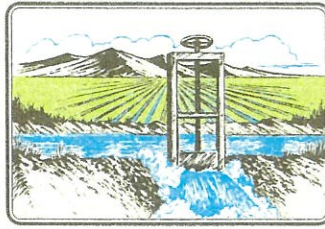


# Reclamation District No. 1004



**RECLAMATION DISTRICT NO. 1004  
BOARD OF TRUSTEES  
MEETING MINUTES  
October 11, 2023  
Regular Board Meeting  
10:00 a.m.**

Board of Trustees (BOT) present: Chairman Hulbert, Vice Chairman Borrelli, Trustee Herkert, and Trustee Bailey. Trustee Mord was absent. RD1004 staff present: District Manager Terry Bressler, Assistant District Manager Vince Laufer, and Secretary to the Board of Trustees Barbie Buchanan. Public attendees present: Nicole Garafalo and Deryl Phy. Public attendees present by phone: Dan Souza, RSCT Duck Club, David Barale, Micheal Marver, and T.J. Louderback.

**1. Call the Meeting to Order**

Meeting called to order at 10:05 a.m.

**2. Approval of Agenda**

Motion to approve agenda for October 11, 2023: Trustee Herkert

Second: Trustee Borrelli

Vote: Unanimous

**3. Approval of Minutes**

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

Discussion only, no action taken. Current minutes are tentatively approved with the addition of Trustee Borelli's suggestion pertaining to USBR Restoration Fees. Topic tabled until November's meeting.

**4. Public to address the Board**

A letter from Tom Orgain with RSCT, Inc. Duck Club was sent in to the District prior to the meeting. Trustee Herkert read and addressed the letter from Mr. Orgain pertaining to current water toll of \$26.00, and the current unit duty of 3 a/f per acre. Dan Souza, public attendee by phone, had nothing to add regarding the letter. Discussion only, no action taken.

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

**A. Cash Report/Account Balances**

Office Manager Barbie Buchanan presented the Treasurer's Report. Reported that the account at Umpqua Bank used for payroll taxes only, is now closed, and all payables are paid from the Tri-Counties account. Discussion only, no action taken.

**B. Interim Disbursements**

Motion to approve Interim Disbursements as presented: Trustee Herkert

Second: Trustee Borrelli

Vote: Unanimous

**C. Accounts Payable**

Office Manager Barbie Buchanan presented the accounts payable list and noted there was another USBR bill for \$79,701.69 for the August restoration fees and July's rescheduling fees, as well as the overage for August usage.

Trustee Bailey asked for clarification pertaining the legal bills

Motion to approve the accounts payable list as presented: Trustee Borrelli

Second: Trustee Herkert

Vote: Unanimous

Continued discussion pertaining to upcoming USBR meeting, Trustee Bailey asked why the District has legal representation participating in those meetings as it potentially drives up legal costs. Chairman Hulbert explained that legal representation is necessary due to the critical nature to the District. USBR is looking for a 10-year deal for 500,000 a/f of water. Minasian staff attend these meetings as our representative with Chairman Hulbert or Trustee Herkert, and in an effort to keep costs down, RD1004 splits this particular legal cost associated with SRSC with Anderson Cottonwood Irrigation District. It was noted that the legal bills relating to SRSC are not to be confused with the dues that are paid directly to SRSC.

Chairman Hulbert encouraged people to attend one of the SRSC meetings to understand the importance of having legal representation present, and the complexity of all of the water rights issues.

**D. Accounts Receivable**

Discussion only, no action taken.

**E. Profit/Loss Statement**

Trustee Herkert asked if the budget variance listed on the P&L water purchase fees reflected the 2022 USBR true up fee. Office Manager Barbie Buchanan explained that the true up fees were a portion of the overage in addition to other charges from the USBR. Regarding the USBR true up, Trustee Herkert asked if land outside of the delivery area will be billed for their portion of the true up costs. Office Manager Barbie Buchanan stated that has not taken place in the past, the true up costs were paid from the general fund and no landowners or growers were billed for the additional fees. Trustee Herkert also asked for a cost account relating to Insurance Claim Income to separate those funds out. Office Manager Barbie Buchanan will create and move the two insurance claims to that line item. Discussion only, no action taken.

**F. Approval of Transfers**

Office Manager Barbie Buchanan requested the following two transfers:

- \$2,500.00 from general fund to County Fund 2 (499) for water rights
- \$10,000.00 from County Fund 1 (498) to County Fund 3 (500) for Princeton Pumping Plant

In addition, Office Manager Barbie Buchanan informed the BOT that this transfer will bring County Fund 1 down to a minimum, and beginning with November 2023, Princeton Pumping Plant transfers will come from the general fund.

Motion to approve the two transfers as requested: Trustee Herkert

Second: Trustee Borrelli

Vote: Unanimous

**6. New Business:**

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

Chairman Hulbert clarified that the \$26.00 water toll is not a proposed water toll, but was voted on, and approved at the Board Meeting on March 30, 2023, because the USBR allocation for this year was late due to late storms. The District is currently at 61,000 a/f delivered, so there is a shortage of what was expected to be delivered which impacts income, however, there are areas that we have come in under budget on expenses. District staff will look at costs and bottom line as it gets closer to the end of the year to determine if there could be some potential recalculations. Public attendee Dan Souza suggested using some of the drought relief funding to offset toll costs. Trustee Borrelli stated that PG&E costs have gone up, which will impact the bottom line. Trustee Herkert suggested this agenda item be tabled until December when the District has further budget actuals, and possibly consider a new toll at that time, both retroactively for summer water as well as winter water. Trustee Bailey agreed with Trustee Herkert and the two trustees will meet with District staff to develop a recommendation to be presented at December's meeting.

Assistant District Manager Vince Laufer reviewed current costs associated with similar SRSC districts for comparison, and RD 1004 is about in the middle.

**B. Discussion and Possible Action regarding the 2023 Winter Water Unit Duty**

Chairman Hulbert confirmed that the current unit duty is 5.0 a/f for rice, and 3.0 a/f for habitat and duck water. Trustee Herkert asked for clarification as to whether the District has summer and winter water, or one season because referring to winter water follows a two-season water year. District Manager Terry Bressler stated that the District has one water season as of 2023. Trustee Bailey felt that a 3.0 a/f is appropriate for winter water unit duty.

Discussion to leave current unit duty as is at 3.0 a/f, and will revisit at the end of the year.

Chairman Hulbert asked District staff for a list at the end of water year to determine how many people went over 3.0 a/f, and who did not use the 3.0 a/f allocation to help determine the unit duty for 2024 and possibly determine if the District should keep one water season/year or to go back to two. Discussion only, agenda item tabled until December's meeting.

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

District staff presented the proposed 2024 budget, as well as standby and admin fees. After a brief review, Chairman Hulbert suggested decreasing the forecasted income from water delivery sales with the next draft budget, and discussed the current projected budget and toll of \$19.20 provided a push budget and does not feel that is feasible. Trustee Herkert pointed out that the projected standby/admin fee of \$34.50 reflected on the analysis provided does not echo the standby/admin fee income listed on the budget. He is in favor of using true numbers to determine the standby fee, not using a lower number to avoid the Prop 218 process. Trustee Herkert suggested the BOT approve the standby/admin fee as a combined number, and then the admin portion go to a committee to determine how much of the combined number should be calculated for admin and standby separately. Trustee Herkert also felt that Rancho Caleta (RC) and Butte Creek Farms (BCF) should be recused from that decision and vote, and referred to minutes from 1998, which supported that suggestion. Since the admin portion of the standby fee is the only board approved fee that RC and BCF pays to the District, Trustee Herkert feels the reasoning for their recusal is their vote does have weight when it comes to determining the amount due for admin fees. He went on to recognize that all trustees have a conflict that touches, admin, standby and water toll, however, the conflict pertaining to the admin fee is the only conflict that RC and BCF has so therefore is a higher concentrated conflict. Trustee Borrelli pointed out that the structure of the Board is a conflict by design because in order to be on the Board, you must be a landowner, or appointed by a landowner. He also felt that the bigger conflict would be with the rest of the board has with setting the water toll. Chairman Hulbert understood Trustee Herkert's position, but does not necessarily agree and stated that he feels that there have been many changes in factors and mechanics that have changed between 1998 and today. Chairman Hulbert also stated that he understands not all of the board is aligned, and that is reasonable and understands the big picture of trying to reach as low of a toll as we can. Trustee Borelli stated that the standby and toll needs to be set at the same time for 2024.

Discussion continued and Chairman Hulbert asked the BOT as to what the board would like to do today, and Trustee Herkert repeated his stance of the BOT approving a combined number, and then that number goes to committee with recusal from RC and BCF. District Manager Terry Bressler stated that right now is too soon to set the 2024 water toll.

Chairman Hulbert asked the District staff to meet with Trustee Herkert and Trustee Bailey to determine a combined amount for standby/admin to be presented to BOT at December's meeting.

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

Chairman Hulbert reviewed the fees paid to SRSC going back to 2009, which totaled \$127,209.00, which is an average of \$21,202.00 per year over the last six years for the District's participation in the SRSC. Chairman Hulbert expressed the value of protecting water rights, and Trustee Herkert stated that the District needs to stay active with decision making right now. SRSC is assisting with water rights process, as well as with issues outside of water rights, which is why SRSC is looking to hire leadership staff, as well as additional staff, which will potentially drive up the annual cost to the District.

Trustee Borelli asked about the status of the USBR voluntary agreement (VA) that had been previously discussed. Chairman Hulbert stated that the VA is not completed and is still being discussed, separate from other issues that have been discussed. Trustee Borelli asked if the District agreed to the VA, will that preclude the District from other water sales. Chairman Hulbert stated that the VA still has to be negotiated, but he does not believe it would preclude the District from other water sales.

Trustee Herkert believes that being a part of the SRSC is benefitting the USBR challenges we are involved with. He also understands that some landowners are suspicious of the SRSC and would like the District to figure out how to help disseminate information to the District customers. Trustee Herkert suggested the District host a special landowners meeting allowing SRSC to answer questions related to SRSC and provide information once the leadership position is filled and able to address the public. Chairman Hulbert agreed and felt that it needs to be closer to when SRSC will be ready to vote on the 10-year deal with USBR.

Public attendee Deryl Phy stated that he feels the District cannot afford to be a part of SRSC. The water toll will be too high and the water rights will be gone. He also referenced the position that Fresno is in with depreciated land values.

Trustee Borelli asked how funding would be handled within the District on a USBR call year, and Chairman Hulbert explained the it would be the same as water sales, but the topic needs further internal discussions. Discussion only, no action taken.

**E. Discussion and Possible Action regarding Elections Update/Appointment**

There was no election necessary, as there were no more nominees as the open seats. The same two nominees will be appointed at the Colusa County Board of Supervisors meeting on October 24, 2023, and the County will send an oath that the appointed trustees will need to take. The BOT will recognize that approval and acknowledge the re-appointment of Trustee Herkert and Trustee Mord until 2027 at the November meeting. Discussion only, no action taken.

**F. Discussion and Possible Action regarding Butte Creek vs. Sac River Diversions**

Chairman Hulbert reiterated that this agenda topic was discussed at last meeting and included pumping as much river water as the District can, and the District is still pumping from Butte Creek. Chairman Hulbert explained that he does want to tell District staff how to run day to day operations. While Chairman Hulbert is on board with pumping as much river water as possible, he does not support directing District staff on how to run water. He feels that District staff understands that importance of pumping the as much water allocation as possible, and wants to allow flexibility for District staff to perform their job. Trustee Borelli would like the full allocation to come from the river as long as it does not affect the operations of the District.

**7. Chairman's Report**

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

Chairman Hulbert stated District staff, as well as Chairman Hulbert and Trustee Herkert, had a productive meeting with NCWA that covered many topics including, the USBR contract, water

rights protections, weed control, winter run salmon and a legislative summary. At the meeting, Trustee Herkert shared the District's concerns with the Floodplains Reimagined issue and the potential negative effect on RD1004 if they notch the Moulton Weir.

The last SRSC meeting, the hydrology report for Shasta Lake showed there was 5.2m a/f inflow and the USBR is now recalibrating, the inflow for 2024 should be 3.2m a/f. They will release water for maximum carry over to get down to the 3.2m a/f by December 1<sup>st</sup>. Shasta Lake is currently at 73% as of last week, and it needs to get down to 70% by December 1<sup>st</sup>.

Chairman Hulbert informed District staff that there will be an upcoming 50 million dollars from USBR for SRSC to be used for infrastructure projects only. He would like District staff to update District projects that will save water, such as the concrete line ditch project. The District's project plan must show how, and how much water will be saved, including amounts and the full project plan in proposal. District staff should begin working on this now so that we are ready to submit our proposal when it opens. Chairman Hulbert wants the plan ready to go as soon as the USBR opens up the funding opportunity.

Chairman Hulbert shared that President of Butte Lodge made it a point to acknowledge that District staff have done a lot of work around Butte Lodge and that the staff have been good to work with.

Lunch break taken at 12:45 p.m.  
Back in session at 1:05 p.m.

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

District Manager Terry Bressler reported that the District has delivered 61,300 a/c of water as of today, October 13, 2023. In September, we pumped 3680 a/f off the river and 170 a/f off of Butte Creek.

He shared the engineer's findings from Brooks Walker and Avis, and reported that they are ready to start working up final drawings for both projects. PG&E will be installing the new transformer after duck season, so North State Pump is currently working on building the new pump so that it is ready to go. International Waters will be here on October 14<sup>th</sup>, to take notes to develop a quote for a trash rack at Avis.

District Manager Terry Bressler reported that District staff met with Davids Engineering and presented an option other than inputting a second meter page for corrections. He felt that it is time to live and die by the meter, which means no corrections. Assistant District Manager Vince Laufer reported that at this point this year, the District has had 2,300 a/f in corrections, and asked if the District is ready to lose that income. Trustee Bailey strongly disagreed with a no corrections option.

There are multiple duck clubs that are flooded up, and most rice fields will start flooding after November 1<sup>st</sup>.

Trustee Borrelli asked District Manager Terry Bressler about the meeting with Ducks Unlimited and California Department of Fish and Wildlife regarding the White Mallard automation. They feel automation at the main spillway is something we should look at now, and the other two spots after Butte Creek is cleaned out below the dam. The DU representative felt that it was best to prepare a proposal that includes everything now, rather than piecing it together, however, there are still challenges to be

worked out with measurements and asking for additional funding from CDFW. Trustee Borrelli brought up concerns about ensuring the fish ladder stays at the required 40 cfs, so therefore, the Wild Goose may need to take less water. District Manager Terry Bressler stated that the agreement is working well and the Wild Goose is currently taking their water from Western Canal. Trustee Bailey explained the historical process regarding bifurcation, Butte Creek and Sanborn Slough. He also felt that a measurement device is needed at the bifurcation plant and Sanborn Slough.

District Manager Terry Bressler stated that Avis Pump Facility is the priority for this year's projects and asked the BOT if the District wants to be their own contractor and hire subs? Or do we want to bid out the entire process, including a general contractor? Trustee Bailey supports the District acting as the general contractor for the Avis project only and hiring to save funding. Assistant District Manager Vince Laufer voiced concerns regarding the coordination of sub-contractors when the timeline is such a short window if the District acts as the general contractor. BOT asked District staff to start talking to sub-contractors now. In further regards at Avis, District Manager Terry Bressler stated that there has been discussion about going up and over, or through the wall. At this point, the District is looking at going through the wall for efficiency.

Lastly, District Manager Terry Bressler presented a Weedoo boat which costs approximately \$100,000.00. This equipment would allow for better weed abatement in areas that the long reach excavator cannot reach such as the Borrow Pit. The BOT would like to know more about how the equipment works before discussing it further.

## **9. Assistant Manager Report**

Assistant District Manager Vince Laufer reported that the majority of the water being delivered is south of Gridley Hwy. Butte Creek diversions are virtually nothing and drain recapture is minimal at most.

CVP operations had been entertaining the idea of rescheduling some water for the SRSC contracts into November for fishery reasons. At the last meeting, they decided not to move forward with the rescheduling options.

Assistant District Manager Vince Laufer reported that District staff is working on multiple maintenance projects around the District. In addition, JPIA will be here in December so he will be focusing attention on the correction plan requirements again as well. He is also finishing work on the JPIA Risk Control Grant Program that if awarded, will offset a portion of the security fencing project cost.

He also reported on the updates for Davids Engineering letting the BOT now we are approximately 80% through loading the District inventory into the database. The District has taken good steps toward getting the Water Information System and the Water Accounting Database set up. There are a few stages that District staff will be working on over the next few weeks, and then we will reconvene with Davids to plan the next steps.

**10. Old Business:**

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

The BOT discussed current water diversions, and at this time Butte Creek has a low flow due to the time of the year and the lack of rainfall, so diversions will continue from the Sacramento River. Discussion only, no action taken.

**B. Discussion and Possible Action regarding the Ditch Agreement with Mallard Ranch**

District Manager Terry Bressler explained options in regards to this agreement. First option is to keep things the same as they are now which is, master meter at top and Barale's meter at the bottom. In the past on drought years when wells were used, Mallard Ranch did not pay ditch loss or wheeling fee. Second option is to put meters in at all turnouts and treat the same as the rest of District. As a follow up question from September's meeting, District Manager Terry Bressler asked if the District decides to go back to charging ditch loss when someone is pumping water into the ditch, what is the ditch loss going to be? District Manager Terry Bressler has been conducting tests using the meter that was installed near the Mallard Ranch house, and the ditch loss is being calculated between 10% and 13%.

Chairman Hulbert explained that one decision made for one person does not always work for all situations, but expressed the need for the BOT to make a decision regarding this situation specifically.

Public attendee T.J. Louderback from the Mallard Ranch addressed the Board to clarify a few discrepancies he heard. Mr. Louderback explained that he was in fact part of the previous ownership, he had a one-third partnership and is now the full owner of Mallard Ranch. He also stated he installed the well where it is because District Manager Terry Bressler had informed him that the ditch in question was his ditch and Mallard Ranch was in charge of maintaining the ditch. Mr. Louderback also expressed that he feels that once he said no to selling the well to the District, that is when the ditch loss charges started. Throughout the multiple discussions over the past few months, Mr. Louderback's concerns are the wheeling fee and the ditch loss he will be charged for putting his water in his ditch.

Trustee Bailey supports that if meters are installed at all outlets, there will be minimal ditch loss and would be willing to forgo the ditch loss to resolve this issue. Chairman Hulbert clarified the plan would be to have meters installed so that all District water is metered, and for the well at the Mallard Ranch, that landowner will get credit in/credit out for the well water pumped into the ditch.

Trustee Herkert reminded the BOT that the District asked Glenn Wellborn, a previous and respected employee of Colusa County Title Insurance, to research the ditch ownership or easement on court records. After researching, Mr. Wellborn provided his interpretation of the court documents which supports RD1004's ownership of the easement on the ditch. Trustee Herkert felt this information is enough for the BOT to consider the ditch being managed by the District.



Mr. Louderback asked what the ditch loss will be if pumping his well water into the ditch, and Chairman Hulbert and Vice-Chairman Borrelli clarified there is no ditch loss. With that information, Mr. Louderback is in favor of installing meters will be here later this month and will meet with District staff to look at areas that need meters. Mr. Louderback also asked if the wheeling fee applies when he is taking his own well water from the ditch. The BOT clarified that there is no wheeling fee when he is solely using the ditch to supply his fields with his well water.

Trustee Herkert asked the BOT to delay the motion until we discuss agenda item H. Chairman Hulbert then moved to the current agenda item H, Discussion and Possible Action of Groundwater Wheeling Policy and Ditch Loss. (See notes below on item H.)

It was clarified that per the Rules and Regulations, the cost of the meters is a landowner expense, and the District will install the meters to ensure proper installation.

Motion to approve installation of meters so that everything is metered in Mallard Ranch, and the ditch loss will be 0%: Trustee Bailey

Second: Trustee Borrelli

Vote: Unanimous

Trustee Borelli left at 2:10 p.m., however, there was still a quorum present.

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

Chairman Hulbert reported that he received a letter with two major fails pertaining to the project. First option is not financially feasible. The second option may be feasible, but there are still challenges to work out, and it could increase the PPA rate. Discussion only, no action taken.

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

District Manager Terry Bressler reported that there are PG&E issues and they are a year out from installing hydro-meters. Discussion only, no action taken.

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

Discussion only, no action taken.

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

Discussion only, no action taken.

**H. Discussion and Possible Action of Groundwater Wheeling Policy and Ditch Loss**

Assistant District Manager Vince Laufer presented the draft District policy and ditch loss worksheet. Trustee Borrelli suggested that if District staff would like this to coincide with the motion for the Mallard Ranch from current agenda item B, the first ditch loss conversion scale should be 0 to 1 mile = 0%, and that will take care of the issue with Mallard Ranch. Trustee Bailey and Trustee Herkert support this change to the worksheet. Chairman Hulbert asked that District

staff finalize the changes to the worksheet and a wheeling application to move forward with approval. Further discussion around when, if ever, wheeling fees should be waived. Chairman Hulbert suggested a global approach to ditch loss and wheeling fee because it is part of operating the District. He also recognized there would be exceptions to the policy to consider. Trustee Herkert stated that he supports a wheeling fee when it requires the District staff time to monitor the well and ditch levels.

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

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

Chairman Hulbert called closed session at 2:23 p.m.

Chairman Hulbert ended closed session, and called open session at 2:45 p.m.

Report out from closed session: Discussion only, no action taken.

Office Manager Barbie Buchanan presented a list of six rice water refunds for board approval. BOT asked District staff to double check the usage prior to refunds going out.

Motion made to pay rice water refunds due, subject to staff verification of usage and charges:

Chairman Hulbert

Second: Trustee Herkert

Vote: Unanimous

Meeting adjourned at 2:50 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