RECLAMATION DISTRICT NO. 1601

306 Second Street
Isleton, CA 95641

Minutes of the Board of Trustees
Regular Meeting

May 19, 2026

1. **CALL MEETING TO ORDER.**
President Sgarrella called the regular meeting of the Board of Trustees (Board) to order on May 19, 2026, at 9:05 a.m. ROLL CALL: In attendance: President Barry Sgarrella, Trustee Dave Huston and Trustee Jasbir Gill. District 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. Laura Smith with Butterfield and Company.
Also attending. Mr. Ricky Carter Sr., Mr. Salvador Ramos, Mr. Octavio Reynoso Lopez, Ms. Ceci Giacoma, Mr. David Julian, Mr. Casey Stockon, Mr. Colin Lindberg and Mr. Richard Silva.
Attending by conference call, District's secretary Mrs. Linda Carter, 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.**
Mr. Chris Neudeck presented the Board with tide books from KSN Inc.
Mr. Casey Stockon told the Board that on June 1, 2026, Mr. Colin Lindberg will be the new owner of Owl Harbor. Mr. Stockton thanked the Board for what the District has done for Owl Harbor for the past 17 years. Mr. Lindberg will be around quite a bit and would like to attend the District's meetings. President Sgarrella told Mr. Stockon it has been a pleasure working with him and Owl Harbor staff.
Mr. Richard Silva brought it to the Boards attention that where Mr. Ricky Carter Jr. was cleaning some ditches by a cross ditch the ditch is full of blackberries. Mr. Silva said years ago, Mr. Juan Mercado would give him sprays to spray that area. Now the blackberries are growing from his neighbor's side of the fence and going through the fence on to Mr. Silva's side. Mr. Barton said that this matter is a landowner's issue and this item is not on today's agenda but this matter will be placed on June's agenda.

3. **MINUTES FOR REGULAR MEETING.**
Trustee Gill entertained a motion to approve the April 21, 2026, regular 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.

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

5. **BOARD TO DISCUSS AND POSSIBLY APPROVE RESOLUTION. AND ORDER LEVYING ASSESSMENT CALL NO. 35 BASED UPON OPERATION AND MAINTENANCE VALUATION ASSESSMENT ROLL DATED JULY 21, 1992.**
Mr. Jesse Barton reminded the Board that typically the Board discusses what the Board wants to call for the next fiscal year's Assessment amount at each May meeting.
Mr. Chris Neudeck went over with the Board the District's 2026-2027 Draft Assessment summaries calculated for 100%, 90% and 80% of the $700,000 approved assessment. At today's meeting, the Board is collecting information at the June 2026 District meeting, the Board will discuss and possibly approve Assessment Call 35 (2026-2027). The assessment will be paid for in **one** installment.
After some discussion, the consensus is the Board is leaning towards the 100% assessment amount.
No action taken today.

6. **BOARD WILL REVIEW THE DRAFT AMENDMENT TO MAKE CHANGES TO MR. RICHARD SILVA'S LEASE UNDER THE HUNTING PROVISION.**
Mr. Jesse Barton handed out a second draft amendment to Mr. Richard Silva's lease under the hunting provisions. At last month's meeting the Board and Mr. Silva asked Mr. Barton to redraft the lease to allow hunting on Mr. Silva's leased land. Only obligation is that Mr. Silva must provide a list of the hunters that will be hunting on the leased land each year to Mr. Ricky Carter Jr. Then Mr. Carter Jr. will have the ability to impose any other reasonable restriction on hunting, which includes prohibiting anyone or everyone from hunting if they refuse to act in a responsible, lawful, or safe manner. The list of hunters includes a release of liability for the District. Failure to provide the list of guest hunters by September 1 of each year shall result in the postponement of hunting permission until the list is provided; except that if the list is not provided by January 1, then all hunting privileges are revoked for the remainder of that hunting season. After some discussion Trustee Gill entertained a motion to approve the draft amendment including the above changes to Mr. Richard Silva's lease, motion was seconded by Trustee Huston, VOTE: AYES: President Sgarrella, Trustee Huston, and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried. Mr.

Barton will make the approved changes to the amendment and then collect the signatures electronically from the Board and Mr. Silva.

7. **BOARD WILL RECEIVE AN UPDATE ON THE FINDINGS OF LWA, AN ENGINEERING GROUP WHO IS DEVELOPING A NEW ASSESSMENT FOR THE DISTRICT.**
   Mr. Chris Neudeck reported to the Board that KSN Inc. is finalizing the budget and the District's power usage. President Sgarrella received all the information he needed from KSN Inc. for what the total cost for the District's Solar Array project. President Sgarrella is entering the information on to his spreadsheet. The information should be ready for LWA in a week or two from KSN Inc. and President Sgarrella.

8. **SOLAR POWER-THE BOARD WILL DISCUSS RISING ELECTRICITY COSTS. THE BOARD WILL RECEIVE AN UPDATE ON THE SOLAR ARRAY PROJECT.**
   Mr. Chris Neudeck went over and discussed with the Board the construction progress of the District's pump station solar array project. The transformer and switchgear pad have been installed and tested. Conduit trenching and installation have been completed and inspected and approved by Sacramento county and PG&E. Trenches have been backfilled and equipment slabs have been erected, inspected, and installed. Bollards installed.
   Upcoming work: PG&E inspection for primary supply conduit. Switchgear and disconnect installation. Conductor installation.
   President Sgarrella the power link that powers the circulating pumps for the rice project is going to be discontinued this week. That line will be dead for about 6 weeks.
   If the circulating pumps are needed to run during the 6 weeks, then there will be a need for a generator to run the circulating pumps. PG&E will not work under the power line, nothing overhead.
   Moving forward President Sgarrella and Mr. Neudeck have had lengthy conversations with Eide Baily accountant firm, they have been hired to help the District with the rebates. President Sgarrella went over with the Board about the disbursement of the rebates for the solar array. The way the code is written you are able to apply for the rebates during your tax year. The District doesn't have a tax year but has a fiscal year. If we can be energized by June 30, 2026, the District will be able to apply for rebates by November 15, 2026. The District should receive the funds from the rebates in 45 days. The rebates will be running between 40 and 50 percent of the total construction costs. If the District misses the June 30, 2026, energizing date, then it means the District will not be able to apply for the rebates until the next tax year, November 2027 and would not receive the funds until the end of 2027. That failure would cost the District about $130,000 in additional warrant debt, plus interest.
   President Sgarrella talked with Garrett with PG&E before the meeting. Garrett with PG&E will be helping the District and he is going to apply for the inspections the District needs to have. He hopes that the solar array will be connected and energized by June 30th. Eide Baily said that if the District misses the June 30th deadline by a few days there is a five element test the District can do. Again, President Sgarrella went

over the rebate information he will be giving both alternatives to LWA on the rebates for the solar array rebates. The 10 percent for low-income area is a different rebate it comes from the Department of Energy. If too many people within the District area apply in the same year, then it will be decided by a lottery. When President Sgarrella did his projections, he based them on 40 percent with the hope of receiving the additional 10 percent. President Sgarrella will know by June 30th if the District will be receiving the 10 percent rebate and will know when the other rebates will be coming in. No action taken today.

9. 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. Mr. Neudeck explained to the Board once you do work in the water you will encounter a lengthy permitting process.

10. 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.

Mr. Jesse Barton told the Board that Ms. Otome Lindsey had sent him a message a couple of days ago, she writes in the message that she was asked to amend this PFA before the end of this fiscal year. However, the current PFA runs through December 31, 2027, which Department Water Resources (DWR) prefers, she extends the term now or wait to see if California Department Fish and Wildlife (CDFW) will make any changes to the maintenance period. The reason for the change would be the maintenance period is longer than the PFA period. The PFA needs to be extended, Ms. Lindsey wants to know if the Board wants to have her extend the PFA now for another couple of years or see if CDFW has even a longer period of interim management to the PFA.

Mr. Barton suggested to the Board that they should approve the extension now due to his experience with CDFW dragging their feet with some of his other clients.

The Board decided that it would be a good idea to approve extending the PFA project period and asked for Ms. Lindsey to proceed with the extension.

Mr. Chris Neudeck discussed with the Board the 3-year maintenance period for irrigation and planting is underway and will be ending on January 31, 2029.

The District received $1,000,000 in advance funds from DWR in late April. T&R Restore has submitted invoices for work performed since January 31, 2026, and checks for payment were approved at today's meeting for T&R Restore.

11. 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 construction of phase1 on the setback levee began on May 4, 2026, and is projected to be completed in September 2026. It has been a little bit of a challenge; there are ground nesting birds and there is a hundred-foot buffer on each one of the nests. This delays laying down hundreds of tons of material. Before today's meeting Mr. Neudeck attended the weekly construction meeting the discussion was on different types of materials. Type one material will be coming from Decker Island and type two is the on island borrow pit. It is intended to start on May 26 or May 27, a week from today. Dutra is asking to postpone it a day or two until the birds are out of their nest. Mr. Neudeck went over some of the elements that will be taking place. Also, Mr. Neudeck spoke about some other issues that have taken place. Mr. Neudeck had been out a few weeks ago and Stormwater Pollution Prevention Plan (SWPPP) they provided their own consultant. SWPPP consultant said they had a problem with the District's switchgear and transformer pad (the pad is on the other side of the road away from the project area) thinking there may be problems with water when it rains. The water would run off the project and go into the District canal. It was looked at and there is a 5% slope. The other issue was Decker Island material was not meeting the Districts Type 1 specifications. ENGO was contacted and ENGO checked the material from Decker Island and the material passed. SWPPP consultant made an error in the materials and it was explained that there is a 5% slope on the levee at the switchgear and transformer pad.

KSN Inc. is currently seeking approval of the PG&E easement deed from DWR Real Estate Division for the power pole relocation.

12. **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 CONSIDER APPROVING TWO CONTRACTS WITH UNIVERSITIES TO STUDY WATER QUALITY WITHIN THIS PROJECT.**
    Mr. Jesse Barton reported that he sent final contracts out and he has not heard anything from the universities. Mr. David Jullian said that federal funding has been cut everywhere and this is affecting the universities. Mr. Barton said maybe next month he will hear from them.

    b.) **THE BOARD WILL DISCUSS THE NEED FOR AN ENCROACHMENT PERMIT FOR FUTURE PRESCRIBED BURNS.**
    Mr. Jesse Barton reminded the Board about the burn in the wetlands and the Board asked Mr. Barton to prepare a draft encroachment permit. Mr. Barton sent the draft encroachment permit to Department of Water Resources (DWR). Today, Mr. Barton handed out draft copies of the draft encroachment permit for review. Mr. Barton and DWR had a team meeting with them and talked about it. At the same

time the Board at last month's meeting asked Mr. Barton to prepare the permit. He added special conditions to the permit on pages 2 and 3. He used the information from the fire district's incident report and recommendations from the District's meetings. Mr. Barton gave this to the DWR team Ms. Molly Ferrel, Mr. David Julian and Mr. Tyler Anthony a couple weeks ago. Mr. Julian told the Board that DWR is in the process of writing up a policy and procedures for burns. President Sgarrella expressed his concerns for the burns and using the District's encroachment permit.

This is not an action item today; it was decided by the Board to keep this item on the agenda to remind the Board of possible further action that may be taken by the Board; the Board would prefer to wait and utilize DWR's policy and procedures for prescribed burns.

c.) THE BOARD WILL DISCUSS ISSUING A GRAZING CONTRACT ON THE RICE PROJECT GROUND.

Mr. Jesse Barton told the Board that Mr. Richard Silva had contacted him as well as Trustee Gill about Department of Water Resources (DWR) interested in having the rice project grazed. The rice project is overgrown. There has been some discussion between DWR and Mr. Silva about Mr. Silva contracting to graze the rice project land.

Mr. Barton passed out a draft copy of a similar grazing lease that the District had issued to a different goat grazer a few years ago to graze the rice project lands. A copy was handed out. Mr. Barton had made a few changes and a copy was emailed to Mr. Silva last night. Mr. Silva has marked up a copy with yellow highlights with his changes along with blue edits on the second page.

Mr. Silva would like to see the lease year to year and with a 90-day determination period.

Mr. David Juilan told the Board that there was a fire in the rice project and DWR does not know the existence of the fire damage and if there is a peat fire under the soil. DWR needs to do a satellite analysis and some probing in the ground. Mr. Julian said they have a general idea of the area of the peat fire, but they are not sure if it's completely out. When the DWR puts the bid out for the planting of the rice, the area of the damaged area will be excluded.

Mr. Silva told the Board he plans on first putting about 3,000 goats, 1,000 lambs and 500 cows and to hit the area hard and fast to be able to get out fast. He will be using a hot wire for fencing. In the contract Mr. Silva is to graze the rice project and reduce the growth to 4" in height and be completed within 60 days of the effective date of this Agreement and continuously to maintained at the maximum height for the duration of the agreement. Mr. Silva said he could have it grazed down to 4" to 10".

Mr. Ricky Carter Jr. told the Board SMFA just hired a new employee and the SMFA has equipment, the new hire could mow and clean the area. This could be charged against the SMFA account.

Mr. Barton will make the following changes; the description and the scope of work will be changed. The vegetation shall be reduced to 4" in height or at the desecration of the project manager. Number of animals kept and moved through the project area is solely up to the service provider. Remove having to go through the District's superintendent, just go through the project manager. Take permits out of the contract. The contract will end October 31, 2026, so DWR can see how the ground looks and see if they can put out a rice bid out to bid sometime in the fall – winter. The determination will be within 60 days.

After some discussion Trustee Huston entertained a motion to approve the grazing contract on the rice project ground with the edits as discussed, motion seconded by President Sgarrella, VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

Mr. David Juilan informed the Board that tomorrow the California Water Distribution Foundation will be doing tours on Twitchell.

13. BOARD WILL RECEIVE AN UPDATE ON THE ACCEPTED FREE FILL MATERIAL TO BOLSTER THE LEFT BANK OF CANAL C-1 AND TO HIRE ASTA TO ASSIST IN DOZING THE MATERIAL.

Mr. Chris Neudeck discussed with the Board that this year the District will not be receiving any loads of free material.

14. 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 11.

II. Project Funding Agreement TW-21-1.2 TIMES/TWERP Project.
   A. Look under item number 10.

III. District Pump Station Solar Array.
   A. Look under item number 8.

IV. 2026-2027 Assessment by Landowner Summaries.

V. A. Look under item number 5.

15. SUPERINTENDENT REPORT: MR. RICKY CARTER JR.

a). Mr. Octavio Reynoso Lopes has been hired for the SMFA project position and started working on May 18, 2026.

- Routine pump maintenance made daily.
- Checked oil in the pumps located at the pump station.
- Performed rodent control of beavers and squirrels.
- Mr. Salvador Ramos's sheep are grazing on the levees.
- Turned on circulation pumps for the wetlands.
- Mowing DWR SMFA wetlands roads.
- Cleaning DWR ditches on DWR's property.
- Ordered long reach excavator to clean District canals. Currently cleaning canals.
- Attended meetings for TW-24-1 Setback Levee project.
- Mr. Louie Lira (Lira Welding), modified to adapt compaction wheel for the District's excavator.
- Purchased an agricultural flail mower since last meeting and flail mower is being used.

- Worked on the District's office trailer on Twitchell Island, set up a room for a conference room.
  Mr. Chris Neudeck told the Board the trailer has a bedroom which is not needed, Mr. Neudeck suggested it would be a good idea to remove one or two walls, which would make the conference room larger.

16. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION SIGNIFICANT EXPOSED TO LITIGATION PURSUANT TO PARAGRAPH (2) OF SUBDIVISION (D) OF SECTION 549569.

At 10:46 am the Board went into closed session.
At 10:50 am the Board came out of the closed session.
No reportable action was taken in closed session

17. ADJOURN REGULAR MEETING.

The next regular meeting of the Board of Trustees will be called to order.
June 16, 2026, at 9:00 am, the regular meeting was adjourned at 10:50 am.

Presiding Trustee of the Regular Meeting May 19, 2026, certifies the above minutes.

Linda Canto

Secretary