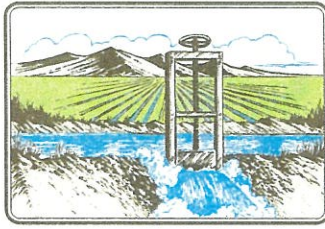


Reclamation District No. 1004



RECLAMATION DISTRICT NO. 1004
BOARD OF TRUSTEES MEETING MINUTES
May 8, 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 attendee by phone: Erik Foraker.

1. Call the Meeting to Order

Meeting called to order at 10:06 a.m.

2. Approval of Agenda

Motion to approve agenda: Trustee Herkert

Second: Trustee Borrelli

Vote: Unanimous

3. Quarterly Bifurcation Meeting

District Manager Terry Bressler reported that there is a lot of water in Butte Creek, and everything is looking good. Nothing new to report. Public attendee Erik Foraker shared that communication is important and is going well, and that flows in Butte Creek are good. Erik Foraker asked if there have been any updates from Butte Sink Waterfowl Association, and District Manager Terry Bressler feels that in the next few years there will be a water master on Butte Creek. California Department of Fish and Wildlife (CDFW) was out and District Manager Terry Bressler pointed out the area below the White Mallard where Butte Creek is plugged and water cannot get out. The CDFW rep, Anna Allison, said they would send someone out. Erik Foraker agreed with District Manager Terry Bressler's comment regarding the water master, and relayed that there are a lot of studies going on and feels that voluntary reductions will be coming up in the next few years as well. He also shared that the upstream spring run adult salmon migration is reported to be the lowest it has been in 20 years and feels that will bring more attention to the issue. Trustee Herkert asked where the salmon survey is done, and Erik Foraker stated that the survey is done up in Butte Creek canyon.

3. Approval of Minutes

A. April 10, 2024 Regular Board Meeting

Motion to approve minutes from April 10, 2024 with edits from Trustee Borrelli on page 2, top paragraph regarding riparian water rights for Rancho Caleta and typo edit suggested by Trustee Herkert: Trustee Borrelli
Second: Trustee Herkert
Vote: Unanimous

4. Public to address the Board

Trustee Herkert shared that landowner Deryl Phy called him this morning and stated that he was unable to attend today's meeting, and did not request Trustee Herkert share anything on his behalf, however, Deryl Phy is still looking for clarity as to why the updates from the SRSC 10-year agreement negotiations with the USBR are happening during closed session at the District's board meetings. Trustee Herkert let Deryl Phy know that the closed session portion is pertaining to attorney-client privilege negotiation updates. Chairman Hulbert agreed with the response Trustee Herkert shared with Deryl Phy and stated that once a draft document with USBR and SRSC is ready, there will be a public meeting with Thad Bettner, representative from SRSC to share the details publicly.

5. Financial Report-Discussion and Possible Action

A. Cash Report/Account Balances

Office Manager Barbie Buchanan shared account balances and reported that there are a few CDs and bonds that are coming due to reinvest with Edward Jones. In addition, water deposits are now coming in, so there is enough working capital for current projects.

B. Interim Disbursements

Office Manager Barbie Buchanan shared that the interim disbursement amount is high due to the 2024 USBR water purchase of \$470,025.00 made at the end of April. The BOT asked that legal bills be included in the monthly board packets moving forward.

Motion to approve the Interim Disbursements as presented: Trustee Mord
Second: Trustee Bailey
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:

- \$2,500.00 Water Rights Fund from the general fund to County Fund 2 (499)
- \$10,000.00 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

Chairman Hulbert shared that the District's FY 2023-year end audit was completed and everything looked good. Copies are available for all landowners. From the auditor's report, after depreciation and a few minor adjustments, the final audit reflected a loss of \$-156,734.00. The auditor's report also suggested that the District look into closing some of the extra accounts and using sub-ledgers instead of keeping several accounts for district restricted cash funds. Chairman Hulbert asked Office Manager Barbie Buchanan to draft an account clean up proposal for June's meeting.

6. New Business

A. Discussion and Possible Action regarding Invoicing Policy for Butte Creek Farms and Rancho Caleta

Discussion only, no action taken. Meeting with MBK will be scheduled once trustee availability is established. Trustee Borrelli would prefer to pay partial fees now, and then true-up with the District later in the year. Trustee Herkert feels that since the BOT is not at a point of making a decision, he would prefer to keep the district invoice process as usual, and when a legal opinion has been obtained, the BOT can make a change if necessary. Trustee Borrelli also stated that there is another potential issue of RC and BCF paying too much in river restoration fees in the past and would like the research done and a refund issued. Chairman Hulbert explained that is a separate item and can be put on a future agenda for discussion and possible action.

For 2025, Chairman Hulbert suggested adding the USBR water purchase to the stand-by fee which means the District's admin/standby fee will increase, however, the water toll will decrease. At this point, Chairman Hulbert directed Office Manager Barbie Buchanan to invoice BCF and RC the same way that has been done in the past, and if that invoice needs further discussion, it can be brought to June's meeting.

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

Discussion only, no action taken.

C. Discussion and Possible Action regarding USBR Capital Balance Payoff

District staff is working with USBR staff to determine an estimated balance of the capital balance loan. The last definitive loan balance was \$934,486.00 in September, 2022. Chairman Hulbert factored the annual savings on the USBR water purchase vs. potential interest gains and feels that the best use of funds is to pay the capital balance off. District staff proposed sending the USBR a partial check now, and when the 2023 USBR Accounting Analysis is completed, they will be able to let us know what the final balance due is and the district can send a check at that time. If the USBR capital balance is paid in full, the construction component of the annual water purchase will no longer be attached to the annual water fees. District staff will confirm with legal counsel; however, the understanding is that this is an allowable use of the USBR drought funding and is a benefit to everyone in the District. Trustee Borrelli suggested the District use the USBR drought funding to cover the annual water purchase cost.

Motion made to payoff the USBR construction component with an initial payment of \$500,000.00 and a final payment after the USBR annual analysis is complete (August):
Chairman Hulbert
Second: Trustee Mord
Vote: Unanimous

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

Review and discussion regarding the District ground lease that will be going out to bid later this summer. The current lease expires 1/31/2025.

The bid process will remain the same with an invitation for bids being published and bids due on a specific date in September. All bids will be opened and reviewed at a public board meeting after the bid closing date. Chairman Hulbert asked the trustees to review the current lease parameters, the extension and the invitation for bids and provide any edits to Office Manager Barbie Buchanan so that the suggestions can be considered at June's meeting and then reviewed by District's legal counsel prior to the invitation for bids being posted publicly.

8. Chairman's Report

A. Update on Sacramento River Settlement Contractors

Chairman Hulbert reported that there is a SRSC meeting coming up and there is still an ongoing negotiation with the USBR and SRSC is still waiting on a final document. Once that is received, there will be a special meeting with Thad Bettner of SRSC.

9. Manager's Report

District Manager Terry Bressler reported that he is expecting approximately 2000 acres in the District participating in preventative planning this year. Trustee Herkert asked how many acres of the preventative planning is due to the Brooks Walker project. District Manager Terry Bressler reported that all but 600 acres is south of the Morgan Levee, but feels that there would still be about the same number of acres that did not plant because the ground is too wet. The ground is flooding-up fast, and is taking less water than it normally does, which may impact us throughout the year.

The Avis pumping plant has been isolated and water cannot go south. Water could be sent north if absolutely necessary. The plant will be runnable until the end of June in case the District needs to use it. The water from Avis is cheaper, however, with the ground not requiring as much water to flood up, he feels the District will be hard pressed to use the entire allocation of 11,250 a/f this year. The plan is to tear out Avis after everyone is flooded-up.

District Manager Terry Bressler shared pictures of the Brooks Walker project and provided current project status updates. At this point, there is 100 yards of concrete at the base of the new Brooks Walker project. Concrete was poured on May 7th, and work will resume after curing in about one week.

The solar turbines were installed in the cement ditch. Trustee Bailey is still concerned about the head loss due to the turbine. District Manager Terry Bressler will calculate ditch loss to report back at June's meeting. Once PG&E comes out to switch the meter, the expectation is to be generating power by the end of May.

As of today, there are 3.7 pumps running, and as of yesterday the District has been putting out 182 cfs, which is about 362 a/f per day. Within the next week, there should be quite a few water startups.

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

District Manager Terry Bressler talked with a CDFW representative to report that the fish barrier has been taken care of and asked her to take a look at Butte Creek because all of the board are out at White Mallard Dam is full with water going down the sides because it cannot get passed the plug in Butte Creek.

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

Chairman Hulbert reported that things are still going back and forth on a final document. Discussion only, no action taken.

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

District Manager Terry Bressler reporting that North State Electric and Pump came out to Princeton Pumping Plant and they cannot get tubes into the pumps to test it, however, once pumps are running one at a time, they will come back out to test it off the meters on the USBR side. They were able to test the three Princeton wells, and we are waiting for results from that test.

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

Closed session called at 12:30 p.m.


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

Meeting adjourned at 12:36 p.m.

Submitted by Barbie Buchanan.



Ed Hulbert
Chairman of the Board



Barbie Buchanan
Secretary to the Board of Trustees