

RECLAMATION DISTRICT NO. 1601

**306 Second Street
Isleton, CA 95641**

Minutes of the Board of Trustees Regular Meeting March 18, 2025

1. CALL MEETING TO ORDER.

President Sgarrella called the regular meeting of the Board of Trustees (Board) to order on March 18, 2025, at 9:02 a.m. ROLL CALL: In attendance: President Barry Sgarrella and Trustee Dave Huston. District's superintendent Mr. Ricky Carter Jr., District's engineer with KSN 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., Mrs. Brooke Carter, Ms. Ceci Giacomini, Mr. David Julian, Ms. Otome Lindsey, Mr. Vince Chavier and Mr. Richard Silva.

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

Absent, Trustee Jasbir Gill.

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 on this item.

3. MINUTES FOR REGULAR MEETING.

President Sgarrella entertained a motion to approve the February 18, 2025, 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. 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. See attached financial reports for details. After some discussion President Sgarrella entertained a motion to approve accounts payable, transfers, DWR invoices and issuance of warrants, motion seconded by Trustee Huston, VOTE: AYES: President Sgarrella, and Trustee Huston NOES: None ABSTAIN: None ABSENT: Trustee Gill, motion carried.

5. SETBACK LEVEE PROJECT-SAN JOAQUIN RIVER: THE BOARD WILL RECEIVE AN UPDATE, DISCUSS AND POSSIBLY ACT ON A \$15 MILLION GRANT FROM THE DWR FISH PASSAGE IMPROVEMENT PROGRAM

**(FISH) TO CONSTRUCT AN ADDITIONAL REACH OF THE DISTRICT'S
LEVEE SETBACK PROJECT ALONG THE SAN JOAQUIN RIVER.**

Mr. Chris Neudeck went over with the Board comments received from Ms. Michelle Jespersen with DWR dated March 11, 2025, regarding the Facilitating Improvement of Systemwide Habitat (FISH) program.

Mr. Jesse Barton gave the Board a summary of last month's meeting about the matter and Ms. Jespersen's email with DWR answers to the District's questions.

At last month's meeting after some discussion, it was decided that KSN, Mrs. Perla Tzintzun-Garibay and Mr. Barton would work with Ms. Jespersen for the next 30 days to find answers to the District's questions.

The issue of last month's meeting is the following; DWR has a program called Facilitating Improvement of Systemwide Habitat (FISH), \$15million is available. This program is interested in funding one reach of to the District's setback levee along the San Joquin River project, cost of \$15million. The questions are the concerns the Board had about the funding, timing, process and producers. Following are Mr. Barton's questions he asked Ms. Jespersen and the answers from Ms. Jespersen (DWR responses) followed by Board discussion;

1.) Current lack for advance payment.

DWR Response: The FISH program funding guidelines are currently being revised to include advance pay provisions. Final guidelines are expected within the next several weeks. The 25% or immediate 6-month cap is per advance pay request. The advance pay guidelines will allow for additional requests of advanced payment once the initial advanced payment funds have been spent, subject to the 25% cap.

Board Discussion: Mr. Barton added that in Ms. Jespersen's option, advance payments are going to be available in two situations. The District can submit a six-month budget or the District can submit a request for a 25% advance payment, whichever is lesser. Mr. Barton told the Board it appears advance funding is available under this project. The question now is this workable for Mr. Chris Neudeck to be able to provide consistent six-month budgets and at the same time keeping the District liquid. Mr. Neudeck and Mrs. Perla Tzintzun-Garibay discussed with the Board about DWR's past history in making payments to the District for special projects. Mr. Neudeck said it would work only if, DWR is more timely in their advances. If the District has to wait 6-months to get a six-month advance the District will be in the hole. Ms. Otome Lindsey brought up the question if FISH funds can be spent on special projects. Ms. Lindsey told the Board she has FISH funds that are being spent on special projects on Grizzley Island. After some discussion Mr. Barton told the Board he will speak to Ms. Jespersen about funds being spent on special projects and for mitigation.

2.) Currently lacking contract for review.

DWR Response: If the District is willing to commit to pursuing the project, DWR staff will work with the District to develop a funding agreement. A draft scope of work, budget and schedule from the District is needed to begin drafting the agreement. An example of a recently executed funding agreement using FISH Program funding can be provided if, the District is interested in reviewing an example.

Board Discussion: Mr. Barton will ask Ms. Jespersen for an example of an executed funding agreement using FISH program funding.

3.) Lack of Clarity on various deadlines.

DWR Response: The funding agreement must be executed by June 30 2025, and the only other deadline with which the District needs to be concerned with is the liquidation date.

Board Discussion: Mr. Chris Neudeck told the Board that the District can not meet the liquidation date the District is a year short.

4.) Apparent expiration of funds in June of 2027, when this is a three-year project.

DWR Response: The current constraints of the funding require all funds to be liquidated by June 30, 2027. DWR staff are pursuing options to extend the current funding deadline; however, extensions of the funding require approval by the Legislature so cannot be guaranteed. DWR will have more certainty about the likelihood of funding liquidation being extended in the May-June time frame. DWR staff are willing to work with the District to craft the funding agreement to reflect the current schedule of work that can be accomplished with the current funding constraints. The District will not be expected to complete year 3 of the project if the funding is not available past June 30, 2027.

4.b) Assuming advance payments do not have a hard 25% cap, does liquidation mean the District could request the full contract amount by June 30, 2027? In other words, do the funds have to be liquidated from DWR's account or the District's account by June 30, 2027?

DWR Response: Funds need to be liquidated from DWR's account by June 30, 2027, meaning all funds need to be required in advance of the June 30, 2027 deadline. Again, DWR is actively pursuing an extension of this deadline.

Board Discussion: Board discussed that the construction of the project would not start until next year making the liquidation time in the year of 2028.

5.) Lack of clarity on when funds can be received and spent.

DWR Response: The funding agreement will stipulate conditions of disbursement of funding. Typically for project construction, the funding recipient will need to demonstrate environmental compliance and permitting has been completed and the Delta Stewardship Council consistency certification has been received prior to disbursement of funds for construction. However, if funding is needed to complete final planning, permitting and DSC certification, the funding agreement could include these tasks in the scope of work to support the district's expenses related to completing these tasks. Regarding invoicing for advanced payments, the DWR grant manager assigned to this project will strive for timely processing of payments. DWR can also pursue timely release of retention based on milestone completion.

Board Discussion: Mr. Neudeck told the Board that there will be a final planning, permitting and DSC certification for the District's Setback Levee Project-San Joaquin River for all seven reaches. Ms. Otome suggested that the Board tell DWR per the information the district has now, the answer is no to the FISH proposal but the District is willing to amend the District's 2024 contract adding another reach they have example of scope of work, example of project funding all the permits remain the same. The District will need to amend the 241. Mr. Bartons concern is the funds are ear marked for the FISH program. If this were to take place the original project would be a cost share project and the FISH program would be 100% funded. All funds would have to be carefully kept separate and accountable.

After all the discussion it was decided that Mr. Barton would ask Ms. Jespersen the

following questions;

1. Can the funds be used for mitigation?
2. Can Mr. Barton get a copy of the example contract?
3. Point out to Ms. Jespersen that the District will not be able to start construction in 2025. Start of construction will have to start in 2026. Which means the District will only have one construction session.
4. The risk associated with possibility of not constructing the habitat before the 2027 deadline.

After today's meeting Mr. Barton will contact Ms. Jespersen to let her know about today's questions and concerns of the Board. And to let Ms. Jespersen know at this time the Board is not ready to make any commitments to the FISH program. The Board still needs to have more questions clarified before making a final decision.

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

Mr. Chris Neudeck reported to the Board that not too much has been happening since the last meeting. The forecast of work is getting the baseplates on the pilling, which will allow the construction of the array. Bringing the panels and invertors, rough wiring and so forth in. The invertor and the rough wiring have been somewhat completed and the carport racking system then would be installed in May. The issues with PG&E are still outstanding. President Sgarrella told the Board he is still working on some issues with PG&E and some redesigning with Kern Construction about studs. Waiting for the new detail to come back from them, as soon as that comes back, Kern Construction's structural engineer needs to sign off on the through bolts system. President Sgarrella told the Board that this morning he received an email from PG&E project manager with PG&E, he had forwarded President Sgarrella's email stating the District needs a sealed transformer to the PG&E engineering department. The PG&E engineering department has requested more information about 1200 Pm switchgear. The requested information will be sent to PG&E today. The switchgear will be placed inside of the pump house at the northwest conner, which will block the door. The door will need to be moved over one bay. A big fan on the west wall will need to be moved down one bay. The drawings have been completed. Mr. Neudeck told the Board that Panelized Structures, Inc. has presented a proper invoice and Mrs. Perla Tzintzun-Garibay presented the invoice today for the Boards approval for payment.

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

Mr. Chris Neudeck reported to the Board that permitting and design is under way.

8. BOARD TO DISCUSS AND RECEIVE AN UPDATE ON ISSUES WITH STABILITY OF THE C-1 CANAL.

Mr. Ricky Carter Jr. reported that the C-1 canal stability issues is the same. Will be having Gornto Ditching or Asta Construction to come out with a long reach to clean the canal. Mr. Chris Neudeck told the Board after speaking with Mr. Vince Chavier and

Mr. Richard Silva this morning, their concerns are with the water backing up and they will not be able to clean their ditches. Right now, there is a lot of water in the system from Mr. Silva dumping water and from the rains. Will work on lowering the water level. Mr. Silva asked the Board if the District was going to hire someone to fix the high-water level. Mr. Silva did not hear the conversation on this matter since he had left the room. Mr. Silva was told the District will be hiring either Asta Construction or Gornto Ditching to do the job.

9. 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 RECEIVE A STATUS UPDATE AND DISCUSS. THE BOARD MAY APPROVE AN AMENDMENT TO THE CONTRACT WITH DUCKS UNLIMITED FOR CONSULTING SERVICES.

Mr. Jesse Barton told the Board that he had received from Ms. Otome Lindsey Amendment No. 2 to the Consulting Services Agreement with Ducks Unlimited for project Twitchell Island Mitigation and Enhancement Site. Amendment No. 2 is requesting an increase to the Duck Unlimited contract by \$102,717.00. The bid package should go out to bid in April after the Board sees the plans. Ms. Lindsey has reviewed the amendment, and she agrees with the scope and price change. Mr. Barton has reviewed the amendment and has no issues with it. After some discussion President Sgarrella entertained a motion to accept Amendment No. 2 to the Consulting Services Agreement with Ducks Unlimited to Twitchell Island Mitigation and Enchantment to increase the amount of the contract by \$102,717.00, motion was seconded by Trustee Huston, VOTE: AYES: President Sgarrella, and Trustee Huston NOES: None ABSTAIN: None ABSENT: Trustee Gill, motion carried.

10. PROJECT FUNDING AGREEMENT TW-24-1.0-SP-PHASE 2 OF THE MULTI-BENEFIT PROJECT (EXPIRATION 12/31/2028). THE BOARD WILL RECEIVE A STATUS UPDATE AND DISCUSS. THE BOARD TO CONSIDER AND POSSIBLY APPROVE OPENING A NEW ACCOUNT AT BANK OF STOCKTON FOR THE DEPOSIT OF ADVANCED FUNDING.

Mrs. Perla Tzintzun-Garibay told the Board that a new account needs to be opened at the Bank of Stockton for the TW-24-1.0-SP-Phase 2 advanced funding. The Board had previously requested advance funding (\$1,090,000) for this project in June of last year from the Department of Water Resources (DWR). The District has received a payment for \$981,000, which is 90% of the advance request. It looks as if DWR has held retention on the advance payment. When DWR holds retention on the advance payment they normally don't hold retention on the reimbursement. DWR does require funds to be held in a separate account for tracking purposes. After some discussion Trustee Huston entertained a motion to approve Resolution 2025-02 authorizing opening a new account for operating activities at Bank of Stockton for the Deposit of advance funding for Project Funding Agreement TW-24-1.0-SP-Phase 2, motion was seconded by President Sgarrella, VOTE: AYES: President Sgarrella, and Trustee Huston NOES: None ABSTAIN: None ABSENT: Trustee Gill, motion carried. Mr. Chris Neudeck

told the Board received the scope of work and now down to one item. It was a California Department Fish and Wildlife (CDFW) comment on March 10, 2025 and no further comments from DWR on March 10, 2025. Responses to comments have been developed and submitted on March 12, 2025 and approval forthcoming.

Should be ready to move forward shortly. Received approved requested for advance funds on February 4, 2025, in the amount of \$1,090,000, for the District request made on June 26, 2024. Check received by the District on February 13, 2025 for \$981,000, which is 90% of the District's request of \$1,090,000. The second advance payment request was sent February 25, 2025.

11. 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.

Mr. David Julian reported the rice bid is almost ready to go out to bid. He has heard the bid is in DWR clerical. Mr. Julian will have an update next month. Starting up maintenance for this year. Mr. Julian asked Mr. Ricky Carter Jr. to bring Gornto Ditching out under a little contract for them to test a site to put the fish screens back in and plug up some leaks in the lower risers. There will be some mowing to be done in the next couple of months. Later will talk about the need of hiring a mower. Besides mowing that needs to be done, some clearing around the risers, filling in some berm erosion and potholes, ruts in various roads and tree trimming. Solano Resource Conservation District (SRCD) comes out and work intermittently. Mr. Julian has the same work on Sherman Island for RD 341 that needs to be done on Twitchell.

12. ENGINEERING REPORT: MR. Chris Neudeck

- I. Project Funding Agreement TW-24-1.0 SP-Phase 1 Setback Levee San Joaquin River.
 - A. Look under item number 10.
- II. Twitchell Island Setback Project Potential Funding From DWR Facilitating Improvement of Systemwide Habitat (FISH) Program.
 - A. Look under item number 5.
- III. District Pump Station Solar Array.
 - A. Look under item number 6.
- IV. DWR Systemwide Multi-Benefit Project Fund Scope of Work.
 - A. Mr. Neudeck reported initial permitting and design underway.
- V. Levee Distress AT Levee Station 60+00 Along Threemile Slough.
 - A. Mr. Neudeck reviewed with the Board monitoring of sinkhole/crack in Sevenmile Slough Levee on Monday February 12, 2025. Monitoring has shown total movement between ¼ inch to 6 inches overall since start of monitoring on November 20, 2024. Since the last monitoring on December 31, 2024, movement has slowed to 1/8 inch to ½ inch. It has been decided to cease any further monitoring at this point.
- VI. River Delta Consulting-Gilbert Cosio Summary of Activities.

- A. Mr. Neudeck reviewed with the Board the River Delta consulting summary of meetings and activities monitored during the month of February 2025 related to Delta matters including 1) Delta Adapts, 2) Delta Independent Science Board, 3) DPIIC Restoration Forum Planning Committee, 4) Delta Stewardship Council, 5) Delta Protection Commission presented by River Delta Consulting Mr. Gilbert Cosio.

13. SUPERINTENDENT REPORT: MR. RICKY CARTER JR.

- Made daily rounds.
- Checked oil in pumps at pump station.
- Rodent control on beavers and squirrels.
- Finished online safety training classes.
- Worked with Gornto Ditching in the SMFA and rice project on some siphon work. Also worked on a short form contract for the siphon work.
- Worked online with KSN for the CEQA submit approval. Changed the old District email address to the new email address to the CEQA account.
- Worked with State Compensation Insurance Fund on Mr. Thailer Srimongkol claim. Also, spoke over the phone and gave a statement to FRASCO investigative services that are working on Mr. Thailer Srimongkol claim with State Compensation Insurance Fund.
- Met and interviewed a couple potential candidates for hire for RD 1601's Operator/Maintenance Worker position.

**14. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION.
TITLE: LABOR**

The Board went into closed session at 10:13am.

Report out of closed session: No report until District counsel speaks to the employee.


**15. CLOSED SESSION: PUBLIC EMPLOYEE APPOINTMENT.
TITLE: LABOR**

Report out of closed session. On a 2-0-1 vote, the Board voted to hire Mr. Salvador Ramos, pending satisfaction of pre-employment qualifications.

The Board came out of closed session at 11:26am.

16. ADJOURN REGULAR MEETING.

The next regular meeting of the Board of Trustees will be called to order April 15, 2025, at 9:00 am, the regular meeting was adjourned at 11:26 am.



Presiding Trustee of the Regular Meeting March 18, 2025, certifies the above minutes.

Secretary