

RECLAMATION DISTRICT NO. 1601

**306 Second Street
Isleton, CA 95641**

Minutes of the Board of Trustees Regular Meeting

June 17, 2025

1. CALL MEETING TO ORDER.

President Sgarrella called the regular meeting of the Board of Trustees (Board) to order on June 17, 2025, at 9:01 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 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., Mr. Salvador Ramos, Ms. Ceci Giacomina, Mr. David Julian, and Mr. Richard Silva.

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

Trustee Gill entertained a motion to approve the May 20, 2025, regular meeting minutes as presented, motion was seconded by Trustee Huston, VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

4. ACCOUNTS PAYABLE.

Mrs. Perla Tzintzun-Garibay 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 and issuance of warrants, motion seconded by Trustee Gill, VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

5. BOARD TO AND POSSIBLY APPROVE RESOLUTION 2025-05, AND ORDER LEVYING ASSESSMENT CALL NO. 34 BASED UPON OPERATION AND MAINTENANCE VALUATION ASSESSMENT ROLL DATED JULY 21, 1992.

Mr. Chris Neudeck discussed with the Board the District's 2025-2026 Draft Assessment summaries calculated for 100%, 90% and 80% of the \$700,000 approved assessment in Mr. Neudeck's engineers report.

After some discussion President Sgarrella entertained a motion to approve Resolution 2025-05 and Order the Levying of Assessment Call No. 34 (2025-2026)) at 100% of the maximum approved assessment, Based Upon Operation And Maintenance Valuation Assessment Roll Dated July 21, 1992, motion seconded by Trustee Gill, VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

6. BOARD TO DISCUSS AND POSSIBLY APPROVE THE DISTRICT'S BUDGET FOR 2025-2026.

Mrs. Perla Tzintzun-Garibay discussed the Districts Profit and Loss Budget Overview for July 1, 2025, through June 30, 2026.

After some discussion President Sgarrella entertained a motion to approve the District's proposed budget for July 1, 2025- June 30, 2026, motion seconded by Trustee Huston VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

Mr. Barton told the Board they may need to adopt a new assessment to cover the District's ever-increasing costs.

The existing assessment is not enough to cover the rising expenses. It was decided by the Board to have Mrs. Tzintzun-Garibay, Mr. Neudeck and President Sgarrella work on putting together a three-year budget and present it to the Board at next month's meeting. The Board may consider pursuing a new assessment and may approve of changing the assessment rate. If the Board chooses to have the assessment rate changed then Mr. Barton will need to contact an engineering consulting firm and consider hiring them to prepare a new assessment roll.

7. BOARD TO REVIEW AND POSSIBLY APPROVE ENGAGEMENT LETTER WITH BUTTERFIELD + CO., INC. TO PERFORM ONGOING ACCOUNTING SERVICES FOR YEAR ENDING JUNE 30, 2026.

After some discussion Trustee Huston entertained a motion to approve the engagement letter with Butterfield + Co., Inc. to perform ongoing accounting services for the year ending June 30, 2023, motion seconded by President Sgarrella Trustee Huston VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

8. BOARD TO CONSIDER AND POSSIBLY APPROVE EMPLOYEE'S REQUEST TO ADD DENTAL INSURANCE TO EMPLOYMENT BENEFITS PACKAGE.

Mrs. Perla Tzintzun-Garibay told the Board that she is waiting for a quote and information from a dental insurance company.

9. EMPLOYEE MANUAL-THE BOARD WILL CONSIDER APPROVING AMENDMENTS TO ITS EMPLOYEE MANUAL.

Nothing to report.

10. GRAZING LEASES- THE BOARD WILL DISCUSS ISSUES WITH ITS GRAZING LEASES WITH IOU SHEEP COMPANY AND RELATED THEFTS. THE BOARD MAY TERMINATE OR AMEND THE LEASES OR TAKE OTHER NECESSARY ACTION.

President Sgarrella informed the Board that after last month's meeting, he spoke with Mr. Cole Bakke. Mr. Bakke is still upset about the loss of his goats and told President Sgarrella when Mr. Ricky Carter Jr. wants the sheep on island, just have Mr. Carter Jr. let him know. Mr. Bakke did not give President Sgarrella a firm commitment on having his sheep on island. Mr. Bakke is still upset about the rice project. Trustee Gill told the Board the rice project will be going out for public bid for rice planting very soon. Mr. Ricky Carter Jr. told the Board he too has not received a firm commitment from Mr. Bakke. Mr. Carter was asked if it would cost more to have the sheep on the levees or have the District just mow the levees. Mr. Carter Jr. told the Board in his opinion it would be cost effective to have the District mow the levees with District labor and equipment than to have sheep graze on the levees. The District will still need to work around the birds nesting times and have the biologist come out when needed. Need to have the levees mowed from July 1st until March 1st to avoid problems with birds nesting. Mr. Chris Neudeck suggested just keep the lease with Mr. Bakke for this year and have him come in when the weeds are high. Mr. Richard Silva told the Board that when the goat man comes to look at the rice project, he will show him the Districts levee so he can give the District a price for having his goats on the levees. Mr. Bakke has not done anything to the 40 acres he is leasing from the District. It was decided that Mr. Carter Jr. will take pictures of the leased Chevron Point 40 acres for the Boards review at next month's meeting.

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

Mr. Chris Neudeck gave an update on the Solar Array project. Equipment changes have been submitted to PG&E. No update on the transformer. Due to delays the panels and racking installation has been re-scheduled to end of June. There will be some modifications to the door's location on the pump house so the contractor can get the panel inside and install it on the west wall. The door will open from the left instead of the right.

President Sgarrella reported to the Board that the vents are going to be pulled out, the two fans in the pump house will be connected, the desk on the west wall will be removed and the switchgear panel will be placed there after some modifications to the wall. The original door will be flipped to open on the opposite side.

PG&E has changed their website, Mrs. Perla Tzintzun-Garibay will be setting up a new login for the Districts account. No PG&E bill for this month after last months estimated \$13,000 bill. No action taken, just an update.

12. 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 he is waiting for permits.

13. 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. THE BOARD WILL MAY AUTHORIZE THE DISTRICT ENGINEER TO APPROVE FUTURE CHANGE ORDERS.

Mr. Chris Neudeck reported to the Board the status of the Twitchell Island Wetland Enhancement and Restoration Project (TWERP). The contract, bonds, and insurance are all received from Asta Construction for the TWERP wetlands construction. The contract has been signed by both parties. In the process of scheduling a preconstruction meeting. Plan and specs for the planting irrigation project are expected to be completed later this month and anticipate awarding this contract at the District August Board meeting.

After some discussion President Sgarrella entertained a motion to approve authorizing KSN District engineer conjunction with DWR project manager to approve future change orders up to 10% of the contract price in between District meetings, motion seconded by Trustee Huston, VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

14. PROJECT FUNDING AGREEMENT TW-24-1.0-SP-PHASE 2 OF THE MULTI-BENEFIT PROJECT (EXPIRATION 12/31/2028). BOARD WILL RECEIVE A STATUS UPDATE AND DISCUSS.

Mr. Chris Neudeck reported to the Board the status of the Twitchell Island Wetland Enhancement and Restoration Project. The final design of Phase1 (i.e., toe berm) is underway, anticipating the submittal of the plan and specification to DWR towards the end of July. A meeting will be set up with DWR/CDFW shortly to discuss compensatory mitigation. GEI will be setting up a consultation with Delta Stewardship Council shortly regarding the consistency finding process. He anticipates bidding Phase 1 this fall and beginning construction in May 2026.

15. 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. THE BOARD MAY APPROVE A CONTRACT WITH ECOSYSTEM CONCEPTS TO GRAZE PORTION OF THE PROJECT.

Mr. Ricky Carter Jr. reported that the District mowed some of the roads in the wetland projects areas.

16. ENGINEERING REPORT: MR. Chris NEUDECK.

- I. 2025-2026 Assessment by Landowner Summaries.
 - A. Look under item number 5.
- II. Project Funding Agreement TW-21-1.2 TIMES /TWERP Project.
 - A. Look under item number 13.
- III. Project Funding Agreement TW-24-1.0-SP Phase II of District Multi-Benefit
Look under item number 14.
- IV. District Pump Station Solar Array.
 - A. Look under item number 13.

17. SUPERINTENDENT REPORT: MR. RICKY CARTER JR.

- Routine levee patrols are made daily.
- Routine pump maintenance made daily.
- Rodent control.
- Mowing levees after bird surveys.
- Cleaning toe ditch.
- Mowing SMFA Wetlands and the Rice Project roads.
- Had mechanic out to fix code on the District excavator (def injector went bad) and wire harness, it was under warranty. Also had mechanic out to fix the D-4 the District dozer a/c, wiring issue and a/c compressor went out.
- Put the SMFA position back on Indeed.

Mr. Jesse Barton told the Board that Sherman Island has an application from someone, as soon as he receives the application, he will forward it to Mr. Carter Jr.

18. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE REVIEW.

TITLE: Superintendent Equipment Operator/Laborer, and Secretary.

Closed Session: at 10:20 am.

19. REPORT AFTER CLOSED SESSION.

Opened Closed Session at 11:13

Nothing to report.

20. BOARD TO DISCUSS INCREASING COMPENSATION OF ITS SUPERINTENDENT, EQUIPMENT OPERATOR/LABOR, AND SECRETARY.

After some discussion President Sgarrella entertained a motion to increase the District's Superintendent, Equipment Operator/ Labor, and Secretary compensation in the amount of 3%, motion seconded by Trustee Huston, VOTE: AYES: President Sgarrella, Trustee Huston and Trustee Gill NOES: None ABSTAIN: None ABSENT: None, motion carried.

21. ADJOURN REGULAR MEETING.

The next regular meeting of the Board of Trustees will be called to order.
July 15, 2025, at 9:00 am, the regular meeting was adjourned at 11:16 am.



Presiding Trustee of the Regular Meeting June 17, 2025, certifies the above minutes.



Secretary