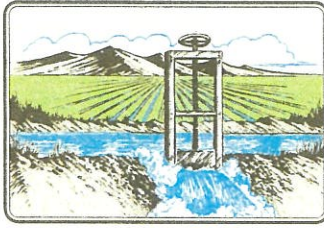


Reclamation District No. 1004



**RECLAMATION DISTRICT NO. 1004
BOARD OF TRUSTEES
February 12, 2025
Regular Board Meeting
MINUTES**

Board of Trustees (BOT) present: Vice-Chairman Larry Borrelli, Trustee Herkert, Trustee Mord and Trustee Bailey. RD1004 staff present: District Manager Terry Bressler and Office Manager Barbie Buchanan. Public attendees present: Ed Hulbert, Hayden Harter, Deryl Phy, Nicole Garofalo and Todd Southam. Public attendees present by phone: Michael Marver with Mallard Ranch.

1. Call the Meeting to Order

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

2. Approval of Agenda

Motion to approve agenda: Trustee Herkert
Second: Trustee Bailey
Vote: Unanimous

3. Approval of Minutes

A. Special Landowner Meeting Minutes – December 16, 2024

Motion to approve minutes with suggested edits: Trustee Mord
Second: Trustee Bailey
Vote: Unanimous

B. Regular Board Meeting Minutes - January 8, 2025

Motion to approve minutes with suggested edits: Trustee Mord
Second: Trustee Herkert
Vote: Unanimous

4. Public to address the Board

Landowner Deryl Phy requested that a landowner, rather than a tenant, be appointed to fulfill the remainder of Chairman Hulbert's term. Public attendee Nicole Garofalo shared that while she understands Deryl Phy's concerns, she is representing the landowner, has received approval to do so, and is a longstanding tenant of that property with plans to continue as the tenant for that landowner.

5. Financial Report- Discussion and Possible Action

A. Cash Report/Account Balances

Office Manager Barbie Buchanan shared that the auditor was here on February 3, 2025, and found no problems, and shared that a letter to the Chairman will be forthcoming. In addition, the end-of-year audit is scheduled for next week.

We have billed out the season's final winter water usage, and refunds are being worked on now. The refunds will be presented to the BOT for approval at March's board meeting.

B. Interim Disbursements

Motion to approve interim disbursements totaling \$174,339.34: Trustee Herkert

Second: Trustee Mord

Vote: Unanimous

C. Accounts Payable

Motion to approve vendor transactions as presented totaling \$123,936.77: Trustee Herkert

Second: Trustee Mord

Vote: Unanimous

D. Accounts Receivable

There are no outstanding invoices to report.

E. Profit/Loss Statement

Discussion only, no action taken.

F. Approval of Transfers

Office Manager Barbie Buchanan requested the following transfer:

- Transfer \$12,500 from the general fund to County Fund 1 (498)
 - \$2,500.00 to Water Rights
 - \$10,000.00 to Princeton Pumping Plant

Motion to approve transfer as requested: Trustee Mord

Second: Trustee Bailey

Vote: Unanimous

7. New Business

A. Discussion and Possible Action to appoint a replacement trustee to fill the remaining term of retired Chairman/Trustee Ed Hulbert

Vice-Chairman Borrelli asked for statements from the public attendees who have submitted letters of interest for board appointment for the vacant seat on the RD1004 Board.

Landowner Todd Southam shared that it is his intention to run the district as well as it has been in the past. He has a lot of experience, including other board experiences, to bring to this board, and he feels that he is more than qualified for this appointment.

Landowner Hayden Harter shared that he is here to help the district and is looking forward to the projects that need to be done. He also feels the same way as Deryl Phy regarding landowner representation on the Board. A tenant can let the board know what their landowner feels, but Hayden thinks a landowner can make a difference.

Public attendee Nicole Garofalo shared again that she understands the landowner vs. tenant concerns; however, even as a grower, everything that happens within the board impacts the grower and the landowner. She is here as a representative of the Otterson family and feels that having a financial perspective on the board would be beneficial.

Public attendee Ed Hulbert stated that as the outgoing Board Chairman, he wanted to share that he appreciates the opportunity to have served as a trustee with everyone on the board. It has been quite a few years, and when looking back on the District, RD1004 has made a lot of progress, and he is proud of the operation that everyone has developed together. He also appreciates the opportunity to serve all the landowners in the District and feels that he has been consistently representing all the landowners in the District. He asked the BOT to consider appointing Nicole Garofalo to fill his seat, which will term out in November 2025. He stated that she is qualified, has the experience, and agrees that a financial perspective would benefit the board in working with the auditor and District staff on financials.

Vice-Chairman Borrelli asked for board comments regarding the potential candidates. Trustee Herkert stated that there are three qualified candidates, and all would be a good option to serve on the board. Trustee Herkert feels that the position was initially filled with a Butte Creek Farms (BCF) representative and that the term has not expired yet. BCF has brought a candidate forward to fulfill that term, and Trustee Herkert feels that the Board should consider approving that person to continue representing that particular landowner and the other landowners in the District.

Vice-Chairman Borrelli agreed that all three candidates are qualified and does feel that Nicole Garofalo's financial experience is important. The District is comprised of serviced and non-serviced areas, and he feels that there is a balance of representation on the board, and he would like to see that balance continue. Vice-Chairman Borrelli also shared that it is unlikely that he will run again in November, so there will be another opportunity for people to run for board trustee.

Trustee Bailey agreed with what has been said and that all candidates are qualified, but he feels differently. He would like to see a landowner on the board and would like to see landowner Todd Southam appointed. Trustee Bailey has been around the District for 45 years and would like to return to a landowner-based board of trustees, even if that includes giving up his position.

Trustee Mord shared that her opinion would be to appoint landowner Todd Southam because of his experience. She feels the board could benefit from someone with his experience and straightforwardness.

After further discussion, landowner Hayden Harter removed himself as a candidate at this time and looks forward to running again in November.

The BOT continued the discussion to come to a majority opinion with additional questions for the two candidates and asked for the top three priorities of each candidate. Nicole Garofalo stated that the top three for her are appropriate DPP allocations, retaining water rights, and internal controls within the District. Landowner Todd Southam stated his top three are being fiscally responsible with landowner money, efficiency within the District, and DPP oversight.

After much discussion, Trustee Herkert feels it is a good idea to appoint Nicole Garofalo to finish the term as a representative for BCF.

Motion to appoint Nicole Garofalo to finish the term of the current vacant seat on the Board of Trustees:
Trustee Herkert

Second: Trustee Borrelli

Vote: 2 yes, Herkert and Borelli, 2 opposed, Mord and Bailey – motion tied.

The discussion continued after an initial motion by Trustee Herkert ended in a tie vote. Trustee Herkert explained that he preferred filling the vacant seat with the candidate the landowner has brought forward. He stated that former Trustee Hulbert has voluntarily retired from the board after over 30 years of representing BCF, with nine months remaining in the elected term. BCF has presented Nicole Garofalo for the BOT to consider as Mr. Hulbert's successor for the remaining term. Trustee Herkert stated that Nicole Garofalo would be an asset to the board. Public attendee Ed Hulbert shared that historically, RD1004 has had more uncontested elections than people who have run for a position on the board. In the past, few landowners have shown interest in being a board member, and that is changing now. With an election in November, there is an opportunity to elect interested landowners. Trustee Herkert stated that the seat was elected to a representative of BCF. That term has not expired. With Ed Hulbert retiring from the board, vacating that seat that was elected to represent BCF and Trustee Herkert suggested that the BOT keep that seat intact with a representative of BCF with the understanding that there is an election coming up that will allow anyone else interested to join the Board.

Motion to appoint Nicole Garofalo to finish the term of the current vacant seat on the Board of Trustees:
Trustee Herkert

Second: Trustee Borrelli

Vote: 3 yes - Trustees Herkert, Mord, and Borrelli, 1 oppose - Trustee Bailey – motion carries.

Office Manager Barbie Buchanan administered the Oath of Office to Nicole Garofalo, who accepted the oath and appointment and will fulfill the remaining term of the seat with the RD1004 Board of Trustees, which expires December 5, 2025, at 12:00 p.m. Trustee Nicole Garofalo took a seat at the table with the BOT to finish the meeting.

B. Discussion and Possible Action regarding Board of Trustees Officer Seating

Trustee Bailey nominated Trustee Herkert as Chairman. Trustee Herkert nominated Trustee Borrelli as Chairman since he is Vice-Chairman. Trustee Herkert accepted Trustee Bailey's nomination to Chairman.

Motion to appoint Trustee Herkert as the new RD1004 Chairman of the Board: Trustee Bailey

Second: Trustee Mord

Vote: Unanimous

Motion to appoint Trustee Borrelli as Vice-Chairman: Trustee Herkert

Second: Trustee Mord

Vote: Unanimous

New seats will become effective at March's board meeting.

C. Discussion and Possible Action regarding SRSC Director and Alternate Appointment

BOT directed Office Manager Barbie Buchanan to check with Thad Bettner regarding SRSC's process for appointing the RD1004 representative.

Landowner Todd Southam agreed that RD1004 should be a representative on SRSC; however, he does not feel the RD1004 Chairman should be the representative because of the amount of work dedicated to both positions.

The topic was tabled until March's meeting.

D. Discussion and Possible Action regarding Quarterly Reimbursement for Princeton Pumping Plant and Water Rights Expenses

Office Manager Barbie Buchanan requested the following reimbursements from County Fund 1 (498) for FY 2024 Qtr 4 expenses:

- o Water Rights - \$33,328.57
- o Princeton Pumping Plant - \$10,551.49

Motion to approve reimbursement as requested: Trustee Mord

Second: Trustee Herkert

Vote: Unanimous

E. Discussion and Possible Action regarding Amendment of Rule 5 and Rule 10 in the District Rules and Regulations

District Manager Terry Bressler explained that Trustee Bailey would like more teeth in the policy surrounding water delivery and unauthorized water delivery in the RD1004 District Rules and Regulations.

Motion to update Rule 5 and Rule 10 in the District Rules and Regulations to include "Violations of this policy defined in Rule 10" added to Rule 5 and increase the fine in Rule 10 from \$300.00 to \$1,000.00:

Trustee Bailey

Second: Trustee Mord

Vote: Unanimous

F. Discussion and Possible Action regarding 2025 Standby and Admin Charges

District Manager Terry Bressler shared that at the Board's direction, District staff contacted a company to discuss a fee study for RD1004. After meeting with a staff member from Provost & Pritchard, District staff has additional questions to narrow down the type of study the BOT is requesting.

Trustee Borrelli suggested that the study include the current process of Rancho Caleta (RC) and BCF paying for their pro rata share of project water upfront, whether they use it or not. The rest of the District pays a deposit, and if those water users do not use all the water, they get a refund; however, RC and BCF do not get a refund. He feels that RC and BCF should be paying only for the project water they use from the Sacramento River.

Trustee Herkert feels that there should be a full evaluation of all the different types of water users and the different kinds of land, in-service vs. not-in-service areas. Trustee Borrelli recommended that someone from BCF and RC should also be involved with the study's discussion. Trustee Bailey wants to see the process for the 400 fields in the fee study.

District staff will ask the Provost and Pritchard for further information on the information the BOT requested.

Regarding District processes, Trustee Herkert suggested the BOT consider using some of the DPP funding or the interest from the DPP funding to cover the standby and admin charges for everyone in the District. He feels this is a good use of the DPP funds to offset the \$22.50 per acre charge, and it would also provide relief for people in the District. In addition, Trustee Herkert would like to discuss potentially offsetting the water toll.

The BOT directed Office Manager Barbie Buchanan to contact legal to determine if the DPP funding or interest from the DPP funding can be used to eliminate the standby/admin charges. Once that is decided, the BOT can start a conversation regarding the water toll. Trustee Bailey would like to see the water toll amortized over three to five years to allow ongoing relief. Trustee Herkert brought up another option: leave most of the DPP funding intact and invested and then annually allocate the interest to offset the annual standby and admin charges. This year, he would like to use the DPP funding to cover all of the standby and admin charges.

The topic was tabled until March's meeting.

G. Discussion and Possible Action regarding Pipe Across Gridley Hwy, North of Pump 8 and East of Butler Road

District Manager Terry Bressler shared a video of a cracked pipe going underneath Gridley Hwy. The Colusa County engineer came out to evaluate the pipe and did not believe there was a problem. The Colusa County risk assessor came out and disagreed and stated there was a problem. The BOT asked if RD1004 is liable if there is an issue with someone driving on the road. In addition, the water is backing up upstream, and the north fields are not draining.

The BOT directed District staff to have legal write a letter to the Colusa County Public Works and Board of Supervisors requesting immediate action.

H. Discussion and Possible Action regarding Operation of Floodgate on Drumheller Slough between Gridley Hwy and County Line Road

District Manager Terry Bressler shared that there is a floodgate north of Gridley Hwy on the Drumheller Slough, where it goes under the main canal. There was a previous agreement that anytime the water crosses County Line Road to the north, put the floodgate down and keep 18 inches open. This would keep the main District shop facilities from flooding by sending the floodwater around the District. Since that time, orchards have been planted up there, so landowners could potentially be impacted by the floodwater backing up into the orchards. This was an informational agenda item so that everyone on the board knew about the floodgate and the operational agreement.

8. Chairman's Report

A. Update on Sacramento River Settlement Contractors

Trustee Herkert reported that the \$250M of DPP funding has made it into the holding account managed by SRSC Corp. The SRSC Corp is retaining 5% as agreed. Payments will be distributed to the other participating contractors once signature packets have been submitted and approved by the SRSC Board at their February 27, 2025, meeting.

The reinitiation of Consultation work has now been completed, and the SRSC team that was working on it is now moving on to the Healthy Rivers and Landscapes project.

The SRSC federal representative lobbyist reported that the new administration is very involved with moving water from north to south in California.

NCWA has released a five-year strategic plan, and one of the items on the list that may have a renewed focus is raising the Shasta Dam. Bryce Lundberg has retired from the NCWA Chairman position, and the new NCWA Chairman is Roger Cornwell.

9. Manager's Report

Emergy contacted District Manager Terry Bressler interested in installing floating solar panels. This would bring the District's energy production to about six times what it currently is. This would be at no cost to the District, and the same agreement applies: if the project impacts head loss or any other functions, the solar can be pulled immediately without negative impacts to the District.

In addition, District Manager Terry Bressler shared pictures of the cement ditch on the north end of the District where the side slipped. He estimates that about 100 feet of the cement ditch needs to be fixed. The pipe was installed in 1998. Everything else in the District held up with the floodwater, and no water ever breached Morgan Levee.

The Avis pumps were not removed before the last rain, but work is currently at a standstill because of the weather. Once the weather improves, District staff will resume working on Avis.

District Manager Terry Bressler shared a request received from SLDMWA to sign a letter of intent to transfer groundwater if needed. It will most likely not happen with the full water year, but this letter puts the District on the list to be contacted if necessary.

District Manager Terry Bressler shared that a potential water-saving project that could be completed with the DPP funding is to install a flume gate near the duck shack near fields 50 and 53. The approximate cost would be \$75,000.00. The BOT agreed to proceed with cost studies and requested that this project be added to the DPP project list.

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 reported that White Mallard hired a new caretaker. District Manager Terry Bressler suggested to White Mallard that the District is open to discussion regarding the District taking over the White Mallard Dam operation. There has been no word from Ducks Unlimited regarding White Mallard.

- D. Discussion and Possible Action regarding Comprehensive Testing for Wells and Lift Pumps**
Discussion only, no action taken.

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 Resource**
- B. Discussion and Possible Action regarding Litigation Updates**

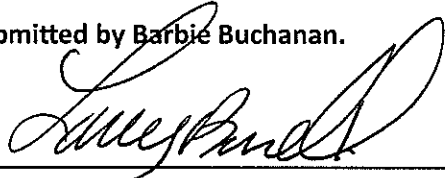
Closed session called at 12:50 p.m.

Open session called at 1:05 p.m.

Report out: Discussion only, no action taken.

Meeting adjourned at 1:06 p.m.

Submitted by Barbie Buchanan.



Larry Borrelli
Vice-Chairman of the Board



Barbie Buchanan
Secretary to the Board of Trustees