THOMES CREEK WATER DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING
June 22, 2026

Directors
Drew Crane
Adam Englehardt
Adi Marwah

Others
Chase Hurley, Water and Land Solutions, LLC
Maddie Munson, Water and Land Solutions, LLC
Attendance List of Others is attached

Call to Order: Director Englehardt called the meeting to order at 10am.

Pledge of Allegiance: Director Englehardt led the group in the Pledge of Allegiance.

Roll Call and Introductions: Each Director, along with all those in attendance, introduced themselves.

Public Comment: Multiple members of the audience thanked the board for mailing out the agendas and inviting them to participate.

Update on Board member Appointments, District Goals and Objectives, and Next Steps

Director Englehardt stated that a few local landowners foresaw the need to get the District back into an active state to protect its Central Valley Project (CVP) surface water contract as well as becoming active in local Tehama County meetings related to implementation of California's Sustainable Groundwater Management Act. All three directors agreed that some of the District goals and next steps should be as follows:

1. Working with the U.S. Bureau of Reclamation (USBR) on renewal of their long-term water service contract by 2030.
2. Putting their Central Valley Project water supply to beneficial use through direct irrigation or transfers to other North of Delta CVP contractors
3. Work on programs, projects, and policies that will ensure compliance with SGMA in the two subbasins that the District resides in.
4. Work with the Districts bank to get all the necessary changes made so that the Directors and staff have access to manage current funds and pay any bills that are due and payable.
5. Work on the FY2026 budget

Board to Review, Give Direction, and Take Action Related to Draft #1 of District Bylaws

a. Election of Officers: Upon a motion by Director Marwah and seconded by Director Crane, the follow slate of officers were unanimously approved.

President:	Director Englehardt
Vice President:	Director Marwah
Secretary/Treasurer:	Director Crane

b. Regular Meeting Date, Time, and Location: After discussion amongst the directors, they agreed to bring this item back to the next meeting and have it incorporated into a draft set of by-laws. President Englehardt will call or a special meeting of the district in the next

couple of months at the appropriate time.

c. Appointment of Two Vacant Director Seats: President Englehardt stated that the three directors now have the legal authority to appoint two new directors so that the District can have five directors. The two newly appointed directors will have two year terms so that the board will eventually have four year staggered terms. Mr. Hurley stated that this item needs to follow county protocols and be accomplished in a certain time frame. President Englehardt agreed to collaborate with staff to get this in motion.
d. Other: None

Board to Review and Consider Approval of Various Items Related to May 31, 2026 Financial Report

a. Bank Account Status: Director Crane stated that the Districts bank account has a balance of approximately $20,000, with two monthly expenses, the most important of which is the fee to the Tehama Colusa Canal Authority.
b. New Bank Signature Cards: Upon a motion by Director Englehardt, and seconded by Director Crane, Resolution #2026-01 was approved granting Directors Englehardt and Crane as signatories to the bank account.
c. District Revenue Assessment Methodology: Mr. Hurley and Director Englehardt reviewed assorted options to generate revenue for the District's annual budgets. Those discussed were the Prop 218 process, annexation fees, and voluntary assessments. Mr. Hurley was able to answer multiple questions from the public during this item. It was agreed upon that this item will be important for future budgeting
d. Draft 2026 Budget

Board to Review and Consider Options for District Management Services

Director Englehardt stated that the District may need the services of an outside consultant to facilitate getting various items accomplished as the District moves forward in the next 6-12 months. He was familiar with Water and Land Solutions, LLC (WLS) providing the same type of services to Kirkwood Water District as they revived their board of directors to get their WIIN Act federal capital debt paid off. He asked Mr. Hurley of WLS to join the meeting today so that directors could ask questions about a draft consulting agreement and gain a comfort level with what his firm could provide. Mr. Hurley answered various questions and stated that his firm was qualified to do the scope of work to meet the District's near term goals. Upon a motion by Director Englehardt and seconded by Director Marwah, a contract with WLS was unanimously approved at the rate of $1,500/month through the end of December 2026.

Update on USBR Water Service Contract

Mr. Hurley stated that the Districts CVP contract expires in 2030, and it is imperative that the District start the discussions with the USBR to negotiate a new 25-year contract. The contract calls for 6,000 Acre Feet on an annual basis.

Update on 2026 USBR Water Rates, O&M Deficit, and Capital Repayment Obligations

Mr. Hurley stated that the current debt that is owed by the District to the USBR must be paid prior to Water Year 2030. The current approximate debt is as follows:

- O&M Deficit: $ 88,000
- Capital Construction: $828,000

Total $916,000

Update on the Sustainable Groundwater Management Act

Ms. Munson provided an update on SGMA implementation activities in Tehama County, including the two subbasins the District boundaries spans – the Red Bluff Subbasin and the Corning Subbasin. The two main processes begin considered by the Groundwater Sustainability Agency (GSA) are a proposed fee and a demand management program. Landowners should have received protest ballots for the fee, which are due by July 20. Ms. Munson and Director Englehardt answered various questions from the Directors and public.

Update on Potential Prop 4 Grant Funding

Ms. Munson stated that the State of California's next round of Prop 4 grant funding may not become available until late 2027. Staff will continue to track funding and bring back any updates to the board for further review.

Other Items for Consideration at Future Board Meetings

a. District Rules and Regulations
b. 2026 Water Transfer Options
c. District Infrastructure Inventory Map
d. Prop 218 Process

Mr. Hurley reviewed each of the above items with the board to help determine the necessity and priority of implementing these item and others. Mr. Hurley answered various questions from the Directors and the public.

Board Members Report

Director Crane: None
Director Marwah: None
Director Englehardt: He appreciated all the discussion today along with having several landowners in the audience. He would like staff to bring back the following items for further review and potential approval at their next meeting.

- USBR Contract update: negotiation tactics with USBR and payment of O&M deficit
- Strategic Plan for USBR Debt repayment
- Financial Update based on review of current bank account
- Tehama County Appointment process for the two new District directors
- Draft District By-Laws
- Annexation concepts

Report on Other Items Pursuant to Government Code Section 54954.2: None

Future Meeting Date: President Englehardt stated he would work with staff on a date and time for the next meeting.

Adjournment: President Englehardt adjourned the meeting at 11:32am

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Adam Englehardt – Board President