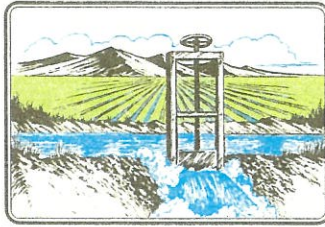


Reclamation District No. 1004



RECLAMATION DISTRICT NO. 1004 BOARD OF TRUSTEES MEETING MINUTES

September 13, 2023
Regular Board Meeting
10:00 a.m.

Board of Trustees present: Chairman Hulbert, Vice-Chairman Borrelli, Trustee Herkert, Trustee Mord and Trustee Bailey. RD 1004 staff present: District Manager Terry Bressler, Assistant District Manager Vince Laufer, and Secretary to the Board of Trustees Barbie Buchanan. Public attendee present was Deryl Phy. Public attendees present by phone: T.J. Louderback, Micheal Marver, Dan Souza, and David Barale.

1. Call the Meeting to Order

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

2. Approval of Agenda

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

Second: Trustee Borrelli

Vote: Unanimous

3. Approval of Minutes

A. August 2, 2023 Regular Board Meeting

Motion to approve minutes from August 2, 2023, Board Meeting as presented: Trustee Mord

Second: Trustee Herkert

Vote: Unanimous

4. Public to address the Board

Deryl Phy addressed the Board regarding Sacramento River Settlement Contractors (SRSC). Mr. Phy would like to see a cost/benefit analysis on the funds paid to, and the services received by SRSC as he is concerned about where future costs vs. services may lead. Trustee Borrelli requested that all legal payments pertaining to SRSC be listed separately on future financial reports included in board packets. The Board of Trustees (BOT) recommended the RD 1004 staff complete a SRSC cost analysis for review.

6. Financial Report-Discussion and Possible Action

A. Cash Report/Account Balances

Office Manager Barbie Buchanan presented the Treasurer's Report. Discussion only, no action taken.

B. Interim Disbursements

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

C. Accounts Payable

Office Manager Barbie Buchanan presented the Accounts Payable listed and noted that the Bureau of Reclamation (USBR) 2022 true-up payment of \$176,955.95 was not included in A/P report presented as it was received after board packets were made.

Motion to approve Accounts Payable, with the inclusion of the \$176,955.95 payment to the USBR: Trustee Herkert
Second: Trustee Bailey
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 three transfers:

- \$2500.00 from general fund to County Fund 2 (499) for water rights
- \$20,000 from County Fund 1 (498) to County Fund 3 (500) for Princeton Pumping Plant – August's transfer was overlooked so this amount covers August and September.
- \$400,000 from LAIF to general fund for operating expenses and upcoming water toll refunds.

Motion to approve all three transfers as requested: Trustee Herkert
Second: Trustee Bailey
Vote: Unanimous

Discussion continued by Trustee Bailey to voice concerns on how drought relief funding is being utilized, and that the BOT approved the use. Public attendee Dan Souza agreed with Trustee Bailey's perspective and also questioned BOT reference of District operating in a deficit. Mr. Souza stated that if the District is transferring funds to investments, the District is operating in a surplus. Chairman Hulbert explained that the District is using investments, CDs and Treasury to maximize interest earned on reserve funds. Current

investments will ensure the District has reserves for future operations. Mr. Souza expressed that he would like to see water rates reduced rather than investing those funds.

There was further discussion from Mr. Phy asking for clarification as to how the USBR drought funding was disbursed by SRSC. Chairman Hulbert explained that SRSC kept \$3,000,000.00 (\$3M) for their operating expenses, including salmon studies, and the balance was distributed based on the contractor tier list. Trustee Herkert pointed out that while he supports the cost analysis, he also supports being a member of SRSC. He added that if everyone chose not to be members, SRSC would not exist.

7. New Business:

A. Discussion and Possible Action of Groundwater Wheeling Policy and Ditch Loss

District Manager Terry Bressler has conducted two tests to determine accurate ditch loss, and would like to do further testing. Assistant District Manager Vince Laufer suggested a tier system based on distance to determine both ditch loss and groundwater wheeling costs. Trustee Herkert suggested a starting point of .25% per quarter mile. Chairman Hulbert asked Assistant District Manager Vince Laufer to develop well maps to determine potential loss and wheeling costs.

B. Discussion and Possible Action of Bureau of Reclamation Items

1. CVP FY 2022 (Oct. 2021 – Sept. 2022) Contractor Annual Accounting Analysis Deficit \$176,955.95

RD 1004 provided the USBR 2022 “true up” bill from the USBR for \$176,955.95 and informed BOT that Orland-Artois has been billed for their costs associated with the 300 a/f transferred in July 2022.

Motion to approve full payment of \$176,955.95 as requested: Trustee Borrelli
Second: Trustee Herkert
Vote: Unanimous

2. Discussion of August 23, 2023, Letter Regarding 2024 CVP Fee Increase

Discussion only, no action taken.

8. Chairman’s Report

A. Update on Sacramento River Settlement Contractors

Chairman Hulbert provided further information pertaining to the services that SRSC provide to contractors. He feels that the services that SRSC provide to RD 1004 are services that the District could not perform as a stand-alone District; including outside studies and working directly with federal agencies. There will be a future special meeting designated to explain pros and cons of being a SRSC member as well as allowing District Members to ask questions. Public Attendee Deryl Phy provided additional input regarding concerns of future costs associated with SRSC membership.

Chairman Hulbert went on to report that Northern California Water Association (NCWA) had been working on four assembly bills that have had potential adverse impacts to RD 1004, and

was happy to report that NCWA has removed their opposition for two of the four assembly bills; SB 389 (Allen) and AB1205 (Bauer).

The current hydrology report looks good as Shasta's accumulated inflow for water year 2023 is well above average, exceeding 5.5million a/f. We are starting with the maximum carryover for storage at Oroville, Shasta and Folsom Reservoirs.

MBK has completed the Regional Plan and District Manager Terry Bressler will sign and copy will be on file at RD 1004. RD 1004 will also obtain a letter from MBK stating that the District is in compliance.

9. Manager's Report

District Manager Terry Bressler provided updates regarding the Brooks Walker and Avis projects. The engineer will be here this week for surveying and then will complete drawings to be presented to the BOT. District Manager Terry Bressler has made the request with PG&E to update from three wire to four wire, and is waiting to pull the pumps at Brooks Walker location until after winter water deliveries.

The East Levee Road north of Gridley Hwy has cracks in the road and District staff are working on that now.

Ditches are currently low, but they will go back up by October 1st to deliver winter water, so Landowners will need to install coffer-dams at their gates to avoid water seepage onto their fields. Landowners will be notified.

Ducks Unlimited will be here for a District tour on September 19, 2023. District Manager Terry Bressler and Assistant District Manager Vince Laufer will meet with them and report back to BOT.

The District has delivered 55,800 a/f of water to date. All rice water is off, and habitat is continuing to take water. The District used 11,347 of USBR project water, and still has water on the table.

District Manager Terry Bressler provided a Groundwater Sustainability Act (GSA) update. There are currently 11 GSA members in the Butte Basin and fees are split equally. There is discussion regarding a potential different rate structure in the future, but no information or decisions have been made yet.

Trustee Mord asked District Manager Terry Bressler why the District has equipment rental fees if the District owns a long reach excavator. District Manager Terry Bressler stated that the rental fees were prior to the District receiving the new excavator, and also reported that the District is waiting for the rake attachment to be built.

10. Assistant Manager Report

Assistant Manager Vince Laufer stated that the District started rice water on April 26, 2023, and turned all rice water off on September 12, 2023, and would like to acknowledge the positive aspects of the rice season such as water efficiency and exceptional communication. He also provided a briefing of the in-service are water operations.

District staff is currently working on mowing, disking, grading and spot spraying, but recognizes that there were problem sections of drains such as Gridley Hwy near the frog pond and Drumheller Slough through the Behring Ranch that have been addressed. One of the challenges District staff is currently

facing is that the landowners and growers do not want the primrose cleaned from the ditches on the levee road as it interferes with truck traffic so staff does not have a location to dispose of the weeds removed. Trustee Herkert requested a weed control plan for next year. He would like to see a timeline developed and for District staff to hold to it. Trustee Herkert considers the District's weed abatement plan that is in place on the west end of the Borrow Pit near the north end of the Flyway Ranch, a failure due to the excessive aquatic vegetation growth.

Assistant District Manager Vince Laufer informed the BOT that he and District Manager Terry Bressler are currently loading District inventory into the Davids Engineering data base and there is another meeting scheduled on October 5th for District staff and Davids Engineering staff to move forward with next steps for the new water accounting system.

Assistant District Manager Vince Laufer provided an estimated cost associated with the mass notification program Regroup, but explained the need for the system. For example, the information that District Manager Terry Bressler discussed earlier regarding the ditch water levels going back up and needing to contact Landowners. The program would be a good source of communication with growers and landowners to notify them of important operational occurrences. He will get a quote from the company for definitive costs.

Final updates included the plan for Assistant District Manager Vince Laufer to work with Office Manager Barbie Buchanan to cross train some of the administrative duties and tasks to be able to provide relief if needed.

11. Old Business:

A. Discussion and Possible Action regarding-Butte Creek

Discussion only, no action taken.

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

Discussion only, no action taken.

C. Discussion and Possible Action regarding Solar Program and Proposal

Discussion only, no action taken.

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

As requested by the BOT, a letter developed by Attorney was sent to Emergy on September 7, 2023, and was included in September's Board documents for review. Discussion only, no action taken.

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

Topic tabled until after tour scheduled with Ducks Unlimited on September 19, 2023.

F. Discussion and Possible Action of District Well Security Fencing

Assistant District Manager Vince Laufer provided two additional quotes for security fencing around well sites reduce risks of future theft and damage. BOT asked Assistant District Manager Vince Laufer to confirm the quantity of enclosures on the Barmann Landscape and Irrigation quote.

Motion made to approve the Barmann Landscape and Irrigation quote for \$20,980.00 provided the quoted amount is for three enclosures: Trustee Bailey

Second: Trustee Borrelli

Vote: Unanimous

*Assistant District Manager Vince Laufer confirmed with Barmann Landscape after the meeting, that the quote provided is in fact for three wrought iron enclosures.

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

District Manager Terry Bressler stated that District is waiting on further information from the engineer before moving forward with next steps. Estimated costs associated with current capital project Brooks Walker is approximately \$75,000.00 to \$200,000.00 and the Avis capital project is \$110,000.00 to \$150,000.00. Discussion only, no action taken.

H. Discussion and Possible Action of Document Retention Policy

Office Manager Barbie Buchanan presented the updated District Document Retention Policy. Government codes and timelines updated as BOT requested.

Motion to approve the District Document Retention Policy as presented: Trustee Borrelli

Second: Trustee Bailey

Vote: Unanimous

Chairman Hulbert called a meeting break at 12:30 p.m.

Chairman Hulbert called meeting back in session at 12:50 p.m.

I. Discussion and Analysis of 2024 Stand-by Fees

Current proposed percentages for the Admin portion of fees reviewed and further discussion to narrow down the 2024 Admin and Standby figures. Discussion regarding if additional 25% (3,750 a/f) water is purchased, that amount should be included in the Admin fee so that the cost is shared with all lands in the District. Trustee Herkert asked District members Larry Borrelli and Ed Hulbert if they are satisfied with the value of the services they receive versus the cost of the Admin fee, both members stated they were satisfied with the current value. Trustee Herkert also asked about the option of Butte Creek Farms and Rancho Caleta moving into the District and paid a water toll and the District took over the infrastructure of those ranches. Trustee Borelli disagreed. Trustee Borrelli also indicated Butte Creek Farms and Rancho Caleta currently pay 75% of their pro rata allotment whether they use it or not. He explained the other individual landowners in the District are refunded for any water they do not use, however, Butte Creek

Farms and Rancho Caleta are not, and he feels they should be refunded for unused water and restoration fees because the total water allotment is district wide.

Further discussion pertaining to costs associated with pumping the extra water to preserve water rights even on non-critical years when the purchase of all water is not necessary. Numbers from 2019, which was a comparable year, were compared to 2023's numbers, and the District has already pumped 2,000 a/f more project water this year than pumped in 2019. BOT provided direction to District staff to leave river pump on for water supply and if additional water is needed, use Butte Creek for winter water.

Topic tabled until October when further analysis documents will be reviewed and discussed.

Additional discussion concerning a possible overcharge 2023 water toll discussed, BOT will revisit in January to determine possible refunds if overcharge is confirmed.

BOT asked District staff for the draft 2024 budget, toll and stand-by fees to be presented at the October meeting.

J. Discussion and Possible Action of District Rules and Regulations

District staff provided the amended copy of the District Rules and Regulations for approval.

Motion to approve the District Rules and Regulations with the correction of the typo edit in Rule 25.5: Trustee Borrelli
Second: Trustee Bailey
Vote: Unanimous

District Rules and Regulations will be printed and shared with District members.

12. 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 2:00 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.

Meeting adjourned at 2:50 p.m.

Submitted by Barbie Buchanan.



Ed Hulbert
Chairman of the Board



Barbie Buchanan
Secretary to the Board of Trustees