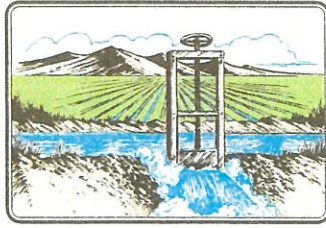


# Reclamation District No. 1004



**RECLAMATION DISTRICT NO. 1004  
BOARD OF TRUSTEES  
Regular Board Meeting Minutes  
January 8, 2025**

Board of Trustees (BOT) present: Chairman Hulbert, Vice-Chairman Borrelli, Trustee Herkert, Trustee Mord and Trustee Bailey. RD 1004 staff present: District Manager Terry Bressler and Secretary to the Board of Trustees Barbie Buchanan. Public attendees present: Deryl Phy, Todd Southam, Clark Becker, Chase Collmer, Hayden Harter, Ken Moonie and Nicole Garofalo.

**1. Call the Meeting to Order**

Meeting called to order at 10:00 a.m.

**2. Approval of Agenda**

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

**3. Approval of Minutes**

**A. December 11, 2024 Regular Board Meeting Minutes**

Motion to approve meeting minutes as presented: Trustee Mord  
Second: Trustee Bailey  
Vote: Unanimous

**B. December 16, 2024 Regular Board Meeting Minutes – Amended Item**

Motion to approve meeting minutes as presented: Trustee Herkert  
Second: Trustee Mord  
Vote: Unanimous

**4. Quarterly Bifurcation Meeting**

District Manager Terry Bressler had no issues to present and Public Attendee Erik Foraker agreed and stated that their needs are being met and everything is working well. There were no USFWS representatives on the call.

**5. Public to address the Board**

Landowner Hayden Harter asked if the BOT signs the DPP agreement, and then in the future crop insurance is not allowed with the DPP agreement, will the board do anything to supplement if they change their mind and take away the insurance. Chairman Hulbert stated that this board cannot answer that question because it is speculation of the future. Trustee Borrelli expressed that he understands Hayden’s comments because right now the FSA says crop insurance will not be impacted, but if the District signs the agreement and FSA changes the policy for the crop insurance, all the landowners and farms are stuck with the decision. Chairman Hulbert reiterated that this agreement would be in place to avoid the potential for additional agencies trying to take even more water.

Landowner Ken Moonie asked how much water will everyone actually get, when will we get it, and when the money flows, where does it go? Chairman Hulbert explained that the USBR should sign the agreement on 1/13/25, payment to SRSC would be right away, and then the payment from SRSC to RD1004 will come shortly thereafter. At that point, half the funding must be used on infrastructure projects in the district and then it will be up to the board to allocate the remaining funds if there is a call year.

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

**A. Cash Report/Account Balances**

Office Manager Barbie Buchanan shared with the board that RD1004 received a letter from the IRS Compliance Department looking for the quarterly payroll tax return from FY 2020, Qtr 1. After checking with the auditor and further research in our financial software, RD1004 did not file a return for that quarter. The tax return has now been filed and sent to IRS for review and confirmation. Discussion only, no action taken.

**B. Interim Disbursements**

Motion to approve interim disbursements totaling \$121,806.87: Trustee Borrelli  
Second: Trustee Mord  
Vote: Unanimous

**C. Accounts Payable**

Motion to approve accounts payable as presented totaling \$36,338.19: Trustee Borrelli  
Second: Trustee Mord  
Vote: Unanimous

**D. Accounts Receivable**

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 \$12,500.00 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 Herkert

Second: Trustee Mord

Vote: Unanimous

**7. New Business**

**8. Chairman’s Report**

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

Chairman Hulbert shared that the final DPP draft has been distributed with no significant changes. GCID approved the EIR on 12/30/24 as the lead agency, and the EIR includes all districts in SRSC.

The key differences are that RD1004 will keep the funding even if no call takes place within the first 10 years (Phase 1). While this is not a perfect deal, districts need to determine if it is better with the agreement or without it. This agreement does not affect our long-term water rights, it is in the document and the attorneys have confirmed it. The agreement keeps the USBR in charge of Shasta operations rather than the NMFS taking it over. This agreement avoids what happened to us in 2022 when we received an 18% allocation and no compensation for that reduction. This agreement would cap reductions to 50%, however, in a BIN 3 year when Shasta could be at dead pool, there is no water to deliver, but we do not know when or if that would happen.

Another critical piece that came out of the negotiations is that SRSC now has a seat at the table when allocation and policy negotiations are happening. At this point, crop insurance is not impacted, but we cannot say what the government will do in the future regarding the crop insurance program, however, right now this agreement does not impact crop insurance.

There is a resolution before the board today if the board decides to approve the DPP that lays out all the CEQA, the findings and the mitigation and monitoring process. Part of the EIR is a Mitigation and Monitoring Program to ensure that the District is following rules when working on projects in the District.

Trustee Bailey asked if the BOT missed a component on the water reductions because the USBR can take 25% on a Shasta critical year, and our water allocation can potentially be reduced by 25% as outlined in the DPP, but what about the ability that the governor has to take an additional 25% of our water. Chairman Hulbert stated that this agreement does not totally insulate us from the governor doing that, but otherwise, the agreement does protect us from extra water reductions and caps that reduction at 50%. The water the USBR calls for would satisfy the water being requested by NMFS rather than coming to us and asking for additional water.

Trustee Bailey asked how the EIR come about since it covers multiple counties. Chairman Hulbert stated that the EIR has been being worked on for almost two years. This EIR, the USBR helped the timeline to move forward with certification. Trustee Bailey feels that the USBR is trying to separate RD1004 from our water.

Chairman Hulbert shared that we do not want NMFS and CDFW to take control. An unimpaired flow would be a disaster for us. Trustee Mord asked for clarification on the connection with Healthy Rivers and Landscapes program through DWR and the USBR DPP agreement. She thought the HRL was separate from the DPP agreement and does not understand why it is referenced in the agreement. Chairman Hulbert stated that the HRL is a separate program from DPP, however, there must be some type of connection but it is not clear where the HRL will end up. Trustee Herkert clarified that the reference that Trustee Mord is talking to is a definition section in the DPP, but does not feel that signing the USBR agreement simultaneously agreeing to the HRL along with the DPP.

Landowner Hayden Harter stated that he would like the BOT to consider that even if RD1004 does not participate in the DPP, the deal will continue to go through so the Shasta Dam will still be protected, the USBR will still be in control, DWR and NMFS will not take control.

Landowner Todd Southam stated that the USBR has changed the rules. It was at 1.2M a/f storage in Shasta in 2022, but now the number is 2.0M a/f. Chairman Hulbert expressed that the inflow number has also changed to determine allocations and reductions, it was 3.2M and it is now at 4.0M. Landowner Todd Southam asked how SRSC will allocate the USBR funding to the landowners who do not have districts. Do checks just get written to those individual landowners? And who is the authority to ensure that 50% of that money for those individuals is used towards the required 50% water saving projects? Chairman Hulbert stated that he feels most landowners will not want to risk the USBR audit to ensure that the funding was used as required.

Landowner Clark Becker asked if there is a way to back out of the agreement if changes are made in the future, for example if a court finds a problem with the agreement. Trustee Herkert stated that this agreement would be a binding legal agreement, and a change would be a breach of contract and we would fight the breach.

Landowner Clark Becker asked if the BOT feels that the bigger players in this have our back on this deal. Chairman Hulbert said yes, and feels that we have good representation with NCWA as well. In addition, his opinion is that everyone is talking about the challenges of the agreement and not looking at the assurances at all. There assurances are in the agreement and we have to believe in those.

Trustee Herkert stated that while he plans on voting in favor of the agreement, it is not because of the influx of money that it will bring in, but rather because he feels this agreement insulates us with a little bit of certainty so that we have something that will yield us more water in a year like 2022. He does not think this is a good deal, but also does not feel that the District is going to get a perfect deal. His preference is to stand on the contract that we have now and count on the 75% during Shasta critical years, however, we have seen that we cannot count on that and feels that this agreement will allow us to come out better than we did in 2022.

Landowner Hayden Harter asked if the EIR is for our RD1004 only, or if it is a blanket document. Chairman Hulbert stated that GCID was the lead agency on the EIR and it covers all the CEQA for all the Sacramento Settlement Contractors. Hayden Harter asked how the EIR can be the same if the Districts have different water allocations and needs. Trustee Bailey feels this agreement will impact RD1004 worse than GCID and RD108 because they have more water than what they need vs. this District not having enough water to deliver.

Chairman Hulbert shared that he feels the funding associated with this agreement will provide a little relief and allow a savings for the landowners and growers by using USBR funding to the projects instead of using capital funds to complete these water savings projects. For example, RD1004 bought land from Braly Zumwalt to line the ditch to save water going through the jungle five years ago, and we have not had the funding to complete the project and now we will. These projects will help us save water in the District which will cut costs within the District.

Landowner Todd Southam asked about the Chairman Hulbert's retirement from the BOT. Chairman Hulbert shared that at December 16<sup>th</sup>'s meeting he rescinded the notice because he has been involved in the USBR project for so long, he wanted to see it to the end. He still has a plan to retire after the USBR deal is complete and then the BOT will move forward with finding a replacement trustee for the remainder of his term.

Landowner Deryl Phy wants to go on record to state that he does not support the DPP agreement because he does not believe the negotiation of the crop insurance because that goes through a broker. In addition, he does not like how the EIR was done as a blanket document rather than each district completing an EIR.

Chairman Hulbert does not feel that it is financially feasible to complete all of the studies in our own district as an individual district, and working with all of the individual agencies is harder than it has ever been. He feels the group EIR was the way to go.

Landowner Hayden Harter asked for clarity on the Healthy Rivers and Landscapes program and if it is similar to a water sale. Chairman Hulbert stated that the HRL has already been approved. This resolution said that RD1004 has agreed to be a part of the program so that DWR could get additional grant funding, however, this program may not hit the finish line. The resolution does not approve the entire program, just to be a part of the program but then there will be additional steps to get to an agreement before the board can vote on it. When this was initially discussed, DWR would pay an amount per acre for land idling, similar to a water sale.

Trustee Herkert shared his concerns if RD1004 do not sign on to the agreement, and feels that from a pragmatic viewpoint, the deal is getting done because GCID and RD108 have signed on, but if RD1004 does not sign on, he feels that RD1004 would be treated differently by USBR and may receive less than a full water allocation. He does not feel that our original water rights would not be enough to be treated the same or better than those that have signed the DPP agreement.

Landowner Hayden Harter feels that this agreement sets a precedent of what water is worth to us because we are selling 25% of our water for \$8.1M for a minimum of 10 to 20 years dependent on how much water the USBR calls.

**9. Manager's Report**

District Manager Terry Bressler reported that duck season ends on January 31<sup>st</sup> and recommends leaving Princeton Pumping Plant on until the end. Currently there are 24 meters in the District taking water, so approximately eight duck clubs. The BOT agreed to turn pumps off on January 31<sup>st</sup> to allow water for the Veteran and Junior hunts.

At this time, the District is delivering approximately 75 a/f a day and is expected to stay that way for a week or so.

District Manager Terry Bressler asked the BOT for approval to purchase a wheel compactor for the excavator. The District has rented this piece equipment in the past; however, the District can purchase one for the same amount as a couple rentals. This equipment will be needed for the work on Avis.

Motion to approve the purchase of a wheel compactor for the Excavator: Trustee Bailey  
Second: Trustee Borrelli  
Vote: Unanimous

**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**

Discussion only, no action taken.

**D. Discussion and Possible Action to approve SRSC MOU with USBR (10-year Voluntary Agreement for BIN3 Drought Year) Execute resolution # 2025-01 – USBR Drought Protection Program**

Motion to approve RD1004 Resolution # 2025-01 to approve the USBR Drought Protection Program: Trustee Herkert

Second: Chairman Hulbert

Vote: 3 yes - Trustee Mord, Trustee Herkert and Chairman Hulbert, 2 no – Trustee Borrelli and Trustee Bailey. Motion carries.

Landowner Hayden Harter would like this agreement to be referred to as a 20-year deal. Chairman Hulbert explained that this is a 10-year agreement, however, it can be extended an additional 10 years with an additional funding agreement. Trustee Herkert suggested that we refer to the document by the name in the document, everyone

agreed. This document will be referred to the Drought Protection Program Agreement (DPP) moving forward.

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

Waiting to shut water off before this can be done. Working with North State, and we will complete Brooks Walker first, then the River pumps.

**F. Discussion and Possible Action regarding the 2025 Standby/Admin Fees & Budget**

Office Manager Barbie Buchanan presented the recommended 2025 Budget which equates out to a \$20.50 Standby, \$2.00 Admin – for a total of \$22.50 per acre and a \$18.00 water toll per a/f. The Budget is based on a projected 80,000 a/f water delivered.

100% of the USBR fees for 2025 will be paid using the USBR drought relief funding received in 2022. Trustee Herkert suggested that moving forward the District use interest earned to offset admin and standby fees annually.

Motion to approve the 2025 Budget as presented, and the Admin (\$2.00) Standby (\$20.50) fees, and \$18.00 water toll with consideration of further board review the subject to a change in water allocation and a change in potential increased interest income allocation: Trustee Bailey

Second: Trustee Mord

Vote: Unanimous

Further discussion to set the unit duty for summer and winter water seasons. District Manager Terry Bressler recommends that the District adopt a 5 a/f unit duty for all crops March 1<sup>st</sup> through September 30<sup>th</sup>, and a unit duty of 3 a/f for all crops between October 1<sup>st</sup> through January 31<sup>st</sup>.

Motion to approve unit duty as recommended, 5 a/f for summer and 3 a/f for winter, regardless of crop: Trustee Bailey

Second: Trustee Borrelli

Vote: Unanimous

**G. Discussion and Possible Action regarding Authorizing Execution of Funding Agreement with the Department of Water Resources, SRSC Corporation, and other SRSCs to Receive Upfront Funding for the Healthy Rivers and Landscapes Program, Execute resolution # 2025-02 – Amended**

Motion to approve RD1004 Resolution # 2025-02 to authorize the initial participation of the Healthy Rivers and Landscapes Program: Trustee Herkert

Second: Trustee Borrelli

Vote: Unanimous

**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**

No closed session called.


Meeting adjourned at 12:25 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