

RECLAMATION DISTRICT NO. 2035
BOARD OF TRUSTEES
MINUTES OF SPECIAL MEETING
June 4, 2024

1. **Call to Order**

Pursuant to notice of a Special Meeting, which was posted and served on the members of the Board of Trustees of Reclamation District No. 2035 more than 24 hours prior to June 4, 2024, the Board of Trustees of Reclamation District No. 2035 held a special meeting on this date. The meeting was called to order at 1:06 p.m. by President Tsakopoulos.

2. **Roll Call**

President Tsakopoulos, Trustee Angelo Christie and Trustee Robert Baker were present. President Tsakopoulos noted that there was a quorum present for conducting business. The District's Jesse Clark, District Accounting Manager Marti Holland, Board Secretary Denise Costa, CPG Controller Will Vasilopoulos, General Counsel Eric Robinson of Kronick Moskowitz Tiedemann & Girardo, Special Counsel Brian Manning of Desmond Law firm, and member of the public Steve Gidaro were present at the meeting.

3. **Public Comment**

There was no public comment.

4. **Appointment of Jesse Clark as General Manager**

The Board discussed the proposed appointment of Jessee Clark to the General Manager position. Mr. Clark has been serving as Maintenance Supervisor & Watermaster. Trustee Baker moved to appoint Mr. Clark as General Manager, and President Tsakopoulos seconded the motion, which was approved by a 2-0 vote.

5. **Board Consideration for Consulting Contract**

The Board considered approval of a proposed contract to retain a consultant agreement to assist the District with operations and infrastructure, including potential grant funding for repairs and improvements. This was an information item, so no action was taken.

6. **Budget vs. Actual (4/30/2024)**

Marti Holland presented actual revenue collected versus expenditures for the fiscal year through April 30, 2024, compared to the 2023-2024 budget (*see* meeting packet Tab 6). Ms. Holland and Mr. Clark responded to Trustee questions, with the Board considering legal expenses arising from the Sierra Northern Railway litigation, electrical energy costs, anticipated California Department of Water Resources FMAP reimbursement of 2023 levee maintenance costs, and cash on hand. President Tsakopoulos observed that, overall,

the District is on track with the current budget and is running well. This was an information item, so no action was taken.

7. **2024-2025 Budget**

Marti Holland provided an overview of the proposed 2024-2025 District budget and responded to questions from Board members (see meeting packet Tab 7). The Board considered water sale revenue, electrical energy costs, and certain maintenance and repair costs, including the Road 24 pump station and Sacramento River Intake work. President Tsakopoulos recommended continued monitoring of revenue versus costs, to help inform a future Board meeting decision on whether to apply the inflation escalator to adjust the District's real property assessments in August 2024. Trustee Christie moved to pass the proposed 2024-2025 budget and Trustee Baker seconded the motion, which passed by a 3-0 vote.

8. **Water Rate Analysis**

Marti Holland provided an overview of the water rate analysis prepared by Davids Engineering, Inc. (see meeting packet Tab 8). The Board considered the need to decide whether to update the water service rates before spring 2025, so growers know the then-current rates when making operational decisions for the 2024 growing season. This was an information item, so no action was taken.

9. **Vehicle Replacement**

Jesse Clark described the District's historic application of its vehicle replacement policy as causing vehicle reliability problems and significant major mechanical repairs with the ultimate re-sale of such vehicles generating very little revenue due to high mileage and being out of the manufacturer's warranty (see meeting packet Tab 9). Mr. Clark proposed updating the policy to replace vehicles approximately every three years, which should avoid or reduce reliability problems and major mechanical repairs not covered by manufacturer's warranty, while increasing residual value for re-sale. President Tsakopoulos moved to authorize the sale of the General Manager's current vehicle and to purchase a replacement before the existing vehicle's manufacturer's warranty expires. Trustee Christie expressed interest in evaluating whether it might be more cost-effective to lease the replacement vehicle. President Tsakopoulos amended the motion to ask District staff to evaluate the leasing option before replacing the current vehicle and, if leasing looks preferable, to delay vehicle replacement and bring the lease option back to the Board for consideration and action at a future meeting. Baker seconded the amended motion, which passed 3-0.

10. **Intake Erosion Issues**

Jesse Clark described riverbank erosion on the downstream side of the joint Sacramento River water Intake facility for the District and Woodland-David Clean Water Agency (see meeting packet Tab 10). Proposed repairs include adding soil and rip rap to the eroded area adjacent to the intake and above the Sacramento River water line. The Clark reported that

the Woodland-David Clean Water Agency has obtained all the regulatory permitting approvals for this project to repair/maintain existing infrastructure without changing its capacity from existing conditions. The Board considered the proposed work and a public comment from Steve Gidaro about the importance of maintenance. Trustee Baker moved to authorize and direct staff to solicit bids from qualified contractors pursuant to District Policy No. 3010, and President Tsakopoulos seconded the motion, which passed by a 3-0 vote.

11. Pump Station 24 Replacement

Jesse Clark described reasons to replace Pump Station 24, which helps to provide water for row crop irrigation (see meeting packet Tab 11). This was an information item, so no action was taken.

12. County Signature Authorization form FY 24/25

Marti Holland presented this item to the Board, explaining that each Trustee's execution of the form provided in Tab 12 of the meeting packet would authorize the District employees named on the form (Jesse Clark, Will Vasilopoulos, Marti Holland, and Denise Costa) to undertake the transactions specified on the form. Ms. Holland explained the County needs new authorization forms for the District's financial accounts with the County. The Board reviewed and discussed the draft form provided. President Tsakopoulos moved to authorize the county signature authorizations, and Trustee Baker seconded the motion, which passed 3-0.

13. 2025 FMAP Forms — Resolution & Attorney Certification

Marti Holland and Jesse Clark 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 (DWR) that was previously approved by the Board. Marti Holland updated the Board on the status of reimbursement and the workplan for the upcoming year compared to last year and explained that much of the District's cost for flood protection work can be reimbursed under the FMAP. The Board considered DWR's fiscal year 2024-2025 proposal solicitation package, including the Attachment A questionnaire, Attachment B Local Maintaining Agency Authorizing Resolution, and Attachment C Attorney Certification, which were filled out by not executed. President Tsakopoulos moved to authorize and direct execution of the attachments for submittal to DWR, and Trustee Baker seconded the motion, which passed 3-0.

14. Closed Session — Existing Litigation Sierra Northern Railway Lawsuit

Conference with Legal Counsel - Existing Litigation

Pursuant to Paragraph (1) of subdivision (d) of Section 54956.9 of the Government Code. 1 Case.

The State of California, by and through The Department of

Water Resources, Plaintiff, v. ARAPAHO INVESTMENT COMPANY, et al.
Sacramento County Superior Court Case No. CV2022-1560

The Board entered into Closed Session at 2:02 p.m. to discuss the above lawsuit with Counsel on the case -- Brian Manning from the Desmond, Nolan, Liviach & Cunningham.

After the conclusion of the closed session, President Tsakopoulos reported out that no reportable action was taken.

The meeting was adjourned at 2:15 p.m.

ATTEST:

S. Denise Costa

Secretary, Reclamation District 2035