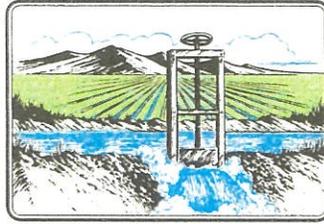


Reclamation District No. 1004



**RECLAMATION DISTRICT NO. 1004
BOARD OF TRUSTEES
June 11, 2024
Regular Board Meeting Minutes**

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, Nicole Garafalo, Dave Ciapponi.

1. Call the Meeting to Order

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

2. Approval of Agenda – Tab 1

Motion to approve agenda: Trustee Herkert

Second: Trustee Mord

Vote: Unanimous

3. Approval of Minutes – Tab 2

Motion to approve minutes from May 8, 2024 Regular Board Meeting as presented: Trustee Bailey

Second: Trustee Mord

Vote: Unanimous

4. Public to address the Board

None at this time.

5. Financial Report-Discussion and Possible Action – Tab 3

A. Cash Report/Account Balances

Office Manager Barbie Buchanan suggested closing two of the county accounts and using internal subledgers instead of monthly transfers into multiple county accounts. This plan was discussed with the District's auditor prior to the board meeting who supported this change.

Motion to approve closing Fund 2 (CC 499) and Fund 3 (CC 500), and transfer funds from both accounts to the Fund 1 (CC 498) effective July 1, 2024: Trustee Bailey

Second: Trustee Mord

Vote: Unanimous

B. Interim Disbursements

Office Manager Barbie Buchanan presented interim disbursements totaling \$19,831.31.

C. Accounts Payable

Motion to approve accounts payable list as presented: Trustee Bailey

Second: Trustee Borrelli

Vote: Unanimous

Landowner Deryl Phy asked about the hydro project, and District Manager Terry Bressler stated that the District is waiting on PG&E before the project can start running and producing power.

D. Accounts Receivable

No outstanding invoices.

E. Profit/Loss Statement

Trustee Borrelli asked that USBR O&M and Restoration, Rescheduling and Trinity fees be separated on the P&L moving forward by creating a new general ledger line item.

Motion to allocate remaining USBR drought relief funding to pay USBR Construction Component by \$705,559.03 to zero out the USBR drought relief funding: Trustee Herkert

Second: Trustee Bailey

Vote: Unanimous

F. Approval of Transfers

Office Manager Barbie Buchanan requested the following transfers:

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

Motion to approve transfers as requested: Trustee Herkert

Second: Trustee Borrelli

Vote: Unanimous

Discussion regarding status of Brooks Walker construction project. District Manager Terry Bressler shared that the dam was cut open on June 10, 2024, and started filling the Borrow Pit.

6. New Business – Tab 4

A. Discussion and Possible Action regarding Annual Review of White Mallard Operating Agreement

Discussion only, no action taken.

B. Discussion and Possible Action regarding Water Delivery to Field 163

District Manager Terry Bressler informed the BOT of current concerns pertaining to water delivery for field 163; R.J. Finnie Rod & Gun Club (Dave Ciapponi). The current ditch is full of holes and needs to be repaired and cleaned. The current status of the ditch along field 164

(Bower), does not allow full flow to get to field 163 (Ciapponi). In the past, Eldon Bower would allow the District to spray the ditch but would not allow any trees to be removed. The space along the ditch at field 164 (Bower) is overgrown and the road is not usable due to the overgrowth. Landowner Dave Ciapponi has brought up concerns regarding the cleaning that needs to be done and the costs associated with it. The ditch on Dave Ciapponi's property is clean, and the issue is getting the water to field 163 from the ditch along field 164. The ditch that needs to be cleaned is on Bower's property. Many years ago, there was dozer work that was done on the ditch along Bower's property, but there has not been any major cleaning since approximately 1999. District Manager Terry Bressler stated that the ditch in question is technically a lateral and therefore belongs to the landowner, not the District.

Prior to this ditch, the water was delivered through the Mallard (the web). Trustee Bailey agreed that the water was brought in through the deliveries along Mallard Ranch's fields. Dave Ciapponi shared that there was an unrecorded settlement agreement around 2001 between R.J. Finnie Rod & Gun Club and RD 1004 that said R.J. Finnie had to remove the structure that was being used to take water, and moving forward field 163 would take water through the District's ditch and meter. In 1999, the District went in and cleaned the entire ditch to allow field 163 to receive water through a meter. Dave Ciapponi stated that he has been fixing the ditch for years, but it is past the point of reasonable to get water to his field.

At this point, the District cannot get in to clean the ditch because of the holes between the road and the drain, this causes the water to drain out the other side and it never gets to the ditch. District Manager Terry Bressler feels this should be considered a major construction project. Chairman Hulbert asked what the alternative is because the District must be able to deliver water to field 163. Trustee Borrelli suggested contacting NRCS because there should be a delivery to that area and NRCS would be responsible for maintaining that. Dave Ciapponi stated he is no longer in WRP because his property is not in the easement program.

Chairman Hulbert stated that the District needs to contact the landowner for field 164 (Bower) to get approval to fix the ditch in order to get water delivered. Dave Ciapponi stated that he feels that the Bower's will allow the District to at least clean and/or fix it temporarily. Chairman Hulbert stated that the first step is to contact Bower to get the approval to fix and clean the ditch in order to get water to field 163. Trustee Herkert asked what the alternative is if the landowner of field 164 does not want the ditch cleaned. Chairman Hulbert stated that the District has to be able to deliver water, and feels that working with the landowners first is the best option because cleaning this ditch could potentially help them in the future as well. He also feels that this could also be a drought project because the trees are taking the water before it gets to the field and the meter. District Manager Terry Bressler talked with Ben Bower and will meet with him next week to discuss further.

Motion to get approval from landowners involved, Bowers (and Butte Lodge if required) to make temporary repairs to the ditch in order to deliver water to field 163: Chairman Hulbert
Second: Trustee Herkert
Vote: Unanimous

7. Chairman's Report

A. Update on Sacramento River Settlement Contractors

Chairman Hulbert shared that the last schedule from SRSC shows the final biological opinion is scheduled to be completed December 6, 2024. The entire process is very complicated and everyone involved are doing all they can to keep things moving forward with the Agencies.

The State Water Board (SWB) is currently holding public hearings regarding winter run salmon and the Chairman of the SWB has gone on record to state the conditions that the fish are experiencing is what the SWB is concerned with. SRSC will continue to fight this to ensure that the users are considered as well, not just the fish.

Flows are currently at about 10,000 cfs, and we are hoping to see higher flows throughout the summer. The lake is full, however, the temperature requirement for the winter run salmon is 55.3 degrees and that target is not being hit. The theory is now that it could be related to the surface area of the water in the lake. Discussions continue to figure out how and if winter run salmon requirements can be met. Salmon studies are being done and has cost SRSC \$321K so far this year, theoretically, this will benefit everyone taking water off the Sacramento River.

The USBR 10-year agreement seems to be getting closer and there are still ongoing discussions going back and forth to find an agreeable position. Chairman Hulbert shared his opinion and feels that the USBR would like Districts to allocate more funding for projects rather than direct payments to the growers. Chairman Hulbert feels that as long as the District gets their pro rata share, all funding, including drought resiliency projects will benefit all landowners and growers within the District. Trustee Borrelli asked if the USBR requires more funding for drought construction projects, how does the landowner get compensated for water they are not getting and having to take groundwater. He also has a problem giving up water rights. Chairman Hulbert feels that there must be both funding options, projects and landowner payments, in the agreement so that the USBR is not dictating how the program will be administered. In addition, he shared that we will not be giving up water rights and does not feel that people will sign on to the agreement, and we as the District would vote no if it requires giving up water rights.

Landowner Deryl Phy does not understand how if the District signs on to this deal, how we would not give up part of our water rights. Chairman Hulbert explained that the agreement would take us from 75% allocation to 50% allocation on a critical year as defined by the proposed agreement, and the USBR is basically pre-paying in case they need to call the water in a critical year. Statistically, a call year is potentially two out of eleven years.

Trustee Herkert shared that from the discussions he has been in, there is reach back on the funding for projects to the beginning of 2023. If that happens, the cost of Brooks Walker would be covered and the cash that that would then free up would be able to be used at the discretion of the District.

Trustee Borrelli has concerns regarding what the contingencies are for this forced water sale and feels there are too many unknown variables as to how payments are to be distributed and what funds can be used for. Chairman Hulbert stated that he feels that if the District does not participate, the USBR will still take the water and Districts will just not get paid for it. Deryl Phy

feels that if the District sells the water, they lose it, and feels that this will impact land values within the District. Trustee Borrelli is skeptical about making deals with the government because of last-minute changes in the proposed agreement. Chairman Hulbert and Trustee Herkert stated that crop insurance has been a part of every conversation during the process to ensure that landowners and/or growers have options.

8. Manager's Report

District Manager Terry Bressler shared the District was approved for the 2024 Carl Moyer Program and will receive a 70% reimbursement for a new pump which will cost approximately \$83,000.00.

The District received a ballot from the Mosquito Abatement program for a vote pertaining to an annual assessment surcharge. District Manager Terry Bressler feels that the District should vote yes, and the BOT did not have any issues with that.

FEMA has new requirements for 2024, and in order to obtain the building permit for Brooks Walker, the District needs to have a flood elevation certificate. The engineer will be coming back out to complete a survey where the meter is and then it will go back to the County.

For the year, 2200 acres have been left out of planting and over 8000 acres planted.

9. Old Business – Tab 5

A. Discussion and Possible Action regarding Butte Creek

District Manager Terry Bressler stated that the District is currently taking approximately 22cfs off the top and a little at the bottom of Butte Creek.

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

District staff has met with USFWS three times because there was so much water coming through Five Points that it cannot get to Butte Creek and was hoping to get approval from USFWS to lower the fish gates; USFWS did not approve. District staff will continue to work on this. Discussion only, no action taken.

D. Discussion and Possible Action to approve SRSC MOU with USBR (10-year Voluntary Agreement for BIN3 Drought Year)

Information shared during Chairman's Report, discussion only, no action taken.

E. Discussion and Possible Action regarding Comprehensive Testing for Wells and Lift Pumps

Testing has been started, three have been completed, and are still working on the rest.

F. Discussion and Possible Action regarding 2025 District Ground Lease Bid Package

Chairman Hulbert worked with District staff to update lease and legal has sent a list of questions to review. BOT went through page by page to go over the questions and to make any additional changes. This draft will be sent to the attorney for one final review prior to publicly posting. Direction given to District staff to post as soon as it is ready.

10. CLOSED SESSION AND TOPICS TO BE DISCUSSED:

Closed session called at 1:40 pm.

- A. Discussion and Possible Action regarding Sacramento River Water Rights/Bureau of Reclamation & California Department of Water Resource**
- B. Discussion and Possible Action regarding Litigation Updates**

Report out from closed session: information provided to Board of Trustees; no action taken.

Meeting adjourned at 2:05 p.m.

Submitted by Barbie Buchanan.



Ed Hulbert
Chairman of the Board



Barbie Buchanan
Secretary to the Board of Trustees