

RECLAMATION DISTRICT NO. 1601

306 Second Street
Isleton, CA 95641

Minutes of the Board of Trustees Regular Meeting November 19, 2024

1. CALL MEETING TO ORDER.

Trustee Huston called the regular meeting of the Board of Trustees (Board) to order on November 19, 2024, at 9:00 a.m. ROLL CALL: In attendance: Trustee Dave Huston and Trustee Jasbir Gill. District's superintendent Mr. Ricky Carter Jr., District's engineer with KSN Mr. Jeff Mueller, 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 Giacoma, Mr. Richard Silva, Mr. David Julian, Mr. Cleveland Bellard, Ms. Otome Lindsey, Mr. Matthew Doner and Mr. Jason Mahan.

Attending by conference call, District's secretary Mrs. Linda Carter and President Barry Sgarrella. Note: Due to agenda posting blunder President Sgarrella is attending by phone, but will not be voting on any agenda items as presented at today's meeting.

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 October 15, 2024, regular meeting minutes as presented, motion was seconded by Trustee Huston, VOTE: AYES: Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: President Sgarrella, motion carried.

4. ACCOUNTS PAYABLE.

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

Mrs. Perla Tzintzun-Garibay also noted the payments and deposits made between meetings:

On November 6, 2024, payment to PERS for \$1,023.86. On November 12, 2024, deposit \$ 131.67, from RD 536 for rent payment.

After some discussion Trustee Huston entertained a motion to approve accounts payable of \$145,000.00, 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 Gill, VOTE: AYES:

Trustee Huston and Trustee Gill NOES: None ABSTAIN: None, ABSENT: President Sgarrella, motion carried. After some discussion Trustee Huston entertained a motion to approve the transfer of \$16,974.00, from Bank of Stockton 3167 (TW 21-1) TWERP, into the Bank of Stockton 1878 (General Account), motion was seconded by Trustee Gill, VOTE: AYES: Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: President Sgarrella, motion carried.

Account Receivable: DWR Trust: \$4,779.75

Account Receivable: NOAA: \$1,513.17 (weather station utilities reimbursement 8/24-9/24 and 10/24).

Account Payable: Retention due to Hanford ARC: \$34,866.41.

Special Project Invoices Pending Approval: \$80,448.94.

Subventions Claim FY 2023-2024: \$414,100; Expected Reimbursement: \$301,650.

5. BOARD TO CONSIDER APPROVING ENGAGEMENT LETTER FROM CROCE, SANGUINETTI & VANDER VEEN, INC. TO PREPARE THE ANNUAL INDEPENDENT AUDIT AND SPECIAL DISTRICTS FINANCIAL TRANSACTION REPORT FOR THE YEAR ENDED JUNE 30, 2024.

Mrs. Perla Tzintzun-Garibay told the Board that the District's audit and the special District Financial transaction report is coming up for the year ending June 30, 2024. Croce, Sanguinetti & Vander Veen Inc. sent their letter of engagement for them to perform the annual independent audit and special district financial transaction report for the year ending June 30, 2024. The audit fees range is \$6,100-\$6,325. Last year the total charged was \$6,840 for the audit and the financial transaction report. This year the special district financial transaction report fee is not to exceed \$600 (\$50 increase). Mrs. Perla Tzintzun-Garibay told the Board we have had only good experiences with the company, and they are up to date on the laws and procedures of accounting. After some discussion, Trustee Huston entertained a motion to approve the letter of engagement with Croce, Sanguinetti and Vander Veen to perform the District's Audit and Special Districts Financial Transactions Report for year ending June 30, 2024. Trustee Gill seconded the motion VOTE: AYES: Trustee Huston and Trustee Gill NOES: None ABSENT: President Sgarrella, motion carried.

6. BOARD WILL OPEN THE SEALED BIDS FOR A NEW FIVE-YEAR LEASE FOR THE NORTH CHEVRON POINT PROPERTY AND AWARD THE LEASE.

Mr. Jesse Barton told the Board he has received four bids prior to 9am. First bid from Mr. Richad Silva for \$313.05 per acre (390 acres) per year with no annually increases for five years. Second bid from Delta Farming (Mr. Mr. Cleveland Bellard) for \$203.80 per acre (390 acres) per year with 1% increase per acre per year for five years. Third bid from Mr. Jason Mahan. There was a problem with the bid, it was not on the bid form. Fourth bid from Mr. Cole Bakke and Mr. Mahan names were on the list, but again it was not on the bid form. The winning bidder was Mr. Silva at \$313.05 per acre. Mr. Barton will prepare the lease for the Board to possibly approve and execute the lease.

7. BOARD TO HEAR AN UPDATE ON HIRING A NEW LABORER FOR THE DISTRICT.

Mr. Ricky Carter Jr. reported that he hired Mr. Matthew Doner. At this time, he is working on training. Mr. Doner is working on the District's excavator cleaning toe ditches. He's a hard worker. The Board welcomed Mr. Doner aboard.

8. BOARD TO CONSIDER HIRING A CONTRACTOR TO PERFORM LABOR AND MAINTENANCE FOR THE DISTRICT.

Mr. Ricky Carter Jr. told the Board at this time he did not see any need to hire a contractor but may need to in the future. President Sgarrella told the Board that there will be a time when there is a the need to have a long reach come and clean the District's canals. If the needs should arise Mr. Ricky Carter Jr. will need to come to the Board for approval if the work comes over his spending limit.

9. BOARD TO CONSIDER HIRING A LABORER FOR THE DWR SPECIAL PROJECT.

Mr. Jesse Barton reminded the Board at last months meeting RD 341 (Sherman Island) requested that RD 1601 (Twitchell Island) hire someone for the DWR special projects on both islands and if there were no work to be done for special projects then Mr. Ricky Carter Jr. would put them to work. Mr. Carter Jr. was asked at last month's meeting to post the job, which he did. Mr. Carter Jr. has started interviewing candidates.

10. SOLAR POWER-THE BOARD WILL DISCUSS RISING ELECTRICITY COSTS. THE BOARD WILL RECEIVE AN UPDATE ON THE SOLAR ARRAY PROJECT. BOARD TO REVIEW AND POSSIBLY APPROVE A CHANGE THAT WILL REVISE SOLAR MODULES AND INVERTERS TO AMERICAN MADE UNITS.

Mr. Jeff Mueller reported to the Board the following; KSN has received required construction bonds and insurance certificates from the contractor, Panelized Structures Ins. (PSI). The contract has been executed for the construction of the solar array. President Sgarrella is working with PG&E on the size of the transformer that will be required. They say a 750 kVA pad mount transformer is required. He is working with PG&E to see if they will accept the more appropriately sized 500 kVA transformer. PG&E said they do not install 500 kVA transformers.

Sacramento County is requiring the transformer be installed above the Base Flood Elevation (BFE). Precision Build USA (structural engineer) is currently working to design an elevated steel platform to raise the transformer above the BFE. ENGE0, the District's Geotechnical Engineer, will be conducting a single CPT at the proposed platform site to support the platform foundation design. The District's Electrical Engineer Cecil & Cecil is revising the design to relocate the meter panel and new main disconnect to the new platform. Panelized Structures Inc. (PSI) has reviewed the project and prepared a value engineering change proposal (VECP) to cut project costs and maximize available Federal rebates by switching solar panels and inverters to American Made products.

PSI will not have the VECP prepared until Monday, November 18, 2024. As a result, KSN Inc. presented the VECP in-person for Board consideration and authorization. The Sacramento County Building Permit is expected soon.

Awaiting approval on electrical plan updates in response to Sacramento County review which is the final step before permit issuance. The project has been assigned a permit number just waiting for the permit to arrive. To qualify for IRS Safe Harbor in 2024 to ensure rebates under the Inflation Reduction Act, the project must begin construction (as defined by the IRS) before the end of the year. The District must spend at least 5% of the total project cost before the year end. Either will qualify for Safe Harbor. President Sgarrella told the Board the District should qualify for a 30% base rebate and may qualify for a low-income area for an added 10% rebate.

After some discussion, Trustee Gill entertained a motion to approve Value Engineering change proposal for American Made Products to support the 10% “domestic content” “rebate” for the District’s solar panels and inverters. This will increase PSI’s contract amount by \$164,064.00, Trustee Huston seconded the motion VOTE: AYES: Trustee Huston and Trustee Gill NOES: None ABSENT: President Sgarrella, motion carried.

11. BOARD TO HEAR AN UPDATE ON WHETHER THE EXCAVATOR MAY REMAIN ON DWR LAND.

Mr. Jesse Barton passed out copies of a letter he had received from Ms. Angelica Aguilar with Department of Water Resources (DWR). The letter stated that DWR has determined that leaving the excavator in place does not pose an environmental or other hazard. The District is therefore authorized to leave the excavator in place on the property, and no further action is required.

12. SEVENMILE SLOUGH LEVEE EROSION REPAIR PROJECT. THE BOARD WILL RECEIVE AN UPDATE ON THE SEVENMILE SLOUGH EROSION REPAIR PROJECT.

Mr. Jeff Mueller reported to the Board they are still waiting for the levee repair agreement for Sevenmile Slough erosion repair project to be approved, signed and returned from Department of Water Resources. Trustee Gill told the Board that he knows that it has been submitted to DWR contracts and it is going through the process.

13. BOARD TO CONSIDER ISSUING AN ENCROACHMENT PERMIT TO CALIFORNIA RESOURCES PRODUCTION FOR A PIPELINE REPAIR.

Mr. Jesse Barton told the Board he had received an application from California Resources Production Corporation (CRPC) for a pipeline repair, adjacent to Threemile Slough. CRPC want to excavate, expose and repair the pipeline within the District’s parcel 157-0130-026. Expected total repair time is two weeks. Mr. Barton handed out copies of the encroachment permit for review. A copy of the application of the encroachment permit was sent to Mr. Chris Neudeck and to Mr. Eric Almaas for review. Their only comment was that all open trenches must be properly and safely left when leaving the job site, so no cattle or humans could fall in them. Mr. Barton told the Board that he had added special condition number 18 to the encroachment permit. It reads: Permittee shall have a responsible person onsite at all times active work is being performed. Permittee shall cover all open excavations before leaving the jobsite for any

reason. Coverings shall be adequate to prevent people and animals from falling into the excavation. Mr. Barton also added number 19 special condition. It reads: Permittee shall restore all roads used to access the jobsite and the area around the jobsite to pre-project conditions upon completion of the work.

Mr. Ricky Carter Jr. will take pictures of the area before and after the work has been completed. After some discussion, Trustee Huston entertained a motion to approve Reclamation District 1601 Encroachment permit No 2024-11-19 with the new added special condition to the permit. The special condition will be: if while California Resources Production Corporation (CRPC) is excavating and if they should cause a spring or any artesian CRPC will be responsible for any repairs, Trustee Gill seconded the motion VOTE: AYES: Trustee Huston and Trustee Gill NOES: None ABSENT: President Sgarrella, motion carried. Mr. Barton said CRPC has paid for the permit.

14. BOARD TO RECEIVE AN UPDATE ON THE THREEMILE SLOUGH EMERGENCY REPAIR. THE BOARD MAY AUTHORIZE ADDITIONAL ACTIONS TO ADDRESS THE EMERGENCY.

Mr. Jeff Mueller updated the Board what has been going on with the Threemile Slough emergency repair. Asta Construction's first phase of work was from 10/16/2024 to 10/22/2024. The area was split into 5 work areas. Excavated existing fill material and stockpiled for reuse. Removed the top layer of existing fabric. Excavated existing drain rock (up to 5' thick). Removed the bottom layer of existing fabric. Placed new filter sand (1' - 3' thick) and new drain rock (\pm 2' thick). Let things settle for 6 days. Asta Construction's second phase of work was from 10/28/2024 to 11/2/2024. Filled in a little drain rock at sinkhole location where up to 6" of consolidation had occurred. Placed new fabric. Placed fill material (\pm 2' thick) from stockpile and then supplemented with import fill material. Final costs from Asta Construction are not in yet, but it is estimated at \$300,000. Still experiencing ongoing seepage at a boil in the toe ditch. The boil is still carrying small amounts of material but appears to generally be clearer than when work began. ENGEO the District's Geotechnical Engineer performed 5 cone penetrometer tests (CPTs) to evaluate the strata layers and gain a better understanding of where the sand lenses are, particularly if there is a deeper sand lens that is contributing to the boil. Waiting for results. After some discussion the Board agreed to keep this emergency open for the next 30 days or until the December meeting.

15. BOARD TO CONSIDER AMENDING ITS CONTRACT WITH THE DEPARTMENT OF WATER RESOURCES FOR MAINTENANCE WORK.

Mr. Jesse Barton passed out copies of the contract between the District and the Department of Water Resources (DWR) for reviewing. Mr. Barton explained that historically the District would do work on DWR property and with this maintenance work contract DWR would reimburse the District for the maintenance work and any expenses. There is a current agreement stating the agreement is for four or five years and it expires at the end of this year. DWR has amended the new contract, they want to extend the contract out to December 31, 2027, and the total payout will be \$425,000 (this is an addition of \$150,000 from the previous contract). This is the fourth time this agreement has been amended between the District and DWR.

After some discussion, Trustee Huston entertained a motion to approve amending the reimbursement agreement with the Department of Water Resources for maintenance work and Resolution No. 2024-08, Trustee Gill seconded the motion VOTE: AYES: Trustee Huston and Trustee Gill NOES: None ABSENT: President Sgarrella, motion carried. Mr. Barton said CRPC has paid for the permit.

16. 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.

Ms. Otome Lindsey gave an update to the Board. The project is moving forward to construction but she is still clearing DWR hurdles. Because this is a Delta Levee program project that is being built on State Water Project assets (land) there are certain clearances you have to have. Construction would go to bid in February 2025 and start construction in June 2025. Waiting on KSN for the final drawings. One permit is left to get and it's from Delta Conservancy. No action taken today.

17. 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. Jeff Mueller told the Board that California Department Fish & Wildlife sent in their comments regarding the scope of work (submitted on 8/24/2024). Still waiting for final comments from the Department of Water Resources on the scope of work. Mr. Mueller went over with the Board the updated schedule for reach 6 phase1 for Setback Levee San Joaquin project. There will be 3 phases of construction in 3 years. Propose start time is July 2025- next summer that will be a season construction. It will rap up in the year of 2026. Phase 2 on the setback levee will be another 2 seasons (2026-2027). Phase 3 Habitat construction will wrap up in 2028. Ms. Otome Lindsey told the Board that she has a lot of comments that she would like to have addressed. Mr. Mueller said that he would suggest to Mr. Chris Neudeck and Mr. Eric Almaas to set up a work shop to address comments. Mrs. Perla Tzintzun-Garibay request a rough cost estimate for the project from KSN Inc.

18. 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 said a truck had been purchased for the Department of Water Resources worker. It's at Sherman Island (RD 341) and it needs to come to Twitchell Island (RD 1601) after the new person is hired. One of the lowest risers has leaks in it. Needs to be replaced that will probably be more than \$25,000 and will need to go out to bid. Hope to have this done next spring. The rice lease is still going through the

environmental department waiting for their report. Then it should be ready to go to bid. The starting rate for the new employee will be \$25-30 per hour.

19. ENGINEERING REPORT: MR. Jeff Mueller

- I. Levee Distress At Levee Station 60+00 Along Threemile Slough.
 - A. Look under item number 14.
- II. Project Funding Agreement TW-24-1.0SP-Phase I-Setback Levee San Joaquin River.
 - A. Look under item number 17.
- III. District Pump Station Solar Array
 - A. Look under item number 10.
- IV. Owl Harbor Development Plan.

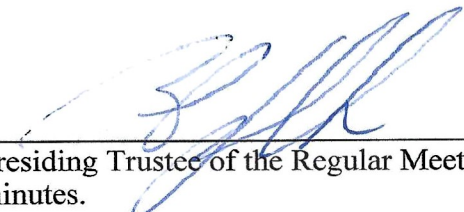
Mr. Jeff Mueller reviewed with the Board the consideration of a new development plan for Owl Harbor. Owl Harbor is "For Sale" and a prospective developer is seeking preliminary comments on transitioning the land-based portion of the marina into a RV park. They plan on putting in concrete pads. Mr. Ricky Carter Jr. or KSN will need to inform the realtor or the new prospective developer about the Districts assessment tax and the rules for building at the toe of the levee.

20. SUPERINTENDENT REPORT: MR. RICKY CARTER JR.

- Made routine levee inspections rounds.
- Checked oil in the District's pumps at the pump station.
- Rodent control on beavers and squirrels.
- Spread spoils with the District's dozer around the canals
- Training with new District hire Mr. Matthew Doner on the District's equipment and daily tasks.
- Finished the sinkhole project.
- Had Gornto Ditching come and do some cleaning work on C-1 canal.
- Started cleaning the toe drains with the District's excavator.

21. ADJOURN REGULAR MEETING.

The next regular meeting of the Board of Trustees will be called to order December 17, 2024, at 9:00 am, the regular meeting was adjourned at 10:23 am.



Presiding Trustee of the Regular Meeting November 19, 2024, certifies the above minutes.



Secretary