

RECLAMATION DISTRICT NO. 1601

306 Second Street
Isleton, CA 95641

Minutes of the Board of Trustees Regular Meeting July 16, 2024

1. CALL MEETING TO ORDER.

President Barry Sgarrella called the regular meeting of the Board of Trustees (Board) to order on July 16, 2024, at 9:00 a.m. ROLL CALL: In attendance: President Barry Sgarrella, Trustee Dave Huston and Trustee Jasbir Gill. District's superintendent Mr. Ricky Carter Jr., District's engineer Mr. Chris Neudeck, District's attorney Mr. Jesse Barton and District's accountant/treasurer Mrs. Perla Tzintzun-Garibay with Butterfield and Company.

Also attending, Mr. Ricky Carter Sr., Ms. Brooke Bechthold, Mr. Dominic Calabro, Mr. David Julian, Ms. Ceci Giacomina and Mr. Richard Silva.

Attending by conference call, District's secretary Mrs. Linda Carter.

2. PUBLIC COMMENT: ANY PERSON MAY SPEAK ON ANY TOPIC INCLUDING ANY AGENDA ITEM LISTED BELOW, PROVIDED IT IS WITHIN THE JURISDICTION OF RD 1601.

Ms. Ceci Giacomina commented that she had not received a copy of the agenda and a copy of the June 18, 2024, draft meeting minutes. It was confirmed that she had been sent the copies and she is still on the District's email list. She was told if she has another email address she prefers to use, she should inform the District's secretary of the change.

3. MINUTES FOR REGULAR MEETING.

Trustee Gill entertained a motion to approve the June 18, 2024, regular meeting minutes as presented, motion was seconded by Trustee Huston, VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

4. ACCOUNTS PAYABLE.

Mrs. Perla Tzintzun-Garibay went over the accounts payable, accounting notes and financial statements with the Board. President Sgarrella reviewed the accounts payable before today's meeting.

Mrs. Perla Tzintzun-Garibay also noted the following payments and deposits made between meetings: On July 5, 2024, EFT payment to PERS for \$1,834.49, due to the timing of the due date. On July 17, 2024, payment (check number 12660), to AT&T Mobility for \$391.37. On July 10, 2024, deposited \$149.78 from Ms. Karie Silva for Assessment Call 33 payment. On July 10, 2024, deposited \$9,450.06 from Stockton Marina Properties (Owl Harbor) for Assessment Call 33 payment.

Mrs. Perla Tzintzun-Garibay reported to the Board today she was handed more payments for Assessment Call 33.

After some discussion President Sgarrella entertained a motion to approve accounts payable of \$134,000.00, invoices that were presented today, transfers and DWR invoices, from Bank of Stockton 1878 (General Account) into the Bank of Stockton 4201 (Checking Account), motion was seconded by Trustee Huston, VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None, ABSENT: None, motion carried. After some discussion President Sgarrella entertained a motion to approve the transfer of \$45,751.28, from Bank of Stockton 3167 (TW 21-1) TIMES, into the Bank of Stockton 1878 (General Account), motion was seconded by Trustee Huston, VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

Account Receivable: Assessment Call No. 33: \$647,567.07.

Account Receivable: David Baker Lease: \$34,518.75.

Account Receivable: Mattos dba IOU Sheep Co., Lease: \$4,902.44.

Account Receivable: Mattos, Bakke Grazing Lease: Mr. Bakke gave his payment for grazing to Mr. Ricky Carter Jr. to bring to the July meeting.

Account Receivable: DWR Trust: \$5,086.45.

Account Receivable: NOAA: \$15,972.29 (weather station utilities reimbursement 11/21-9/23, 10/23-6/24).

Account Payable: Retention due to Hanford ARC: \$22,419.19.

Special Project Invoices Pending Approval: \$102,193.95.

5. BOARD TO REVIEW AND POSSIBLY APPROVE THE DRAFT AUDITED FINANCIAL STATEMENT FOR FISCAL YEAR ENDED JUNE 30, 2023.

Mrs. Perla Tzintzun-Garibay reported to the Board there was no adjustment made to the audit which was prepared by Croce, Sanguinetti and Vander Veen for the period ended June 30, 2023. Mrs. Perla Tzintzun-Garibay had emailed draft copies to the Board members last week along with the Districts financials. Mrs. Tzintzun-Garibay told the Board the audit went smoothly. She recommends the Board's approval. President Sgarrella told the Board that Mrs. Perla Tzintzun-Garibay did a great job. After some discussion President Sgarrella entertained a motion to approve the draft copy of the financial statement and independent auditors report for the year ending June 30, 2023, prepared by Croce, Sanguinetti & Vander Venn, Inc., motion seconded by Trustee Gill, VOTE: AYES: Sgarrella, Huston and Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

6. BOARD TO CONSIDER APPROVING ENGAGEMENT LETTER FROM BUTTERFIELD + CO. CPAS, INC. TO PERFORM ONGOING ACCOUNTING SERVICES.

Mrs. Perla Tzintzun-Garibay told the Board that each year the District needs to have an approved engagement letter with Butterfield + Co. CPAS, for ongoing accounting services for the District. After some discussion Trustee Huston entertained a motion to approve an engagement letter with Butterfield + Co. CPAS, for 2024, motion seconded by President Sgarrella VOTE: AYES: carried. President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

7. BOARD TO HEAR AN UPDATE ON ASSESSEMENT CALL NO. 33, BASED UPON OPERATION AND MAINTENANCE VALUATION ASSESSMENT ROLL DATED JULY 21, 1992.

Mrs. Perla Tzintzun-Garibay reported to the Board that she had received a few payments and before today's meeting, she received a few more payments. Still waiting for DWR and California Resources Production Corporation to send their payment. They have until August 18, 2024, before their payment will be delinquent.

8. BOARD TO DISCUSS AND POSSIBLY APPROVE THE DISTRICT'S BUDGET FOR 2024-2025.

Mrs. Perla Tzintzun-Garibay discussed with the Board a revised copy of the proposed draft budget for July 2024, through June 2025. Mrs. Perla Tzintzun-Garibay made some changes as requested by the Board to the following accounts, increase the vegetation control, the retirement fund from \$7,000 to \$9,000, and equipment rental. After some discussion President Sgarrella entertained a motion to approve the amended budget for July 2024, through June 2025, motion seconded by Trustee Huston VOTE: AYES: carried. President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion.

9. BOARD TO HEAR AN UPDATE AND POSSIBLY APPROVE A MUTUAL AID AGREEMENT WITH ADJACENT DISTRICTS TO PROVIDE EMERGENCY SERVICES DURING HIGH -WATER EVENTS.

Mr. Jesse Barton told the Board the attorney for Delta Fire District contacted him to tell him that Delta Fire District is not interested in participating in the mutual aid agreement. Mr. Barton contacted River Delta Fire District Fire Chief Paul Cutino and spoke with him several times. Chief Cutino said RDFD is still interested in participating in a bilateral or trilateral mutual aid agreement with the District, Sherman Island and RDFD. Mr. Barton made the changes to the mutual aid agreement and sent it to Chief Cutino for his review. Chief Cutino asked a few weeks to take a look at it and check with his Board. Mr. Barton told the Board that the mutual aid agreement simply says if the District calls RDFD they will come. Once RDFD sends the mutual aid agreement back, the Board will take a look and see if there are any changes to be made before approving the mutual aid agreement with RDFD.

10. BOARD TO DISCUSS THE RISING COST OF THE ELECTRICITY USED FOR THE DISTRICT'S PUMPS.

President Sgarrella handed out a copy of the PG&E bill along with a copy of the Solar Project Performance and Project Cost-Savings spreadsheet.

President Sgarrella reported to the Board that this month's PG&E bill was less than \$10,000 this month due to PG&E not reading the meter. The electric charges for May 30, 2024 to June 27, 2024, is for \$9,018.44. With demand charges of \$2,543.14 (28.2%), peak charges \$140.07. Increase in off peak .25 cents (7.3%) and increase of peak .21cents (12.7%). The clocks on the timers were set an hour off, but the problem has been corrected.

11. BOARD TO HEAR AN UPDATE DISCUSS AND POSSIBLY APPROVE TERMINATING NOAA'S ELECTRICITY SERVICE.

Mr. Jesse Barton told the Board at last month's meeting he and Mrs. Perla Tzintzun-Garibay worked with Mr. Jeff Mueller and Mr. Sean Pritchard with KSN on obtaining an active UEI number for the District. The District has received an active UEI number and Mrs. Perla Tzintzun-Garibay has submitted the UEI number and the invoices for the electrical bills to NOAA for payment. Mrs. Perla Tzintzun-Garibay was told it will take 30 days before the District will receive payment.

12. BOARD TO HEAR AN UPDATE AND DISCUSS EXPLORING A SOLAR POWER ALTERNATIVE TO POWER THE RD 1601 PUMP STATION. THE BOARD MAY APPROVE ONE OR TWO BID PACKAGES FOR THIS PROJECT.

President Sgarrella went over his spread sheets for the RD 1601 Solar Project Proforma and Projected Cost Savings. The bill from PG&E was only \$9,018.44. PG&E did not read the meter for the July 2024, so this statement estimated the cost. It probably will be higher next month.

President Sgarrella discussed with the Board the three attached spread sheets. Each spread sheet had the PG&E Annual Escalator and the Interest Rate (to be paid to Bank of Stockton) added to the spread sheet. On the first sheet it had the PG&E Annual Escalator at 10% and the Interest Rate at 5%. Seconded sheet the PG&E Annual Escalator at 19.80% and the Interest Rate at 5%. Third sheet the PG&E Annual Escalator at 5% and the Interest Rate at 5%. The spread sheets also show the different charge between AG-B and AG-C. President Sgarrella and Mr. Chris Neudeck went over with the Board the general schedule of activities. They are still waiting for the electrical stamp from C&C Electrical and finalizing the package. Mr. Neudeck told the Board that his staff would like to go out to bid next Friday. After some discussion Trustee Huston entertained a motion to give Mr. Chris Neudeck with KSN authorization to go out to bid once the plans are finalized and stamped, motion seconded by Trustee Gill VOTE: AYES: carried. President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion.

13. BOARD TO DISCUSS THE POTENTIAL LOSS OF ITS EXCAVATOR, POSSIBLE REMEDIES, AND ACCEPTING THE INSURANCE COMPANY'S PAYOUT.

Mr. Jesse Barton told the Board he had heard from the District's insurance company last week and they have increased their excavator payout. The reason being they accepted the District's insured value for the excavator for \$129,000, but when they added taxes that ends up being \$141,332.67. The original offer was \$90,000. Mr. Barton told the insurance adjustor that he did not have the authority to accept the offer, he would however bring it before the Board at the July 16th meeting for the Board to discuss and possibly approve the offer of \$141,332.67. Mrs. Perla Tzintzun-Garibay told the Board the District has occurred \$91,000 in total coast. The insurance company has paid for some of the cost that has been occurred, the deductible \$1,000, reimbursed around \$43,000 already has been paid. Another \$47,370.82, the District will seek to get reimbursed for from the insurance company.

After some discussion President Sgarrella entertained a motion to approve giving Mr. Jesse Barton the authority to contact the insurance adjuster to let the adjuster know the Board has approved and has accepted the adjusted value of \$141,332.67 from the Districts insurance claim for the District's excavator, motion seconded by Trustee Gill
VOTE: AYES: carried. President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion.

Mr. Barton gave the Board an update on talking with the Department of Water Resources (DWR) attorney. Mr. Barton provided the DWR attorney with a package of information that Mr. Ricky Carter Jr. had prepared, which included proof of removal of the fluids from the excavator. The DWR attorney will be circulating a memo with his staff about the removal. The DWR attorney will be getting back in touch with Mr. Barton about leaving the District's sunk excavator where it is at.

After some discussion it was decided by the Board, when Mr. Barton tells the insurance company the District has agreed to the adjusted value of \$141,332.67, he will then ask the insurance company if they would keep the claim open for another 30 days, so the District can make sure that there's no more invoices to be paid.

14. BOARD TO DISCUSS AND POSSIBLY APPROVE A CONTRACT WITH DRONE OPERATORS TO APPLY HERBICIDE WHERE NEEDED ON DISTRICT FACILITIES.

Mr. Ricky Carter Jr. reported to the Board that on last Friday, he left a message with Clean Lakes to call him back. So far, he has not heard from them. Mr. Carter has talked with the Districts biologist about getting some water samples done in the District's canals. Mr. Carter has herbicide to start spraying, he has enough to do a few applications on the prim rose and water hyacinth in the Districts canals. Mr. Carter will still continue to search for a drone operator who can apply herbicides. The mass is starting to come back after cleaning the canal. Might not be able to get a contract for this year with a drone company. President Sgarrella told the Board that Ms. Otome Lindsey has been working with the Department of Water Resource (DWR), who has a contract with California Boats and Water Ways (CB&WW). Ms. Lindsey was told by DWR the contract they have with CB&WW does not cover Sevenmile Slough. President Sgarrella and Ms. Lindsey are still talking because the spraying will be covering the TIMES project. Ms. Lindsey are still working on CB&WW to spray Sevenmile Slough. President Sgarrella said that the people Ms. Lindsey is speaking with at CB&WW, are suggesting that RD 1601, Brannan Andrus, President Sgarrella, Mr. Rick Carter, Mr. Casey Stockon and others who have property along Sevenmile Slough submit letters to CB&WW about their concerns to have the Sevenmile Slough sprayed. Ms. Lindsey will be giving President Sgarrella the contact information and where to send the letters to. President Sgarrella told the Board Sevenmile Slough has a water quality issue. It smells like sewer water is running through it. It does not smell like decomposed vegetation. Mr. Carter has biologist out doing water sampling for the canals while preparing to spray the Districts canals. Had the biologist take some samples out of Sevenmile Slough and the results were that there is some type of coliform bacteria and E. coli. Mr. Jesse Barton told the Board that the coliform is not a big deal by itself as it can be found in decomposed vegetation and animal waste. You would expect to find coliform in the water in Sevenmile Slough. The issue is whether

its animal based or fecal. The Board and Mr. Barton had a discussion on whether the District should pursue further testing the water quality for bacteria issues. President Sgarrella told Mr. Carter when the biologist comes out to test the water before spraying the canals again will have them go to Brannan Islands side of Sevenmile Slough and take some water samples there also.

Mr. Carter will ask Brannan Island/Andrus and ask if they know anything about the water issue in Sevenmile Slough.

15. PROJECT FUNDING AGREEMENT TW-21-1.2, PROJECT FUNDING AGREEMENT FOR THE, PLANNING ENGINEERING, AND CONSTRUCTION OF THE TWITCHELL ISLAND WETLAND ENHANCEMENT AND RESTORATION PROJECT. (TIWERP) (EXPIRES 12/31/2027). THE BOARD WILL HEAR A STATUS UPDATE AND DISCUSS.

Mr. David Julian reported to the Board that Ms. Otome Lindsey has told him there has been no changes, still waiting on the property right issues. Mr. Chris Neudeck explained to the Board that Department of Water Resources (DWR) had come to KSN to have them help to establish some of the lines and boundaries of the easements. DWR is talking about making an easement to the Center Island Road (aka. Middle Road, Old Ferry Road). Mr. Neudeck doesn't understand why they would want an easement for in the middle of a road, instead of opting for historically used application. It may be another state entity wants access.

16. PROJECT FUNDING AGREEMENT TW-24-1.0-SP-PHASE 2 OF THE MULTI-BENEFIT PROJECT (EXPIRATION 12/31/2028). THE BOARD WILL HEAR A STATUS UPDATE AND DISCUSS.

Mr. Chris Neudeck reviewed with the Board the road scope of work and preliminary cost estimate for activities aimed at addressing erosion-induced damages to the levee waterside slopes and levee roadways along Sevenmile Slough between levee station 166+50 and 170+55 (between Mr. Barry Sgarrella and Fagundes Dairy property). The damage occurred on Twitchell Island during the 2023 water event DWR is considering funding the work as part of an emergency, and reviewed the email correspondence from Mr. David Julian. However, it is unlikely that any new work will be treated as an emergency. Mr. Neudeck told the Board nothing new to report. Mrs. Perla Tzintzun-Garibay told the Board that she has prepared and sent in for the advance payment. Once the District receives the funds a new bank account will need to be opened up with Bank of Stockton.

17. DWR AGREEMENT "SUBSIDENCE MITIGATION FUNDING AGREEMENT" (SMFA) (WETLAND DEVELOPMENT/SUBSIDENCE REVERSAL AND CARBON SEQUESTRATION PROJECT) (EAST END AND RICE PROJECT) (SMFA EXPIRES 12/31/2030). THE BOARD WILL HEAR A STATUS UPDATE AND AN UPDATE ON THE NEED FOR THE PROJECT EQUIPMENT.

Mr. David Julian told the Board that he noticed on the agenda the expiration date for the SMFA was incorrect the year needed to be changed to 2030. Mr. Jesse Barton said he would check into it and when the extension was approved and if need be, the year

will be corrected. Mr. Julian told the Board that Mr. Ricky Carter Jr. had ordered and paid for some materials for SMFA, which SMFA will reimburse the District. Mr. Julian may ask Mr. Carter to order more supplies in the future for the project. Need to find someone to cut down trees and remove them out the east end project. Mr. Julian has spoken with Solano RDC and they said they cannot cut down and remove the trees. Mr. Julian said he will need to hire a tree removal contractor to remove the trees.

18. ENGINEERING REPORT: MR. Chris Neudeck

I. DWR Statewide Multi-Benefit Project Funding Scope of Work.

A. Look under item number 16.

II. Delta Levee Subventions Program AB 360.

A. Mr. Neudeck reviewed with the Board the status of the future for the Delta Levee Subvention Funding. This last year 2024-2025 was the last year the program was funded. However, the voters will be voting on a bond in November, which will fund the program. There may be a gap for 2025-2026 were there will be no funding. Five Delta counties were thinking about writing letters to send to Governor Newsom asking him to find \$12M out of his general fund to put in the Delta Levee Subventions Program. The Governor is not going to take the money out of the general fund, so there is a need to find some other way to fund the program. Mr. Neudeck is working with Mr. Bryan Brock who is who is principle of this program now. Mr. Brock was waiting for Mr. Neudeck to let him know how successful the caucus letter went. Mr. Brock found some funds enough to fund the program element but not the staffing element. Mr. Brock has put together \$14M to reimburse the Delta districts, but you still have to staff funds and for operations. Without operations the program does not work. They have a budget change proposal, no one knows where it stands. It looks like we may be getting funds for 2025-2026. After that we will need the bond money.

III. District Pump Station Solar Array.

A. Look under item number 12.

19. SUPERINTENDENT REPORT: MR. RICKY CARTER JR.

- Made daily levee inspections.
- Checked pumps and oil in the pumps at pump station daily.
- Rodent control on beavers and squirrels.
- Finished cleaning District canals. The weeds have started to come back.
- Worked on Subvention reports and turned them into KSN.
- Met with Ramos Environmental to pick up barrels of contaminated oil and other fluids drums.
- Had issues with the District's security cameras, had to reset and update them.
- Mr. Ricky Carter and Mr. Dominic Carbo serviced the District's Kubota tractor and brush hog mower before mowing.
- Started mowing the levees on July 1st.
- Met with the biologist from Blankenship and Associates to test Sevenmile Slough for water quality issues.
- Worked on getting invoices for the District's insurance claim.
- Ordered materials for Mr. David Julian for the SMFA project.

Mr. Chris Neudeck told the Board the District has a closed window period from March 15th to July 1st where the district **cannot** do any chopping on the levees (i.e. waterside and landside). This district has followed the guide line religiously for years. Mr. Neudeck said that a district by Stockton had followed the guide lines, but complaints came in from homeowners and Stockton Fire Department about all the thick tall and out of control weeds last year. The district told everyone that they could not chop or spray the weeds during the closed window. To get around this you must get a biological assessment to determine if there are any nesting birds in the area. They then turn the information over to California Department Fish and Wildlife (CDFW). CDFW has come back with a long list of requirements, costing around \$80,000 to provide the requirements on the list. It only cost around \$15,000 to \$ 25,000 for the spray job. Mr. Neudeck told the Board that under the routine maintenance agreement requirements applies for on the land side, the routine maintenance 1602 agreement requirements only apply on the waterside slope. If the District finds the need in the future to chop or spray weeds, the District will have a biological assessment done and put the results in the District's files. Then the District can go mow. Mr. Neudeck is going to apply this in the future with a District when this needs this to be done. Construction windows have been delayed due to these protocols. He will be having more meetings with CDFW to get this matter straightened out. CDFW has been insisting that the law applies on both sides of the levee.

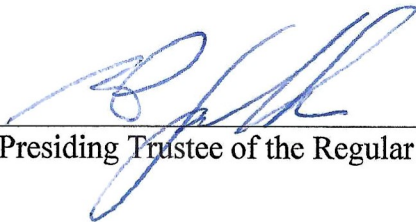
**20. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE REVIEW
TITLE: SUPERINTENDENT, EQUIPMENT OPERATOR/ LABORER, AND
SECRETARY.**

Board went into Closed Session: 10:32 am.

Open Session: 11:25 am. President Sgarrella reported no action taken.

21. ADJOURN REGULAR MEETING.

The next regular meeting of the Board of Trustees will be called to order August 20, 2024, at 9:00 am, the regular meeting was adjourned at 11:26 am.



Presiding Trustee of the Regular Meeting July 16, 2024, certifies the above minutes.



Secretary