RECLAMATION DISTRICT NO. 2035

BOARD OF TRUSTEES

MINUTES OF REGULAR MEETING

January 26, 2023

Call to Order

Pursuant to notice of a Regular meeting, which was posted and served on the members of the Board of Trustees of Reclamation District No. 2035 more than 72 hours prior to January 26, 2023 the Board of Trustees of Reclamation District No. 2035 held a regular meeting. The meeting was called to order at 9:30 a.m. by President Tsakopoulos.

1. Roll Call

President Kyriakos Tsakopoulos and Trustee Angelo Christie were present. Trustee Robert Baker was absent. President Tsakopoulos noted that there was a quorum was present for conducting business. Mike Hall, District General Manager, Scott Morris General Counsel, Denise Costa Board Secretary, Will Vasilopoulos, Jessie Clark, Marti Holland, and Steve Gidaro were present at the meeting.

1. Public Comment

There was no public comment.

1. Approve Minutes

The Board considered approval of the October 4, 2022 and November 3, 2022 Regular Board meeting minutes. After reviewing the minutes, Trustee Christie moved approval of the minutes and President Tsakopoulos seconded the motion. The minutes were approved by a 2-0-1 (Trustee Baker absent) vote.

1. Budget v. Actual Status Through December 2022

Marti Holland provided a handout that summarized the FY 2022-23 Budget v. Actual through the end of December 2022. She stated the budget and spending to date looks on track, and that the WAPA power meter issue had been fixed. She further stated that the Reserves and Sinking fund accounts for both Water Delivery and M&O accounts are expected to meet their targets by the end of the fiscal year. Mr. Hall explained that these funds can be used in the future to leverage grants by supplying any required matching funds. He also stated that a request for reimbursement from the state for about $75,000 for O&M costs through the Flood Management Assistance Program ("FMAP"), as well as for flood fighting costs from the Office of Emergency Services and FEMA will be submitted. The report was received by the Board and no action was taken.

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| 1. Resolution to Declare Routine Maintenance of Levees Exempt from CEQA and Authorizing the District Engineer to file a Notice of Exemption   District Manager Mike Hall summarized the Resolution before the Board that would declare routine maintenance of levees by the District exempt from the provisions of the California Environmental Quality Act ("CEQA"). He explained that the CEQA statues allow routine maintenance activities such as the work the District does to maintain its levees to be exempts from all of the filing requirements of CEQA, if the Board passes a Resolution stating the activities are exempt. Mr. Hall also stated the state is requiring this exemption in order to qualify for the FMAP program.  After additional discussion and questions by the Trustees, Trustee Christie moved to approve the Resolution Declaring Routine Maintenance of Levees Exempt from CEQA, and directing the District Engineer to file an Notice of Exemption with the correct authorities memorializing said exemption. President Tsakopoulos seconded the motion. The Resolution was approved by a 2-0-1 (Trustee Baker absent) vote.   1. Resolution – Re-approving WAPA Contract   Mike Hall explained the District's contract with the Western Area Power Authority ("WAPA") was due to expire and needed to be renewed. The renewal was standard and the Resolution authorized either the President or General Manager of the District to execute to Contract.  After additional discussion, Trustee Christie moved to approve the Resolution Approving WAPA Contract No 20-SNR-02334. President Tsakopoulos seconded the motion. The Resolution was approved by a 2-0-1 (Trustee Baker absent) vote.   1. Recommendation to Update RD 2035 Policy Handbook to Include Proposed Changes   General Counsel Scott Morris explained that this item arose during the latest District Audit when the auditors pointed out a discrepancy between the District's Policy Handbook regarding Capital and Asset Management and the actual practice of the District regarding depreciation of certain assets. Mr. Morris worked with Marti Holland regarding these discrepancies and prepared changes to the Policy Handbook. He discussed the proposed changes, which were shown to the Trustees in redline format. He stated the changes were minimal and simply changed the depreciation period for certain assets as shown in the redline.  After additional discussion and questions by the Trustees answered by Mr. Morris and Ms. Holland, Trustee Christie moved to approve the proposed changes to the District Policy Handbook. President Tsakopoulos seconded the motion. The Policy Handbook changes were approved by a 2-0-1 (Trustee Baker absent) vote. |

The meeting was adjourned at 10:05 am.

ATTEST:

Secretary, Reclamation District 2035