

RECLAMATION DISTRICT NO. 1601

**306 Second Street
Isleton, CA 95641**

Minutes of the Board of Trustees Regular Meeting

August 18, 2026

1. CALL MEETING TO ORDER.

President Sgarrella called the regular meeting of the Board of Trustees (Board) to order on August 18, 2026, at 9:00 a.m. ROLL CALL: In attendance: President Barry Sgarrella, Trustee Dave Huston. District superintendent Mr. Ricky Carter Jr., District's engineer with KSN Mr. Chris Neudeck, District's attorney Mr. Jesse Barton and District's accountant Mrs. Laura Smith with Butterfield and Company.

Absent: Trustee Jasbir Gill.

Also attending. Mr. Ricky Carter Sr., Mr. Octavio Reynoso Lopez, Mr. Salvador Ramos, Mr. Colin Lindberg, Ms. Otome Lindsey, Mr. David Julian, and Mr. Richard Silva.

Attending by conference call, District's secretary Mrs. Linda Carter, Mr. Shaun Rohrer and Mr. Dan Riordan.

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.

Mr. Richard Silva asked the Board how does the District rent equipment for the District to use on island? Mr. Ricky Carter Jr. checks around to see who has the equipment he needs to rent for the project and what the company is charging. Then he decides which company is giving the District the best price on renting the equipment.

3. MINUTES FOR REGULAR MEETING.

President Sgarrella entertained a motion to approve the July 21, 2026, regular meeting minutes as presented, motion was seconded by Trustee Huston, VOTE: AYES: President Sgarrella and Trustee Huston NOES: None ABSTAIN: None ABSENT: Trustee Gill, motion carried.

4. ACCOUNTS PAYABLE.

Mrs. Laura Smith discussed the accounts payable, accounting notes and financial statements with the Board. President Sgarrella reviewed the accounts payable before today's meeting. See attached financial reports for details.

Mrs. Smith told the Board that State compensation insurance fund (\$12,134.53)

for the District has increased due to their auditor changing Mr. Ricky Carter Jr's classification from sells person to irrigation supervisor.

Mrs. Smith reported to the Board that a check was just received from Department of Water Resources for their portion of the Assessment Call 35 for \$533,150.49. That makes the balance due for the District's Assessment Call 35 \$110,136.19.

After some discussion President Sgarrella entertained a motion to approve accounts payable, transfers, DWR invoices and warrants, motion seconded by Trustee Huston, VOTE: AYES: President Sgarrella Trustee Huston NOES: None ABSTAIN: None ABSENT: Trustee Gill, motion carried.

5. BOARD TO RECEIVE AN UPDATE ON RESOLUTION 2026-03. AND ORDER LEVYING ASSESSMENT CALL NO. 35 BASED UPON OPERATION AND MAINTENANCE VALUATION ASSESSMENT ROLL DATED JULY 21, 1992.

Mrs. Laura Smith discussed with the Board that California Resources Production Corporation (CRPC) (\$110,136.19) had sent a check to the District for their portion of the assessment but they wrote the check payable to Sacramento County. Mrs. Perla Tzintzun-Garibay is in the process of returning the check and asking CRPC to make the checkout correctly payable to the District.

6. BOARD TO DISCUSS AND POSSIBLY APPROVE ENGAGEMENT LETTER FROM CROCE, SANGUINETTI & VANDER VEEN CPAS, INC TO PREPARE THE INDEPENDENT AUDIT AND SPECIAL DISTRICT FINANCIAL TRANSACTION REPORT FOR THE YEAR ENDED JUNE 30, 2026.

Mrs. Laura Smith and Mr. Jesse Barton told the Board that the District's audit and the special district financial transaction report is coming up for the year ending June 30, 2026. Croce, Sanguinetti & Vander Veen Inc. sent their letter of engagement to perform the annual independent audit and special district financial transaction report for the year ending June 30, 2026. Mr. Barton 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. Mrs. Smith recommends for the Board to approve Croce, Sanguinetti & Vander Veen perform the Districts audit and the special district financial transaction report for the year ending June 30, 2026.

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, 2026, President Sgarrella seconded the motion VOTE: AYES: President Sgarrella and Trustee Huston NOES: None ABSTAIN: None ABSENT: Trustee Gill, motion carried.

7. BOARD TO CONSIDER APPROVING ANNUAL AGREEMENT-DELTA LEVEES MAINTENANCE SUBVENTIONS PROGRAM WORK AGREEMENT FY 2026-2027.

Mr. Jesse Barton told the Board that he had reviewed the agreement and it was the same as last year's agreement. Mr. Barton recommended to the Board for the Boards approval.

After some discussion Trustee Huston entertained a motion to approve the Delta Levee Maintenance Subventions Program Work Agreement for fiscal year 2026-2027 and Resolution 2026-04, motion seconded by President Sgarrella VOTE: AYES: Sgarrella and Trustee Huston NOES: None ABSTAIN: None ABSENT: Trustee Gill motion carried.

8. BOARD TO RECEIVE AN UPDATE ON THE SOUTH CHEVRON LEASE REMOVAL OF THE BLACKBERRIES AND PLACEMENT OF THE FENCE.

Mr. Ricky Carter Jr. gave the Board an update on the removal of the blackberries and placement of the fence on the District's leased south Chevron property. Mr. Salvador Ramos Sr. is still having problems with some of his equipment. The skid steer is completely down and they are waiting for a mechanic to come tomorrow to fix it. They are continuing to put up fences and there is a possibility they will need to purchase a gas-powered fence post driver. Process is coming along. Mr. Richard Silva and Mr. Ricky Carter Jr. will talk about Mr. Silva's gas-powered fence post driver that Mr. Ramos Sr. may want to consider using.

9. BOARD WILL RECEIVE AN UPDATE ON ITS NEW ASSESSMENT ROLL FOR LANDS WITHIN THE DISTRICT.

Mr. Chris Neudeck told the Board that KSN anticipated completing the hydraulic analysis much sooner, but they are very close to having it completed. KSN had to evaluate what is going on with the wetlands. What is the amount of water coming from an irrigation flow and respectively as well as seepage. KSN is trying to retrieve data from the RACO alarm at the District's pump station. They want to be careful when using any flow projections. Mr. Neudeck is hopeful the draft report will be completed this afternoon. Once the report is completed a draft will be sent to Larson Warzel & Associates, Inc. (LWA) (assessment engineers) for their last calculation, they will develop a draft. The final draft will be brought to the Board for consideration.

10. SOLAR POWER-THE BOARD WILL DISCUSS RISING ELECTRICITY COSTS. THE BOARD WILL RECEIVE AN UPDATE ON THE SOLAR ARRAY PROJECT.

Mr. Chris Neudeck told the Board the address for the District's solar array had been straightened out, and that the solar array went live online last Thursday August 13, 2026. President Sgarrella told the that he was at the District's solar array when PG&E did their inspection. He will be monitoring day by day minute by minute to see how much electricity is being collected and used for over the next few months. At some point should know the actual it produces and what the usage is. Also, President Sgarrella told the Board that the District's PG&E bill for next month will still have demand charges. After about 6 months the Board will need to decide if it would be wise to change the District's tariff. President Sgarrella is still working with Eide-Baily the District's consultant on the rebates for the solar project. The District did not qualify for the 10% low-income rebate. The 40% rebate will be submitted by November 15, 2026, which is the first opportunity to submit under Federal regulations. We anticipate receiving the Rebates in 45 to 60 days from the date of submission. President Sgarrella

has registered the District for the Rebates under the IRS Direct Pay provisions. Mr. Neudeck thanked President Sgarrella for his hard work seeing the District' solar array project through.

11. PUBLIC ENTITY AGREEMENT-SYSTEMWIDE MULTIBENEFIT PROJECT FOR SEVENMILE SLOUGH EROSION REPAIR PROJECT (EXPIRES 6/30/2028). THE BOARD WILL RECEIVE AN UPDATE ON THIS PROJECT THAT WILL FUND THE REPAIR OF EROSION DAMAGE TO THE SEVENMILE SLOUGH LEVEE.

Mr. Chris Neudeck reported to the Board that KSN Inc. is still working on environmental permitting.

12. 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. (TWERP) (EXPIRES 12/31/2027). THE BOARD WILL RECEIVE A STATUS UPDATE AND DISCUSS.

a.) THE BOARD WILL DISCUSS THE FIRE THAT STARTED AT THIS PROJECT SITE.

Mr. Ricky Carter Jr. informed the Board about the fire at the TWERP project. Mr. Ricky Carter Sr. and President Sgarrella called him to let him know that there had been a fire started on Fagundes property while one of Mr. Jaime Rodqurize's workers was mowing on the Fagundes property. They had hit an old gate laying in the weeds, starting a fire that went over to the ditch on Department Water Resources' (DWR) (TWERP) property. The fire department was called and Delta Fire District and River Delta Fire District responded to the call requesting help with the fire. Delta Fire District had to return due to a flare up. Mr. Carter Sr. called Ms. Otome Lindsey and told her about the fire and there was a need for sprinklers to be brought out and ran for approximately two weeks. T&R Restore came and put sprinklers up and started the pumps to sprinkle all the affected lands.

Mr. Carter Jr. told the Board after the fire he had noticed a crack in the road along the canal. He also said that if it wasn't for Ms. Lindsey working fast as she did the fire could have been worse. Ms. Lindsey told the Board that she and Mr. David Jullian will be going out today after the meeting to check on the fire and see about water coming through the ponds The fire seems to be out, no smoke has been seen for a while.

Ms. Lindsey said the project is moving forward. She hasn't heard back about the District getting mitigation credits. She said the District just has to wait and see. Mr. Ricky Carter Jr. reported to the Board that at last month's meeting Mr. Richard Silva told the Board that there were dead trees at the TWERP site. Mr. Carter Jr. told the Board he checked the trees and they are not dying, they were alive. Mr. Richard Silva asked Ms. Otome Lindsey about removing blackberries from Department of Water Resources property at the TWERP site. After discussion, the

Board decided that the District would spray the blackberries. Mr. Jesse Barton suggested marking the areas that need to be cleared and sprayed to create a fire break between the site and neighboring landowners' properties. Show those areas to T&R Restore so they can make a clearing for preventative measures. Ms. Lindsey told the Board she will need a new PFA for the work to be done, she cannot use the current PFA.

13. PROJECT FUNDING AGREEMENT TW-24-1.0-SP-PHASE 2 OF THE SAN JOAQUIN SETBACK LEVEE MULTI-BENEFIT PROJECT. THE AGREEMENT WITH DWR WILL IMPROVE DISTRICT LEVEES ALONG THE SAN JOAQUIN RIVER. (EXPIRATION 12/31/2028). THE BOARD WILL RECEIVE A STATUS UPDATE AND DISCUSS.

Mr. Chris Neudeck reported to the Board that the fill material that was placed caused lateral shifting at the toe, which ended up breaking a water feed line to the wetlands. Mr. Neudeck instructed Mr. Ricky Carter Jr. to work with Gornito Ditching to put a temporary pipe in so the ponds could have water going into them, instead of waiting two weeks to have the permanent pipe installed.

Everything is going well and had to make some transfers into the account. Still working with PG&E and DWR Real Estate Division is coordinating with PG&E regarding the power pole relocation easement.

Mr. Neudeck told the Board that something developed yesterday morning, Mr. Michael Moncrief with MBK Engineers called and said that Van Sickle Island in the very west delta were in need of barge to do some emergency work. The District is in a waiting period right now so it doesn't matter at this time if Van Sickle Island uses it.

Everything else is going well, material is being put in place.

14. 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 RECEIVE A STATUS UPDATE AND AN UPDATE ON THE NEED FOR THE PROJECT EQUIPMENT.

a.) THE BOARD WILL RECEIVE AN UPDATE ON DWR POLICY AND PROCEDURES FOR FUTURE PRESCRIBED BURNS.

Mr. David Julian told the Board that the last two fires that occurred on island he was on vacation. He informed the Board that he will be going on vacation again August 22-25. There is nothing more to report on the Department Water Resources (DWR) procedures for future prescribed burns on Twitchell island.

Mr. David Julian said that water is going into the wetland ponds. Mr. Jullian discussed with the Board the beaver problems in the wetlands. A person named Kathy may be coming to check on the beaver problem, as soon as Kathy has procession of a contractor's license the problem will be cleared up.

Ms. Otome Lindsey asked the Board if the District has anything Ms. Lindsey or Mr. David Jullian would like for them to ask DWR about or for the District. Mr. Ricky

Carter Jr. asked Ms. Lindsey or Mr. Julian to let DWR know that the DWR Twitchell Island flood supply warehouse is in need of a forklift.

15. ENGINEERING REPORT: MR. CHRIS NEUDECK.

- I. Project Funding Agreement TW-24-1.0 SP Phase II of District Multi-Benefit.
 - A. Look under item number 13.
- II. Project Funding Agreement TW-21-1.2 TIMES/TWERP Project.
 - A. Look under item number 12.
- III. District Pump Station Solar Array.
 - A. Look under item number 10.

16. SUPERINTENDENT REPORT: MR. RICKY CARTER JR.

- Routine pump maintenance made daily.
- Checked pump oil levels at the pump station daily.
- Performed rodent control.
- Mowing SMFA wetland roads.
- Sprayed the District's C-1 and C-2 canals.
- Worked on broken irrigation pipe from recirculating pumps in risers in SMFA project.
- Worked with Gornto Ditching to fix roads and flashboard risers in SMFA project.
- Checked on fire in the TWERP project.
- Serviced all equipment and replaced tires on the District's trucks.
- Cleaned up trash on Twitchell Island Road.
- Worked on renewing EPA number and burn permit.

17. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE REVIEW

TITLE: SMFA LABOR

Closed Session: at 10:21 am.

**18. REPORT AFTER CLOSED SESSION: THE BOARD WILL DISCUSS
ADJUSTING LABOR COMPENSATION AFTER THE PERFORMANCE
REVIEW.**

Opened Closed Session at 10:30 am.

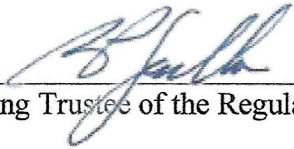
Report: District Superintendent Mr. Ricky Carter Jr. reported to the Board that he is pleased with Mr. Octavio Reynoso Lopez's work and work ethics.

After some discussion President Sgarrella entertained a motion to increase the Department Water Resources Subsidence Mitigation Funding Agreement (SMFA) labor Mr. Octavio Reynoso Lopez to \$30.00 per hour starting September 1, 2026, motion seconded by Trustee Huston, VOTE: AYES: President Sgarrella and Trustee Huston NOES: None ABSTAIN: None ABSENT: Trustee Gill, motion carried.

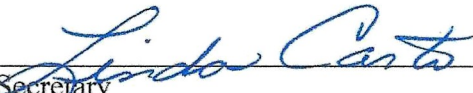
Mr. Carter Jr. will contact Sherman Island's Superintendent Mr. Joel McElroy and make arrangement for Mr. Lopez to meet with Mr. Joel McElroy and discuss a work schedule for Mr. Lopez for Sherman Island.

19. ADJOURN REGULAR MEETING.

The next regular meeting of the Board of Trustees will be called to order.
September 15, 2026, at 9:00 am, the regular meeting was adjourned at 10:33 am.



Presiding Trustee of the Regular Meeting August 18, 2026, certifies the above minutes.



Secretary