RECLAMATION DISTRICT NO. 2035

BOARD OF TRUSTEES

MINUTES OF REGULAR MEETING

October 4, 2022

1. 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 October 4, 2022, the Board of Trustees of Reclamation District No. 2035 held a regular meeting. The meeting was held in person. The meeting was called to order at 9:30 a.m. by Board President Kyriakos Tsakopoulos.

1. Roll Call.

President Tsakopoulos, Trustee Robert Baker, and Trustee Angelo Christie were present. President Tsakopoulos noted that a quorum was present for conducting business. Mike Hall, District General Manager, Jesse Clark, Maintenance Supervisor & Assistant Watermaster, Will Vasilopoulos, Eric Robinson as Counsel with KMTG, Denise Costa, Board Secretary, Marti Holland, the District Accountant, 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 June 14, 2022 Regular Board meeting minutes. After reviewing the minutes, Trustee Baker moved approval of the minutes, and President Tsakopoulos seconded the motion. The minutes were approved by a 3-0 vote.

1. Financials through Year End-June 30, 2022 (unaudited).

Marti Holland presented the unaudited financials through year end-June 30, 2022, noting that the meeting agenda item should refer to “unaudited” financials rather than to “audited” financials. Ms. Holland stated that she would initiate the regular audit of the District’s annual financials.

The unaudited financials were received by the Board and no action was taken.

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| 1. Budget to Actual Status to August 31, 2022.   Marti Holland summarized the FY 2021-22 Budget v. Actual through the end of August 2022. A significant increase in electric power costs are anticipated due to reduced hydropower availability as a result of the drought. Eric Robinson stated there is a potential for litigation costs arising from the District’s being named as one of several defendants in a lawsuit filed by the California Department of Water Resources (“DWR”) to condemn certain real property for the Yolo Bypass Salmonid Habitat Restoration and Fish Passage Project. DWR’s lawsuit was filed September 2, 2022 in Yolo County Superior Court, Case No. CV2022-1560 (*The State of California by and Through the Department of Water Resources v. Arapaho Investment Company, LLC; Redwood Capital Finance Company, LLC, a Delaware Limited Company; U.S. Bank National Association; Reclamation Dist. 1600; Reclamation Dist. 2035; and Does 1 through 20*)*.* DWR’s complaint has been provided to Desmond, Nolan, Liviach & Cunningham, for purposes of representing the District in DWR’s lawsuit. The Desmond law firm has been representing the District in the pending Northern Railway litigation involving a trestle located within the Yolo Bypass.  The report was received by the Board and no action was taken.   1. M&O Assessments 2022/2023.   Mike Hall presented an update on the District’s Maintenance and Operations (M&O) Assessment. The M&O Assessment and its basis are described in an Engineer’s Report dated April 5, 2018, which supported the District Board’s approval of Resolution 2018-020 on July 24, 2018, following completion of a special assessment ballot proceeding pursuant to Proposition 218 (Article XIID, section 4 of the California Constitution). Resolution 2018-020 allows the District’s Board to raise the M&O Assessment by up to 2 percent per year, depending on the U.S. Department of Labor’s Consumer Price Index. Mike Hall recommended against escalating the M&O Assessment to avoid increasing operating costs for agricultural operations within the District. The Board discussed potential options for authorizing the annual escalator without actually collecting the increased amount until a later determination is made.  No action was taken on this item.   1. FMAP Update for 2023.   Marti Holland and Mike Hall updated the Board on the District’s work plan, project schedule, and budget for the FMAP, or Flood Management Assistance Program, which implements the Local Maintaining Agency Agreement with the California Department of Water Resources that was approved by the Board on June 14, 2022, pursuant to Resolution #2022-002. Marti Holland highlighted that much of the District’s cost for flood protection work can be reimbursed under the FMAP.  No action was taken on this item.   1. Yolo County Signature Authorization.   Marti Holland presented this item to the Board, explaining that the General Manager’s and each Board member’s execution of the form provided in the meeting agenda packet would authorize President Tsakopoulos and the District employees named on the form to undertake the transactions specified on the form.  Trustee Christie moved to authorize the execution of the County form, Trustee Baker seconded the motion, and the motion was approved by a 3-0 vote, after which the Board members and General Manager Mike Hall each signed the form for submittal to Yolo County.   1. Levee Project Update.   Mike Hall presented this item, which included a description of construction activities depicted in three photographs included in the Board meeting agenda materials. No action was taken on this item. |

The meeting was adjourned at 10:15 a.m.

ATTEST:

Secretary, Reclamation District 2035