

RECLAMATION DISTRICT NO. 1601

306 Second Street
Isleton, CA 95641

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

1. CALL MEETING TO ORDER.

President Barry Sgarrella called the regular meeting of the Board of Trustees (Board) to order on April 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. Ceci Giacoma, Mr. Richard Silva, Mrs. Patty Huyssoon, Mr. Jaime Rodriguez and Mr. David Julian.

Attending by conference call, District's secretary Mrs. Linda Carter, Mr. Jim Howle Hydrologist with USGS California Water Science Center and Ms. Otome Lindsey.

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.

President Sgarrella entertained a motion to approve the March 19, 2024, regular meeting minutes as presented, motion was seconded by Trustee Gill 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 April 8, 2024, EFT payment to PERS for \$2,644.30, due to the timing of the due date.

President Sgarrella told the Board that he had seen some correspondence that NOAA is trying to have DWR pick up the cost of electrical on the trailer on an ongoing basis. Trustee Gill told the Board yes, they are. President Sgarrella said maybe they could have the NOAA trailer make a connection for their power with the SMFA project pump power connection since DWR is paying for it. Trustee Gill said that would not work due to it being a different program. DWR management may have to pay the \$14,000

invoice, in the meantime he will tell his management to have NOAA get their own meter.

After some discussion President Sgarrella entertained a motion to approve accounts payable of \$70,000.00, 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 \$7,464.79, 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: NOAA: \$14,459.12 (weather station utilities reimbursement 11/21-9/23, 10/23, 11/23, 12/23-4/24).

Account Receivable: Retention due to Hanford ARC: \$17,753.29.

Special Project Invoices Pending Approval: \$9,919.71.

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

5. BOARD TO REVIEW AND POSSIBLY APPROVE REQUEST BY USGS TO DEPLOY MONITORING POINTS ALONG DISTRICT'S LEVEE (LEVEE STATION 220+00 TO 240+00) ADJACENT TO SEVENMILE SLOUGH TO PERFORM ALOFT INTERFEROMETRIC SYNTHETIC APERTURE RADAR (INSAR) SYSTEM TESTING.

Mr. Chris Neudeck went over with the Board a request from Mr. Jim Howle, hydrologist with USGS, to deploy monitoring points along District's levee (Levee Station 220+00 to 240+00) adjacent to Sevenmile Slough to perform Aloft Interferometric Synthetic Aperture Radar (InSAR) System testing and found truthing instruments. This technology and concept are supported by the Department of Water Resources. Mr. Neudeck and Mr. Howle spoke last week on the matter. Mr. Neudeck reviewed with the Board from his engineering report exhibit D: email correspondence from Mr. Jim Howle to the District dated Friday 4/5/2024 and exhibit E: excerpts on Aloft InSar. The plan is to set monitoring points along the Sevenmile Slough levee between the setback levee and the center island road (Old Ferry Road). It's a paved section of levee and it's an area of the road cracking. If it would be permissible by the Board if they would be able to set monitoring points on the shoulder of the road outside of the paved section and then monitor for several months during the summer. This has been endorsed by Department of Water Resources. Mr. Howle will be the project manager. Mr. Neudeck told the Board that he endorses this project. There is no impact to the District. Mr. Jesse Barton told the Board that typically the Board does an encroachment permit. Mr. Barton did not have an encroachment permit prepared for today's meeting. Mr. Barton asked Mr. Howle if there would be any permanent fixtures or semi-permanent in the Districts levees. Mr. Howle told the Board they will not be permanent; they will be removed once the study has been concluded. They will dig a hole a foot in diameter fifteen inches deep, drive a four-foot rod (grounding rod) just

below ground level so they can attach a monument tablet to it. Then put a piece of pvc pipe around it and put a bag of cement in the hole. Mr. Howle told the Board that the pvc pipe and the cement could be removed and back filled, if that is what the District wants. There will be about seven monitoring points put in three on one side and four on the other side in a triangular fashion. President Sgarrella asked Mr. Howle what was the time frame for this study. Mr. Howle said sometime late summer early fall the study should be completed. Mr. Howle told the Board that they would like to construct the monuments as soon as possible. Once the Board approves the encroachment permit and the permit is signed by Mr. Howle or someone from USGS then can proceed then it would go to President Sgarrella for him to sign.

Mr. Barton told the Board the District has an encroachment permit template that can be filled out, but he needs to know if the Board has any conditions they would like to be added to the permit.

After some discussion President Sgarrella entertained a motion to approve a standard encroachment permit to USGS, to deploy monitoring points (seven) along District's levee (Levee Station 220+00 to 240+00) adjacent to Sevenmile Slough to perform Aloft Interferometric Synthetic Aperture Radar (InSAR) System testing and found truthing instruments. No permit fees. With two special conditions, first condition is once the study has been completed there will be full removal, second condition place the monuments subsurface in the shoulder not to impair motorized traffic. Also, USGS to share with the District their findings from the study, motion was seconded by Trustee Gill VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

6. 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 had spoken several times with Mrs. Patty Huyssoon of the Delta Fire Protection District and their attorney Gavin. Mr. Barton drafted a mutual aid agreement after last month's meeting and sent it over for Gavin to review, he has since sent it back to Mr. Barton. Mr. Barton has not had a chance to look at it. Mr. Barton has nothing additional to share at this time with the Board. The mutual aid agreement that Mr. Barton has drafted is very broad, it will be between City of Rio Vista/Delta Fire Protection District, River Delta Fire Protection, RD1601 and RD 341. The agreement does not include private property owners just between public agencies. Mrs. Huyssoon expressed her concerns and she assured the Board that Delta Fire Protection District will continue to service this area in a professional manner. All services will be covered under the new mutual aid agreement not just sand bagging. The Board heard public comments from Mr. Richard Silva and Ms. Ceci Giacomina. Mr. Barton told the Board if a property owner calls and the call is routed to Rio Vista/Delta and if they are tied up and can't come then the call would go to River Delta Fire. But a property owner will not be able to call River Delta directly for assistance. The District will be able to call River Delta under the mutual aid agreement, River Delta would have to call Rio Vista/Delta first before coming. Mr. Barton will have something for the Board to review at the May meeting.

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

President Sgarrella told the Board that this month's PG&E bill was for \$10,274.17. The electrical bill is less than last month's. According to the graph on page 3 of the March invoice the peak usage is as low as we can go. We cannot control the extra charge from NOAA using the electricity at peak, it cost the District an additional \$23.00. Of the \$10,274.17 charges the demand charges were \$37.06, 36% of the total cost. When the District changes to solar, the demand charges will still be charged. The tariff rate may need to be changed. Currently the District is under the AG-C schedule, may need to change it to AG-B schedule. The AG-B has higher kWh cost but lower demand charges. Once the solar array is up and running all of the District's pumps and District pump station will be hooked up to solar. The rice project electrical hook up will not be put on to the District's solar array.

8. 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.

Mr. Chris Neudeck reported to the Board that it is getting close to going out to bid. Still need to get some items completed. Need to have finalized the plans, waiting for electrical engineering to sign off, and it is in the process of being completed. And still need to have the Board endorse and sign off on this work. Mr. Neudeck reviewed from his engineering report exhibit C: KSN Inc. Draft Pump Station Solar Array Plans with the Board. The District has two different projects coming up (solar array and a new levee project if the Board approves it) that need funding and not counting a replacement for the District's excavator; these are very expensive items for the Board. The Board needs to take into consideration on how the District will be able to fund these projects. Some factors to take into consideration is that solar pays for its self in time or the District can keep paying for the rising cost of electricity. The levee project the District has worked for and waited for many years for a work agreement. Mr. Neudeck said KSN will move forward once the Board gives him authorization to move forward. President Sgarrella went over with the Board his spreadsheet solar projects proforma and projected cost savings in his packet he handed out. The spread sheet shows what the District would save with a solar array. The base cost of electricity is 19.2 % per kWh for right now and it will be 19% this year. The projections are based on 19%. President Sgarrella projects that the rate for the loan will be 7%, it is based on information he has gathered from several banks such as F& M Bank and its possible Bank of Stockton will be the same rate. They usually do a two-year construction loan term followed by a ten-year permitted loan, a twelve-year proposition. Number of payments per year will be twelve (monthly loan payment \$10,074.54). The current cost estimate for the project \$1,866,000 is subject to going out to bid. President Sgarrella explained to the Board the Inflation Act of 2022.

The District could receive up to 50% of the total cost of the solar project in rebates from the federal government it does not come right away it comes after the project is completed and next year's tax return is filed. It could be few months after the project has been completed before receiving any type of rebate, the lenders are aware of this

situation. If you purchase USA made products you will receive a 10% bonus rebate. If the District cannot find all of the steel and panels made here in the USA and only some them then the District may be looking at only a 40% rebate. President Sgarrella went over with the Board the savings the District would receive with having the solar. The primary cost of a solar array is replacing failed solar panels. The panels are guaranteed by the manufacture for 25 years. They pay for someone to replace the panel so it's not a cost as long as you have a warranty. The solar inverters have a service life of around 10 years, you can buy an extension on the warranty for them for a few thousand dollars and extend the warranty for another 10 years. Need to consider periodic washing of the solar panels. There are services that will come in and clean the solar panels for a fee. Mrs. Perla Tzintzun-Garibay told the Board the District should consider having a conversation with Bank of Stockton about extending the amount of the warrant line (the bank purchases warrants from the District) and discuss the payback period of 4 years. Need to look into this and see what the interest rate would be. Mr. Neudeck told the Board he does not want to have this project go out to bid before funding has been put into place. Besides this project Mr. Neudeck will need \$2 million for the upcoming levee project (TW-24-1.0-SP).

After some discussion President Sgarrella entertained a motion to approve authorizing Mrs. Perla Tzintzun-Garibay to reach out to Bank of Stockton and discuss increasing the warrant line for the special levee project agreement TW-24-1.0-Sp (\$2 M) and the solar array project (\$2.5). If, Mrs. Perla Tzintzun-Garibay can confirm financing will be available from Bank of Stockton for the solar array project at 7% interest rate or better, then Mr. Neudeck will put the solar array bid package out to bid, motion was seconded by Trustee Gill, VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

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

Mr. Jesse Baron told the Board that Dutra Construction Co. Inc. came with a quote of \$1.8M to extract the District's stuck excavator. Mr. Chris Neudeck reviewed with the Board the letter and proposal both dated 3/29/2024 from Dutra Construction Co. Inc. It comes at \$1.8M it is guaranteed that if Dutra Construction Co. Inc. is unable to remove the stuck excavator and restore the ground back to precondition, they will not charge the District. Mr. Barton asked does Dutra Construction Co. Inc. know that this is public works and they will have to have prevailing wages Mr. Neudeck said they are union. Then President Sgarrella told the Board that they would not be working for the District but they would be working for the insurance company. Mr. Barton told the Board that it boils now to if the Department of Water Resources (DWR) will let some parts or all of the excavator to remain in place. It is their decision that must be made before anything can move forward. Mr. Neudeck went over with the Board photos from his engineering report of the stuck excavator. Trustee Gill told the Board that he thinks there will be an answer from DWR by next month's meeting. No action taken by the Board.

10. BOARD TO HEAR AN UPDATE ON SEEKING AN ALTERNATIVE DRONE SPRAYING CONTRACTOR.

President Sgarrella told the Board he has talked with the biology consultant Blankenship and they gave him a drone contractor to contact. Mr. Carter told the Board that he tried to get hold of the company and no one has given Mr. Carter a call back.

11. 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. Jesse Barton told the Board that Ms. Otome Lindsey is requesting the Board to approve a request for \$1 million advance payment to start the enhancement endowment for this project from the Department of Water Resources. Mr. Barton and Ms. Lindsey has prepared the request for the Boards approval. DWR does not always request the Board's approval but due to the large amount of money Mr. Barton and Ms. Lindsey thought this should be done.

Ms. Lindsey wanted the Board to know that the construction will be delayed by one year, instead of starting the wet lands this June 2024, it will start next year in June of 2025. So DWR can have time to work out some internal property ownerships negotiations. Ms. Lindsey told the Board that Mr. Erik Almass with KSN said that one bid came in for the plant procurement due to the project will be delayed for one year, the bid will be rejected.

After some discussion President Sgarrella entertained a motion to approve the authorization of the request of \$1 million advance payment from DWR in order to start the enhancement endowment for this project from the Department of Water Resources. And authorize to reject all bids for the plant procurement due to the project will be delayed for one year, motion was seconded by Trustee Gill VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

12. PROJECT FUNDING AGREEMENT TW-24-1.0-SP-PHASE 2 OF THE MULTI-BENEFIT PROJECT. THE BOARD WILL CONSIDER ENTERING IN TO THIS NEW AGREEMENT WITH DWR THAT WILL IMPROVE DISTRICT LEVEES (EXPIRATION 12/31/2028).

Mr. Jesse Barton handed out copies of the Project Funding Agreement for phase 2 of the District Multi-Benefit Project on Twitchell Island Agreement No. TW-24-1.0-SP for Board to review.

Mr. Barton told the Board that this is the multi-benefit project that Mr. Chris Neudeck has been working for the past 15 years. This agreement is for \$15M for the phase 2 the construction phase. Phase 1 has been completed which the CEQA was permitting. There is an advance available which is at 90% of the \$15M for the project from the Department of Water Resources (DWR). It gives the District time to inquire about the funds. DWR will be paying 95% of the project and the District's cost share will be 5%. This is priority site just east side of Middle Road (Old Ferry Road) where there has been some distress over the last several years. Still some work that needs to be done for a final design on the channel margin habitat from Duck Stewardship Councils consistency funding and need to negotiate the Districts mitigation. This will be a 2025

construction project not a 2024 construction project. This will allow time to get all of the administration work completed. Cannot move on this until it is confirmed what the financing is with the District. Only funds that would be paid out at this time would be for engineering costs. The construction will not start until the agreement has been fully executed and all the funding has been put into place. District would seek an advance for work for the next six months. Mrs. Perla Tzintzun-Garibay told the Board the District may want to do nine months. It's taking three months to get the money from DWR the engineers are taking the six months in consideration but still need to get the funds so the District does not have to float the cost. There is some cost in this project for long term management it's an enhancement site so DWR should be taking over, but the District does not have agreement. Mr. Neudeck would like to take some of the enhancement as mitigation for the project this would help reduce some cost for the District. Mr. Neudeck needs to speak with Mr. Bryan Brock about this matter. After some discussion Trustee Gill entertained a motion to approve Project Funding Agreement TW-24-1.0-Sp-Phase 2 of the Multi-Benefit Project and Resolution No 2024-03, motion was seconded by President Sgarrella VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

13. 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. THE BOARD WILL BE PROVIDED WITH A LIST WITH CONDITION OF THE EQUIPMENT THAT HAS BEEN FOUND. ALSO, A LIST OF WHAT THE DISTRICT WILL BE ABLE TO USE.

Mr. David Julian reported to the Board that he had turned on the siphon. The District mowed for the SMFA project. Still trying to figure out a long-term solution for maintenance and working with Department of Water Resources real estate department on a lease for the rice fields.

Mr. Ricky Carter Jr. handed out a package with a list of equipment (with their conditions, if the equipment could be used by the District or needs to be sold) and some pictures of the equipment from the rice project he found and some of the District's surplus items. Mr. Carter went over the list of equipment with the Board. Mr. Julian will take a look at the equipment and decided what is needed would be needed for the rice project and what to sell. Mr. Julian said he would like to wait on selling the equipment until the rice lease has been resolved. Mr. Carter told the Board the grain drill is on Brannan Island; Antonio has just got done planting and he said he would bring it back this week.

After discussion it was decided by the Board to put the good equipment in the Chevron Point barn. Before the May meeting Mr. Julian and Mr. Carter will be decide what is needed for the rice project and what needs to be sold off.

14. ENGINEERING REPORT: MR. CHRIS NEUDECK
I. Project Funding Agreement TW-21-1.2 TIMES Project.

- A. Look under item number 11.
- II. District Excavator Recovery with Insurance Company.
 - A. Look under item number 9.
- III. District Pump Station Solar Array.
 - A. Look under item number 8.
- IV. USGS Aloft InSar for Levee Inspection.
 - A. Look under item number 5.

15. SUPERINTENDENT REPORT: MR. RICKY CARTER JR.

- Made daily levee inspections, inspection during high tide patrols.
- Checked pumps and oil in the pumps at pump station daily.
- Rodent control on beavers and squirrels.
- Went to town to purchase toner for Isleton office printer.
- Worked on mowing East End Wetland Project.
- Worked on SMFA equipment list with Mr. David Julian.
- Met with Mr. Louie Lira with Lira's Welding on a quote for excavator removal.
- Met with Roto-Rooter on leak at Levee Station 320+00 (at Owl Harbor).
- Met with Mr. Casey Stockon on excavator removal.
- Working with salvage towing company on excavator removal.

Mr. Ricky Carter Jr. explained to the Board that they thought they had fixed the leak at Levee Station 320+00, but it is still leaking. Mr. Carter had Roto-Rooter come to see if they could find any leaking pipes at Levee Station 320+00. Their sound test came back negative for a pipe leak. Mr. Chris Neudeck told the Board it's either a very deep seep which they don't believe it is due to the coring that was done was tied into the blue clay or it's a pipe. To dry up the area a French drain will need to be put in, a hammer head French drain. Put it in this mid-summer when the ground is dry, excavate the area pack with gravel, place pipes, and then it will heal up. At this time, the leak is not moving any material. Can be done with District personal and supplies (couple loads of fill, loads of AB, sand, fabric, perforated pipe and pipe) to help keep the cost down. Use a light weight excavator (long reach). Mr. Neudeck can prepare a drawing on how to put the French drain in.

Mr. Carter told the Board the District needs to look into renting an excavator. He said it's going to take a couple of months to clean the District's canals. President Sgarrella thinks that the District needs to look into leasing an excavator for long term. Need to know what is available out there, decided if the District wants a short or long reach. President Sgarrella will work with Mr. Carter on this matter long term lease or long-term commitment on the excavator and will bring their findings back to the Board. Mr. Jesse Barton will ask the insurance company if the District rents an excavator to use now while the insurance claim is being finalized will they reimburse the District for the excavator rental.

16. ADJOURN REGULAR MEETING.

The next regular meeting of the Board of Trustees will be called to order May 21, 2024, at 9:00 am, the regular meeting was adjourned at 11:16 am.



Presiding Trustee of the Regular Meeting April 16, 2024, certifies the above Minutes.



Secretary