

# RECLAMATION DISTRICT NO. 1601

306 Second Street  
Isleton, CA 95641

## Minutes of the Board of Trustees Regular Meeting May 21, 2024

### 1. CALL MEETING TO ORDER.

President Barry Sgarrella called the regular meeting of the Board of Trustees (Board) to order on May 21, 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. Ceci Giacomia, Mr. Richard Silva, Mr. Jaime Rodriguez, Ms. Otome Lindsey and Mr. Matt Brown with Bank of Stockton. 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.

Nothing to report.

### 3. MINUTES FOR REGULAR MEETING.

Trustee Gill entertained a motion to approve the April 16, 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. MINUTES FOR SPECIAL MEETING.

Trustee Gill entertained a motion to approve the May 9, 2024, special meeting minutes as presented, motion was seconded by President Sgarrella VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

### 5. 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 May 7, 2024, EFT payment to PERS for \$1,834.49, due to the timing of the due date. On May 10, 2024, deposited \$263.34 from RD 536 for April and May rent payments. On May 17, 2024, deposited \$275,350 from Subventions payment

for FY 2022/2023. On May 21, 2024, check number 12618, written to Hanford ARC for \$44,326.05 due to late invoice.

Mrs. Perla Tzintzun-Garibay reported to the Board that over the weekend the District received a check for \$1M from DWR for advance payment on the TW-21.10 project. President Sgarrella told the Board that Mr. Tom Ayers with NOAA said they could pay monthly with a credit card, at this time the District is not set up to accept credit card payments. Mrs. Perla Tzintzun-Garibay has supplied NOAA with all the District's information NOAA requested. It was decided that after today's meeting Mr. Jesse Barton will contact Mr. Ayers and tell him the Board has decided if the District does not receive a full payment from NOAA by the District's June meeting, then the District will have the electricity to the NOAA trailer turned off. This matter will be on the next month's meeting agenda.

After some discussion President Sgarrella entertained a motion to approve accounts payable of \$154,000.00, 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 \$17,500.81, 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: DWR Trust: \$5,086.45.

Account Receivable: Mattos/Bakke Grazing Lease: \$1.03

Account Receivable: NOAA: \$14,963.51 (weather station utilities reimbursement 11/21-9/23, 10/23-4/24).

Account Receivable: Retention due to Handford ARC: \$20,086.24

Special Project Invoices Pending Approval: \$21,070.34.

Subvention Claim FY 2022-2023: \$321,646: Expected Reimbursement: \$232,310.

#### **6. BOARD TO DISCUSS AND POSSIBLY APPROVE WARRANT PURCHASE AGREEMENT WITH BANK OF STOCKTON.**

Mrs. Perla Tzintzun-Garibay told the Board that for several months the Board has talked about funding the solar array and some other District special projects. At the last District meeting the Board instructed Mrs. Tzintzun-Garibay to contact Bank of Stockton to see if the Bank would extend the District's warrant line of credit and interest rate. Mr. Matt Brown from the Bank of Stockton is here attending today's meeting. Mr. Brown told the Board that he works with several reclamation districts and Mr. Douglass Eberhardt is CEO of Bank of Stockton, who has the final say. Before any funds can be released to the District, the bank will need to see a copy of the projects executed funding agreement for the special project and for the solar array the bank will need to see the final plans and construction contracts. After some discussion President Sgarrella entertained a motion to approve Resolution 2024-01 authorizing Bank of Stockton to be the sole purchaser of Reclamation District 1601's warrants at 5% interest, limit up to \$5M., with conditions the Bank of Stockton has placed. The bank will need to see a copy of the projects executed funding agreement for the special

project, and for the solar array the bank will need to see the final plans and construction contracts), motion seconded by Trustee Gill VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

**7. BOARD TO DISCUSS LEVY ASSESSEMENT CALL NO. 33, BASED UPON OPERATION AND MAINTENANCE VALUATION ASSESSMENT ROLL DATED JULY 21, 1992.**

Mr. Chris Neudeck went over with the Board the District's 2024-2025 Draft Assessment summaries calculated for 100%, 90% and 80% of the \$700,000 approved assessment. At today's meeting, the Board is collecting information and at the June District meeting the Board will discuss and possibly approve assessment call 33 (2024-2025). After some discussion, the consensus is the Board is leaning towards the 100%. No action taken today.

**8. BOARD TO DISCUSS DISTRICT'S BUDGET FOR 2024-2025.**

Mrs. Perla Tzintzun-Garibay discussed with the Board the Budget vs. Actual from the July 1, 2023 through May 21, 2024. The budget is based on the amount of the assessment funds. Once the assessment amount is determined then Mrs. Perla Tzintzun-Garibay will be able to present a proposed budget to the Board. No action taken today

**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 after last month's meeting, he contacted River Delta's attorney. The attorney had no updates for Mr. Barton. Mr. Barton suggested the Board to keep this matter on the agenda and revisit this matter at next month's meeting.

**10. RD 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 for \$10,293.92 with demand charges of \$3,953.48 (38.4% of the total cost). President Sgarrella told the Board one way to get reduce the demand charges is to change the tariff AG-C to AG-B. The AG-B has higher kWh cost but lower demand charges. Once the solar array is up and running and the tariff has been changed to AG-B the demand charges should be significantly reduced.

President Sgarrella went over with the Board information on the Solar Project Proforma Cost-Savings spreadsheet. President Sgarrella went over the financing, with the warrant rate at 5% that the District received from the Bank of Stockton. The annual average kWh cost will be around 19.438 cents, President Sgarrella went over the savings to the District once the solar array is constructed and up and running. The solar modules (panels) are guaranteed by the manufacturer for 25 years. They pay for someone to replace the defective panels so it's not a District cost as long as you have a warranty.

The solar inverters have a warranty of 10 years, that can be extended for another 10 years by paying a fee when the inverters are purchased. Need to consider the cost of periodic washing of the solar panels since the panels will be in an agriculture area with high dust issues. There are services that will come out and regularly clean the solar panels for a fee.

**11. 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 reported to the Board that at this point the structural drawings and plans are stamped and ready to go, still waiting for electrical engineering to sign off and have the plans stamped. Should have the bid package ready for next meeting for approval to go out to bid. Mr. Chris Neudeck told the Board they have a proposal from Cecil and Cecil not to exceed \$30,000, the proposal meets the needs of the District. Mr. Neudeck needs P.E. stamped electrical drawings before going out for bid. KSN is trying to get this work done soon as possible, Cecil and Cecil said that it will take total of eight weeks. KSN is pushing to get it done in six weeks. Trying to get it done before fall and not driving piles in during winter. Need to get the project complete, put out to bid, bring it back to the Board for final approval and submit to Bank of Stockton for final warrant approval. President Sgarrella recommended to the Board that KSN should apply for permits to expedite the process. Since it is going to take six to eight weeks for permitting. The District should make a permit application now. Sacramento County does not require stamped electrical drawings and we should give Sacramento County a permit submittal now. Sacramento County could be reviewing the submittal during the bidding process.

After some discussion Trustee Huston entertained a motion to approve authorizing Mr. Chris Neudeck (KSN) to prepare a permit application and file with Sacramento County for the construction of the District's solar array, motion was seconded by President Sgarrella, VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

**12. BOARD TO DISCUSS THE POTENTIAL LOSS OF ITS EXCAVATOR AND POSSIBLE REMEDIES.**

Mr. Jesse Barton told the Board he had spoken with Department of Water Resources (DWR) legal and the attorney that he spoke with is inclined to recommend to DWR management to allow the excavator to remain in place, if the District can demonstrate the removal of as much of the fluids (diesel, hydraulic fluid and oil) from the excavator as possible. Mr. Barton spoke with Mr. Ricky Carter Jr. about this and told him he needed to decide if he is going to remove the fluids or hire someone to do it. The District's insurance said if the District can demonstrate to the land owner that they have removed the fluids and the land owner is ok with removing the fluids and leaving the sinking excavator the insurance thinks this is a good solution compared to the estimated costs of removing the excavator. Mr. Carter has ordered barrels from Ramos Oil for putting in used stocks and the fluids that will be removed. Mr. Carter purchased a pump to pump the water from the excavator. Mr. Carter is planning on calling Mr. Juan

Carlos the District's mechanic to come out for the fluid removal. Mr. Carter has purchased a pump to remove the fluids with. The removal of the liquids will need to be documented and the documentation needs to be sent to Mr. Barton. Mr. Barton will write a letter and present the documentation to the District's insurance company. President Sgarrella is a licensed Haz-Mat contractor. He will sign off on the removal of the fluids from the stuck excavator. President Sgarrella confirmed with Mr. Ricky Carter Jr. The District could get along with purchasing a short reach excavator and renting a long reach when needed to clean the canals. The District's insurance company is talking around \$70,000 to \$80,000 for replacement cost for the District's excavator. Mr. Barton told the Board the insurance company that this is what they came up with, so the District has provided the insurance company with price information on additional pieces of equipment. The insurance company said that doesn't change the amount very much.

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

Mr. Ricky Carter Jr. told the Board that he had received an email from Clean Lakes Inc. right just as he sat down before today's meeting. They said they were swamped and busy with work and could not make today's meeting. They will correspond with Mr. Ricky Carter Jr. later. President Sgarrella has spoken with the biologic consultant Blankenship, the biologist had reviewed both of the proposals, his comment was the Leading Edge was not responsive because they proposed spraying at the rate of one to three gallons per acre. It is not in compliance with the label directions on the selected herbicides which can potentially violate environmental laws. President Sgarrella asked the biologist for a recommendation for another drone spraying company that has all the right permits for spraying; he didn't have any more recommendations. It looks like Clean Lakes Inc. would be the District's best choice. The District needs to get on to their spraying schedule. The District has a bid from Clean Lakes Inc. to spray three District canals for \$15,000. The Board discussed spraying Sevenmile Slough. Maybe while Clean Lakes Inc. is here and after they have sprayed the three canals, then they may be able to spray a small portion of Sevenmile Slough.

Mr. Jesse Barton told the Board the District does not have a contract and he does not have enough information to be able to put a contract together. Mr. Barton needs to know the details of what the District is paying for: the amount of spray and the area they will be spraying and the cost for the spraying. There was a question about if Clean Lakes Inc. while spraying too much spray or in the wrong place who is liable. President Sgarrella told the Board the District had a pontoon boat and did the spraying in Sevenmile Slough. Aquatic pests were somewhat under control until the District had problems with the boat. At one time California Boating and Water Ways were coming out and spraying Sevenmile Slough. President Sgarrella told the Board that Clean Lakes Inc. said they could come in and spray the three canals annually.

Sevenmile Slough is a breeding ground for the invasive water hyacinth and other invasive plants, they come through the syphons when in use (for irrigation) and then the seeds or plants end up in the district's canals.

Ms. Otome Lindsey, found out that California Boats and Water Ways has a contract with the Department of Resources (DWR), she is going to find out if she can have California Boating and Water Ways come out and spray Sevenmile Slough under DWR's contract; since it does have an impact on a DWR project, it may make it a higher priority. Ms. Lindsey told the Board after speaking with Blakenship it was suggested to her to ask the Board if they would be willing to consider adding DWR on to the District's NPDES permit. Mr. Barton is not in favor of DWR using the District NPDES permit, due to the District will be liable for any violations under the District's permit. The other problem is cost, how would the project be able to pay the District. After some discussion the following was decided: have Clean Lakes Inc. refine their proposal and send it back to the District. The District will send Clean Lakes Inc. a map showing where the three canals are marked on the map.

Mr. Carter does not have an applicator license; he will need to take a class to get his applicator license. Mr. Barton said that Sherman Island uses a licensed contractor for this kind of work. It was suggested that Mr. Carter get a hold of Sherman Island and see who they have applying herbicides for them and maybe get a quote from them. Ms. Lindsey will check with Department of Boats and Waters Ways about having them come and spray Sevenmile Slough.

**14. 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.**

It was reported that the project has been put on pause. Ms. Otome Lindsey spoke about extending the maintenance contract, so maintenance can continue through the start of the project. Ms. Lindsey will need to send to Mr. Chris Neudeck what the costs and extended terms will be for the continuing maintenance and he will write up a change order. The next step is to ask the Board to consider approving the change order.

**15. 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 reported that the District is waiting for signatures for the amendment for TW-24-1.0-SP-Phase 2 agreement.

**16. DWR AGREEMENT "SUBSIDENCE MITIGATION FUNDING AGREEMENT" (SMFA) (WETLAND DEVELOPMENT/SUBSIDENCE REVERSAL AND CARBON SEQUESTRATION PROJECT) (EAST END AND RICE PROJECT) (SMFA EXPIRES 12/31/2024). THE BOARD WILL HEAR A STATUS UPDATE AND AN UPDATE ON THE PROJECT EQUIPMENT AND DISCUSS.**

Mr. Jesse Barton told the Board that Mr. David Julian is on vacation. Nothing to report.

**17. ENGINEERING REPORT: MR. CHRIS NEUDECK**


- I. 2024-2025 Assessment by Landowner Summaries.
  - A. Look under item number 7.
- II. Delta Levee Subventions Program AB 360.
  - A. Mr. Chris Neudeck reviewed with the Board the road repairs following core trenching in the vicinity of Levee Station 317+00 in the Owl Harbor Marina. The area is drying up.
- III. Project Funding Agreement TW-21-1.2 TIMES Project.
  - A. Look under item number 14.
- IV. District Excavator Recovery with Insurance Company.
  - A. Look under item number 12.
- V. District Pump Station Solar Array.
  - A. Look under item number 13.

**18. 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.
- Ordered a rental long reach excavator.
- Once the rental excavator arrived started cleaning canals.
- Met with Clean Lakes Inc. on spraying canals and Sevenmile Slough.
- Mr. Ricky Carter Jr. and Mr. Dominic Calabro went to Woodland to attend a spray safety class.
- Worked on quotes for a new/used excavator for the District.
- Worked on Subventions reports.
- Took the District's 2021 Ford pickup truck to Mr. Juan Carlos (COBALT), for knocking in the engine. Got it repaired.
- Pushed the burn pile and burned the pile.
- Purchased transfer pump to pump out fluid out of the District's stuck excavator.
- Had Ramos Oil drop drums off for used fluid.

**19. ADJOURN REGULAR MEETING.**

The next regular meeting of the Board of Trustees will be called to order June 18, 2024, at 9:00 am, the regular meeting was adjourned at 10:35 am.

  
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Presiding Trustee of the Regular Meeting May 21, 2024, certifies the above minutes.

  
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Secretary