borrow Pit due to erosion and he would like to see the channel more towards the middle of the Borrow Pit and that would allow the District to build up the road.

Public attendee Dan Souza shared that the clean out at the RSCT property resulted in 3-foot stacks of debris along the road making it impassable on the north end of the Morgan Levee and would like to see the debris placed somewhere else. His suggestion was possibly along the edge of the field, and he would like to see more collaboration with the clean out process next year. Trustee Mord agreed that the debris

stacks should be smaller so that a disc can go down the road to break it up, but does not agree that the debris should be placed along the edge of the fields.

Trustee Herkert feels that the District should hold off on the Weedoo boat purchase until excavator work has been completed, and then re-evaluate at that time. Trustee Bailey agreed that the District's long reach needs to work on the channel first and feels the job that needs to be done in the Borrow Pit would be overwhelming for the Weedoo boat and would require too many man hours to complete that project. After discussion, the entire BOT decided to hold off on the Weedoo boat purchase, directed District staff to use the long reach and reassess the need after that.

**B. Discussion and Possible Action regarding 2024 District Well Cost and Operations**

District Manager Terry Bressler stated that the cost to run a well is approximately \$60.00 a/f and the only time the District is running wells is when the need is there. Chairman Hulbert explained that if we have a full water year, then the District should only run the wells when it is absolutely needed, but it is his opinion to not tell District staff how to run the District. Trustee Bailey stated that it may not be worth the cost to run wells and would like to see how much it cost to run the wells and does not agree that the wells should be run during a full water year and if a water user needs to wait a few days, they need to wait. Chairman Hulbert asked District staff to determine the well cost to present at next month's meeting. He also stated that he feels the wells are a tool, and does not want to draw a hard line that could result in taking tools away. Trustee Herkert stated that it is his opinion that if someone has a field fertilized and ready for water, that user should not have to wait a few days to get water. Chairman Hulbert stated that this issue will be added to the Landowner Meeting Agenda for further discussion and input.

**C. Discussion and Possible Action regarding USBR Contract Water Payments and True Ups**

Discussion regarding information shared from USBR regarding how true-up fees can be charged after the initial payment to USBR for annual water. While the USBR contract does not explicitly state the USBR will have an annual true-up cost, in Article 8 of the Contract, it does point to the "then-current rate setting policies" which allows the USBR to charge for any deficit incurred during the prior year's water delivery and Public Law 99-546 requires each contractor to pay an annual deficit incurred by that contractor to the USBR.

Trustee Borrelli asked for clarification regarding exactly which charges are included in a true-up bill from USBR. District Manager Terry Bressler explained that the Cost-of-Service rate is the charge in the true-up, and that the Restoration and Trinity fees are billed by the USBR and based on the a/f of project water used during a specific time period. In addition, the USBR true-up bills are not always for the same rate charges.

**D. Discussion and Possible Action regarding appointment for the following positions:**

- 1. Chairman of the Board**
- 2. Vice-Chairman of the Board**

Chairman Hulbert opened discussion to see if anyone would like to run for the Chairman or Vice-Chairman of the Board. The trustees present stated that they appreciate the current leadership, and would like things to stay the same at this time.

Motion to keep board appointments as they are now, Ed Hulbert as Chairman and Larry Borrelli as Vice-Chairman: Trustee Bailey  
Second: Trustee Mord  
Vote: Unanimous

## **8. Chairman's Report**

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

Chairman Hulbert provided an update on the project funding that will be provided by the USBR if the 10-year deal is complete and the list of potential projects that he asked District staff to come up with. MBK representatives have asked Contractors to come up with a list of potential projects needed within their Districts so that if an agreement has been reached with the USBR, the list of potential projects will already be established and the application process can begin without delays. Chairman Hulbert wants to ensure that the District is ready to start their application process as soon as funding is available. The projects are all water saving projects and new wells were intentionally excluded from the project list due to operation costs. The District's pro-rata share of the project funding should be approximately \$1.6M, and the District's list of projects total about \$3.6M. The potential projects include the Highline Ditch at approximately \$3M, Bifurcation-McVey Weir control at approximately \$400k, and the County Line control structure at approximately \$175k. The estimated water savings with these projects would be 2400 a/f per year.

Public attendee Deryl Phy asked for clarification as to where the funding is coming from and voiced his concerns about taking funding from the SRSC because he feels that could potentially allow the SRSC to start calling the shots within the District. Chairman Hulbert explained the funding comes from the USBR, through the SRSC to the Contractors but that the SRSC is the conduit allowing the USBR deal to take place. Trustee Bailey asked if there was a hook associated with the funding, and Chairman Hulbert stated he has not noticed any hooks associated with the funding. He also explained that until Congress authorizes the funding, there will not be a deal with the USBR. The USBR funding must be put up on the front end with no exceptions.

At next month's meeting, the Chairman's Report will include updates on the State Water Quality Plan. The State is still pushing for 55% unimpaired flow, and that does not work for water districts. There should be an update coming up soon, and Chairman Hulbert will report out as soon as there is. One of points of the voluntary agreement is to get away from the unimpaired flow restrictions.

Chairman Hulbert is expecting a meeting with SRSC personnel within the next couple months and will be a big portion of the Landowner Meeting.

## **9. Manager's Report**

District Manager Terry Bressler reported that the District's 2023 water sales were 83,704 a/f and YTD is 84,763 a/f. The District is currently delivering approximately 80 a/f per day, and will be down to 70 a/f by Friday, January 12, 2024. Duck season ends on Wednesday, January 31<sup>st</sup>, so the plan is to turn the water off on Sunday, January 28<sup>th</sup>, however, there are quite a few water users off already. Trustee Herkert asked if the water is turned off earlier, would that allow District staff to complete any projects that may not be available with a later turn off day. District Manager Terry Bressler stated it depends on the upcoming rain.

District Manager Terry Bressler suggested keeping the unit duty for 2024 as it was for 2023: 5 a/f for rice, and 3 a/f for anything else. The new paperwork will include an area for water users to report crop

data on the water application to assist with USBR reporting requirements at year end. The BOT agreed with the 2024 unit duty as suggested.

District staff are currently cleaning the drain below the District and working on meters to get ready for the upcoming season. Trustee Herkert suggested that the excavator move to the Borrow Pit after the drain is clean since it is right next door from where it is currently working. It was also suggested that the District move the road at the drain at the south end of the District property to make the field bigger. It was also suggested to update the new land lease for the District with a requirement that the lessee will pay for a portion of the Morgan Levee Repairs and Maintenance.

There is nothing to report on Butte Creek right now. The solar program representative contacted District staff with a few ideas for new solar projects. District staff has met with Reynoso Brothers Construction and B&J's Concrete for concrete bids for the Brooks Walker and Avis projects. Avis will be the first project to be started, however, District Manager Terry Bressler does not expect Avis to be completed this year.

Further discussion regarding pouring concrete walls and installing steel beams at Brooks Walker to put the pumps on to increase stability and reduce safety hazards. The sump part of the project will cost approximately \$100k and will require blocking water. The concrete reinforcement walls and the steel beam decking will mitigate the pumps falling into the water. PG&E will be coming in to replace the transformer to update to a four-wire system. Discussion continued regarding the sump part of the project and District Manager Terry Bressler stated that if the District did the sump part of the portion, it is not likely to have the project completed in 2024. Trustee Herkert feels that the District's goal with this facility is that it does not fall apart and continues to deliver water. Trustee Herkert asked for Trustee Bailey's opinion of a partial project completion, including shored walls, or the entire project including a new sump. Trustee Bailey stated that he would like to see the entire project completed including the sump. He is concerned about site failure, but would like to see the entire site fixed as a whole, not a band-aid and would like to find the best timing for both sides, rice and ducks. Trustee Herkert asked if the entire project was to be completed, and the pumps were pulled as soon as rice water turned off, would the project last beyond the start of duck season and render the District unable to deliver duck water at the beginning of the season. District Manager Terry Bressler confirmed that is correct. The BOT asked District staff to obtain cost estimates to pull the pumps, shore up the walls, and lay new steel beam decking. Trustee Herkert suggested shoring up the walls when the pumps come out. District Manager Terry Bressler is anticipating \$55k to \$70k to complete the project.

Motion to proceed with Brooks Walker phase one to include: one new pump, steel beams, concrete abatement at each end, and electrical upgrades with an approximate cost of \$60,000.00 and will be classified as capital improvement: Chairman Hulbert

Second: Trustee Bailey

Vote: Unanimous

**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 White Mallard Dam Automated Dam Level Cost, Feasibility and Operations**

Discussion only, no action taken.

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

Discussion only, no action taken.

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

Discussion only, no action taken.

Trustee Bailey brought up current inflows at Shasta and the need to start discussing the USBR water allocation since it is after the first of the year. Chairman Hulbert reported that at this point, inflow is about 25% of normal and is close to where it was in December 2022, prior to the storms at the beginning of 2023. He will get updated information pertaining to USBR allocation and inflows at the next SRSC meeting.

Trustee Herkert stated that he would like to see a true-up on the 2023 water toll and would like to see it closer to where the BOT approved the 2024 water toll of \$20.50 a/f. Chairman Hulbert explained the 2023 water toll does not impact the 2024 budget because the funds used to offset the 2023 water toll would come from reserves, not the 2024 budget.

**F. Discussion and Possible Action regarding the 2024 Budget**

This 2024 Budget approval will be tabled until final a/f delivered is determined as well as the final expenses of 2023, in order to determine refunds for 2023, if any. With the current budget draft, the District budget results in a loss of \$47,628.00. The plan is to decide the final amount of forecasted water to be delivered in 2024, and approve the 2024 budget at February's meeting.

**G. Discussion and Possible Action of Drought Relief Funding Allocation**

Discussion only, no action taken.

**H. Discussion and Possible Action of USBR Water Invoicing Analysis**

Previous meeting discussions had included the amounts Butte Creek Farms (BCF) and Rancho Caleta (RC) pay for their water and admin fees versus what other water users in the District pay with their water toll and stand-by/admin fees. Chairman Hulbert went back to 2021 and reviewed meter readings, and BCF used approximately 56% of Bureau water paid for. USBR water worksheets included in this month's packet were reviewed to determine how much water BCF and RC used this year. Chairman Hulbert would like Office Manager Barbie Buchanan to determine how much the District paid to the USBR in 2021, and how much BCF and RC water rates were compared to other waters users in the District during that same time. Chairman Hulbert wants better records kept pertaining to USBR charges throughout the year.

Trustee Borrelli suggested that BCF and RC be billed monthly, July through September, for any project water that is used during that time rather than paying upfront as they do now. Trustee Bailey and Trustee Borrelli would like to see an independent fee analysis performed by MBK. The

BOT agreed and directed District staff to contact MBK to get the fee analysis started. Trustee Herkert stated that the District needs to determine what the exact ask of MBK is prior to contacting them. Is the District looking for a fee analysis only, or should the District ask about the entire scenario including portions of the District being within the District boundaries but not within the service area, and how that situation as a whole should be handled? Chairman Hulbert feels that the ask should include all of those questions, and all of the different scenarios within the District as a whole, including the different classes of service. Trustee Borrelli suggested having a committee come together to talk with MBK. That committee will be Vice- Chairman Borrelli and Trustee Herkert, along with District Manager Terry Bressler.

**I. Discussion and Possible Action regarding Sutter Refuge Water Wheeling Contract with USBR**

Discussion only, no action taken.

Break for lunch at 12:25 p.m.

Back in session at 1:00 p.m.

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

Closed session called at 1:05 p.m.

- A. Discussion regarding Legal Counsel conference pertaining Water Rights**
- B. Discussion and Possible Action regarding Sacramento River Water Rights/Bureau of Reclamation & California Department of Water Resources**

Open session called at 1:20 p.m. Discussion only, no action taken, nothing to report out.

Meeting adjourned at 1:25 p.m.

**Submitted by Barbie Buchanan.**



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Ed Hulbert  
Chairman of the Board



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Barbie Buchanan  
Secretary to the Board of Trustees