

BELLA VISTA WATER DISTRICT

BOARD OF DIRECTORS

September 24, 2018

A regular meeting of the Board of Directors of Bella Vista Water District was called to order by the President of the Board at 5:30 p.m., at the District office.

Board Members Present:

President	-	Bob Nash
Vice-President	-	Ted Bambino
Director	-	Frank Schabarum
Director	-	Jim Smith
Director	-	Leimone Waite

Board Members Absent:

Officers and Staff Present:

General Manager/Secretary-Treasurer	-	David Coxey
District Engineer	-	Wayne Ohlin
Office Manager	-	Connie M. Wade

1. Pledge of Allegiance
2. Public Comment

Jim Griffith, asked a question regarding supplemental water. Brad Seiser had a question about obtaining supplemental water and a question about closed session item number 10. Mr. Seiser made several comments on supplemental water and groundwater reliability and sustainability.

3. Consent Calendar:
 - 3-1 Approval of Minutes of August 23, 2018, Regular Meeting
 - 3-2 Financial Reports for Month Ending August 2018

RECOMMENDATION: Approval and Adoption of all items on the Consent Calendar.

M/S: [Smith/Schabarum] The Board approved and accepted the consent calendar items as presented.

AYE: Bambino, Nash, Schabarum, Smith and Waite; **NAY:** None; **ABSENT:**

Old Business:

None

New Business:

4. Repayment Obligation – Current Calculation under the WIIN Act, Section 4011 (a) (2)

General Manager, David Coxey introduced this item and explained the opportunity to convert the District's Water Service Contract is included in the Water Infrastructure Improvements for the Nation (WIIN) Act. Section 4011 of the WIIN Act allows for the conversion of agricultural and municipal water service contracts to repayment contracts to allow for prepayment of allocable construction costs that otherwise would have been repaid to Reclamation over extended terms. The section authorizes prepayment of outstanding construction cost obligations through a lump sum or in installments. It allows repayment contractors to pay, upon request, their remaining construction repayment obligations, either in a single lump sum or over three years (i.e., in three equal payments). If contractors decide to take advantage of this authority, they are required to pay the current value of their remaining contract payments, discounted at one-half of the 20-year maturity rate for Treasury securities. The legislation reiterates that once contractors have satisfied their repayment obligations, they are no longer subject to the acreage limitations and full-cost pricing (as well as other associated requirements) of the RRA. In addition, the section authorizes M&I contractors to convert to repayment contractors and/or repay their outstanding balances through prepayment.

Discussion Only

5. Consider Resolution 18-07 Authorizing General Manager and District Counsel to Negotiate on Behalf of the District

David explained this Resolution is for authorizing negotiations to convert the District's Water Service Contract.

M/S: [Waite/Bambino] The Board adopted Resolution 18-07 Authorizing the General Manager and District Counsel to negotiate on behalf of the District for the conversion of the District's Water Service Contract to a Repayment Contract as Authorized Under the Water Infrastructure Improvement for the Nation (WIIN) Act. The Board authorized the Secretary of the Board to attest to the execution thereof, and to provide a certified copy of the Resolution to the United States.

AYE: Bambino, Nash, Schabarum, Smith and Waite; **NAY:** None; **ABSENT:** None

6. Wildfire Impacts and Regional Planning

David explained that we have identified only one PG&E account that could be affected by PG&E's new policy of shut off power during "red flag" fire events. Water agencies in the region are working together to coordinate operations and address water quality concerns related to the extensive wildfires within the watershed. These efforts are being coordinated with the division of drinking water (DDW). Water quality monitoring, treatability and contingency planning are all being considered. At this time, the District's portion of consulting work would be approximately \$5,000. David explained we should participate in this even though we weren't directly affected during the actual fire, however, we could certainly be impacted by diminished source water quality from erosion, sediment and ash. David summarized the PACE proposal and what items the District's would be doing and what items PACE would be doing. David discussed back up plans to assist Mtn. Gate and the City of Shasta Lake.

Discussion Only.

Reports and Communications

7. Engineer's Report

a. Water Production and Deliveries Update

District Engineer, Wayne Ohlin reported on the water deliveries and production to date. The August usage was 1,583 AF compared to 2,239 AF in August 2013 which represents a 30% reduction.

b. Project Updates

Wayne reported on the number of meter sales. Wayne commented on future development we are seeing within the District and as of now do not have a water supply agreement with any developer. Wayne updated the Board on the Water Shortage Contingency Grant which has been signed and executed and will be moving forward with the RFP, the USBR WaterSMART Grant, and the projects contained within which are Solar, Meter Replacements, AMI and Smart Irrigation Controllers. Updated the Board on the Swede Creek Bridge which is now back in service along with the Hydrant.

At 6:44 PM Director Ted Bambino had to excuse himself from the meeting.

8. Manager's Report

David reported that today is a Red Flag day with high wildfire conditions forecast also for tomorrow. The District expects to receive components for the 600 HP VFD delivered this week to finally be installed next week at the Wintu Pumping Plant. President signs Water Storage, Infrastructure Spending Package. The 2019 Energy and Water Bill was included in a "minibus"

package of authorized spending. The legislation passed with bipartisan support in Congress and will provide:

- An additional \$196 million to fund California and Western drought programs under the Water Infrastructure Improvements for the Nation Act (WIIN) Act, including \$134 million for water storage, \$20 million for water recycling, \$12 million for desalination and \$30 million for environment and science projects
- \$34 million for WaterSMART grants and nearly \$39 million for the Title XVI Water Reclamation and Reuse program
- \$35 million for the San Joaquin River Restoration project
- \$35 million for CALFED
- A requirement that an independent risk analysis of Oroville Dam be conducted along with an extensive review of all federal dam safety practices
- \$8 million, a 45% increase from last year, for improved research, monitoring, and forecasting of atmospheric river storms, which contribute an increasingly large share of California's annual rainfall

A second bill, the America's Water Infrastructure Act (AWIA), is expected to pass the U.S. Senate later this week and advance to President Trump for his signature. The legislation, formerly known as the Water Resources Development Act, or WRDA, would authorize funding for water infrastructure projects through the U.S. Army Corps of Engineers. It includes water storage provisions authored by U.S. Reps Jeff Denham (R-Turlock, Modesto) and Jim Costa (D-Fresno, Merced) that would expand water storage for California's Central Valley.

In a recent court decision regarding the Scott River in Siskiyou County and for the first time, a California court has said state and county governments have a "duty to regulate groundwater usage" when it's clear that the pumping drains water from adjacent rivers.

David reported that management staff had the opportunity to tour the new facilities at the City of Shasta Lake and to debrief the Carr Fire events, evacuation and water system impacts. A recent meeting was convened with City of Redding staff regarding the issue of shortage year supply augmentation pursuant the Mayor's letter dated July 20, 2018. David also attended a PG&E Wildfire Safety Meeting in Chico on 9/10/18.

9. Board Members' Comments and Reports

Discussion regarding the Scott Valley litigation.

Adjourned to Closed Session: 6:55 PM

10. CONVENE IN CLOSED SESSION pursuant Government Code 54956.8 – Conference with Real Property Negotiators:

Property: Supplemental Water

Negotiating Parties: General Manager and various water entities

Under negotiation: Terms to acquire supplemental water

Reconvened to open session at 7:24 PM.

11. Report of any Closed Session Actions, Adjourn

The Board Chairman reported that no action was taken while in closed session and directed the General Manager to continue to work with various water entities to obtain supplemental water.

The meeting adjourned meeting at 7:25 PM

