

JAMES IRRIGATION DISTRICT

BOARD OF DIRECTORS - REGULAR MEETING

MINUTES February 13, 2024

ATTENDANCE

DIRECTORS PRESENT

Riley Chaney, President
Micah Combs, Vice-President
Robert Barcellos
Wm. Cory Carvalho
Robert Motte

PUBLIC / CONSULTANTS

- RECLAMATION DISTRICT NO. 1606
Gerald Kinnunen, President
- LANDOWNERS / GROWERS
None
- WHITEPINE RENEWABLES
Chris Woodington, Sr. Project Development
Analyst (10:00-11:04 a.m.)
- McMULLIN AREA GROUNDWATER SUSTAINABILITY AGENCY
Matt Hurley, General Manager

EXCUSED

None

ABSENT

None

STAFF PRESENT

Manny Amorelli, General Manager
Kenneth Mancini, Superintendent
Donna Hanneman, Secretary

LEGAL COUNSEL

- YOUNG WOOLDRIDGE, LLP
Alan F. Doud, Esq. (Zoom)

I. CALL TO ORDER

A Regular Meeting of the Board of Directors of JAMES IRRIGATION DISTRICT ("District") was held Tuesday, February 13, 2024, in the District office located at 8749 Ninth Street, San Joaquin, California. The meeting was called to order at 10:00 a.m., by President, Riley Chaney. A quorum was at all times present and acting.

II. OTHER BUSINESS / PUBLIC COMMENTS

A. PUBLIC COMMENTS

None were offered.

B. MOMENT OF SILENCE

A moment of silence was observed to honor the passing of BARBARA JUNE GORDON (06/14/1929-11/30/2023), landowner, wife of former grower, Sid Gordon (1926-2023).

C. JAMES IRRIGATION DISTRICT ANNIVERSARY OF FORMATION

It was noted that February 16th will mark the 104th anniversary of the District's formation in 1920.

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D. ADDITIONS / CORRECTIONS TO THE AGENDA

There were no corrections/additions to the Agenda.

E. POTENTIAL CONFLICTS OF INTEREST [FPPC §87105]

Directors were given an opportunity to identify potential conflicts-of-interest with items appearing on the Agenda.

- ▶ PRESIDENT RILEY CHANEY declared he had a potential conflict-of-interest with item **XV. CLOSED SESSION: GOVERNMENT CODE §54956.8-CONFERENCE WITH REAL PROPERTY NEGOTIATOR**, H. LICENSE AGREEMENT: FRESNO COUNTY APN 030-080-13T, as he is a party to the Agreement and stated he would be recusing himself from discussing, initiating any action or voting on the matter.

III. MINUTES

A. ADJOURNED REGULAR MEETING: JANUARY 16, 2024

M/S/C (M.COMBS / R.BARCELLOS), to APPROVE as presented by the following vote:

AYES: 5 (M.Combs, R.Barcellos, W.Carvalho, R.Motte, R.Chaney)

IV. TREASURER'S REPORT

In accordance with Water Code §24273, Mr. Amorelli presented reports as follows:

A. FINANCIAL REPORTS

1. Interim Warrants: January 17-February 13, 2024 (Att.1)

2. Accounts Payable (Att.2)

Interim Warrants (bills paid) with supporting invoices and Accounts Payable invoices (unpaid bills) were presented for review/approval. M/S/C (R.MOTTE / M.COMBS), to RATIFY/APPROVE Interim Warrants totaling \$793,823.02 and AUTHORIZE/APPROVE payment of Accounts Payable totaling \$153,399.54 by the following vote:

AYES: 5 (R.Motte, M.Combs, R.Barcellos, W.Carvalho, R.Chaney)

3. Payroll Certification: Pay Periods Ending February, 2024 (Att.3)

A listing of payroll checks totaling \$75,887.15 (net) issued to employees and Board members was reviewed and certified by the President, General Manager and Office Manager.

4. Income Statements (Budget-to-Actual): Period Ending January 31, 2024

5. Cash Position Report: January 31, 2024

6. Accounts Receivable Activity Report: January 31, 2024

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V. GENERAL MANAGER'S REPORT

Mr. Amorelli presented his verbal report encompassing operations, maintenance, projects and other District matters for the month of January, 2024, as follows:

OPERATIONS

- ▶ Water Deliveries: January, 2024 - Water deliveries for the month of January were an estimated 300 acre-feet which is 300 acre-feet more than was delivered during January, 2023. The fiscal year-to-date total deliveries are at 44,712 acre-feet which is 9,837 acre-feet less than was delivered at this time during the last fiscal year.
- ▶ U.S.B.R. / Central Valley Project
 - Allocations are expected to be announced February 21st.
- ▶ Kings River Water Association
 - Pine Flat Flood Releases are not anticipated this season due to low water content in the Sierra snow pack.
 - KRWA Storage Operations in Pine Flat Reservoir as of February 4, 2024, totaled 1,412 CFS-days.

PROJECTS

- ▶ Main Canal Feasibility Study - Met with Dr. Charles Burt who recently retired from Cal/Poly and is now doing consulting work. Dr. Burt estimated \$60,000 to develop a plan for Main Canal improvements and will work with engineers.
- ▶ Community Solar - Mr. Amorelli has been contacted by Vulcan Solar Power (VSP) for potential participation in Community Solar, a U.S. Department of Energy program that provides solar power to low-income families with solar arrays sited on ag land (5 to 20-acre parcels).

AGENCIES

- ▶ California Department of Water Resources (DWR) - Met with DWR representatives exploring water banking, flood diversion & pumping issues during which MAGSA General Manager, Matthew Hurley shared various ideas.
- ▶ James Groundwater Sustainability Agency (James GSA) will be meeting February 15th.

LEGISLATIVE

- ▶ Esmeralda Soria, Assemblywoman, District 27 visited the District February 10th to observe the District's K Basin Dual-Use Solar/Recharge Project. Mr. Amorelli took the opportunity to review the District's various water sources and Kings Subbasin water supply reliability issues. Local growers, landowners & community leaders also attended.

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ADMINISTRATIVE MATTERS

- ▶ Office Clerk - Mirian Esparza was hired January 22, 2024, to fill this vacancy.
- ▶ STORM Water Resource Management Software - Water usage and billing are progressing. Emails are being sent to growers providing information required to help them set-up access to the District's new online portal to view water usage, place and/or cancel water orders, view account balances and, in the future, will allow payments to be submitted online.
- ▶ James ID & Tranquillity negotiations are continuing through ad hoc committee meetings.

EVENTS

- ▶ Mid-Pacific Water Users Conference was held January 24-26 in Reno. Mr. Amorelli attended an event initiated by the Water Authority introducing Karl Stock, new Regional Director, USBR California-Great Basin Region. Mr. Stock succeeds Ernest Conant who has been advanced to Senior Advisor to the Deputy Commissioner of Operations. Also met with potential water project partners. He felt it was a productive event.

VI. SUPERINTENDENT'S REPORT

Superintendent, Kenneth Mancini, reported on the following projects/activities.

- ▶ Application of pre-emergent
- ▶ Excavator work completed
- ▶ Pre-Irrigation underway
- ▶ Hauling trash
- ▶ Recharging to end of February
- ▶ New headgate installations
- ▶ Weir repairs
- ▶ STORM Water Resource Management Software - "Fine-tuning" data input/tracking
- ▶ Finishing order sheets/crops

VII. DIRECTORS' REPORTS

None were presented.

VIII. ACTION ITEMS

A. ANNUAL MEETING (02/13/2024)

M/S/C (R.MOTTE / R.BARCELLOS) to SET THURSDAY, MARCH 21, 2024, AS THE DATE FOR THE 2024 ANNUAL MEETING:

AYES: 5 (R.Motte, R.Barcellos, W.Carvalho, M.Combs, R.Chaney)

B. ANNUAL SALARY REVIEW (02/13/2024)

M/S/C (M.COMBS / W.CARVALHO), to APPOINT Directors RILEY CHANEY and ROBERT MOTTE to serve with the General Manager as an ad hoc Salary/Benefit Committee to develop recommendations to be reported at the April, 2023, Regular Meeting.

AYES: 5 (M.Combs, W.Carvalho, R.Barcellos, R.Motte, R.Chaney)

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C. FISCAL BUDGET: MARCH 1, 2024-FEBRUARY 28, 2025 (02/13/2024)

Reviewed a draft budget as predicated on 50,000 acre-feet sales, active solar, 30% CVP allocation, 100% rights water, at the current rate of \$140/acre-foot projecting a deficit of \$2 million. PG&E rates continue to escalate despite offsets from the solar power purchase agreement. M/S/C (R.CHANEY/R.BARCELLOS) to APPROVE FISCAL BUDGET MARCH 1, 2024-FEBRUARY 28, 2024 (DRAFT A) INCREASING IRRIGATION BILLING RATES FROM \$140 TO \$185/ACRE-FOOT EFFECTIVE MARCH 1, 2024.

AYES: 5 (R.Chaney, R.Barcellos, W.Carvalho, M.Combs, R.Motte)

IX. REPORT ITEMS

A. SOLAR PROJECT: WHITEPINE RENEWABLES (03/09/2021)

Chris Woodington, Sr. Project Development Analyst for WhitePine Renewables, appeared before the Board to provide an update on solar Projects 1 and 2 in the Lateral K Recharge Basin facility.

- ▶ Project #1 was activated November 20, 2023, and is generating solar power as originally projected as well as recharging water.
- ▶ Project #2 is awaiting PG&E inspection/approval which is expected within the next 2-3 weeks.
- ▶ These projects will provide credits for 50+ well pumps. Mr. Woodington has been working with Mr. Amorelli and PG&E to evaluate how best to assign credits to wells. March, 2024, PG&E billings should reflect solar credits as a separate line item.
- ▶ Unused solar credits are banked and can be applied to other well meters. Credits can be re-allocated annually (March 1st) to reflect fluctuating hydrology.
- ▶ Solar credits are applied only against energy consumption, not demand charges. Installing battery back-up could reduce demand charges.

Mr. Woodington expressed his appreciation to the Board for allowing him the time to provide an update on the projects and then exited the meeting.

B. ANNUAL FILING OF STATEMENT OF ECONOMIC INTEREST FORMS (02/13/2024)

Directors were reminded that the Political Reform Act mandates all Directors must file annual Conflict-of-Interest forms (Form 700) no later than April 2, 2024.

ADJOURNED TO CLOSED SESSION AT 11:37 A.M.

Directors Attending:

Riley Chaney, President

Micah Combs, Vice-President

Robert Barcellos, Director

Wm. Cory Carvalho, Director

Robert Motte, Director

Staff Attending

Manny Amorelli, General Manager

Legal Counsel

• Young Wooldridge, LLP

Alan F. Doud, Esq. (Zoom)

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X. CLOSED SESSION: GOVERNMENT CODE §54956.9 - CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

A. SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO PARAGRAPH (2) OR (3) OF SUBDIVISION (D):

4 Cases

XI. CLOSED SESSION: GOVERNMENT CODE §54956.9 - CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

A. AS DEFENDANT: 2 CASES

1. NATURAL RESOURCES DEFENSE COUNCIL, ET AL, V HARLAND, ET AL
U.S. District Court for the Eastern District of California
Case No. 1:5-CV-01207LJO-GSA
2. CENTER FOR BIOLOGICAL DIVERSITY, RESTORE THE DELTA AND PLANNING & CONSERVATION LEAGUE V UNITED STATES BUREAU OF RECLAMATION ET AL (06/08/2021)
United States District Court, Eastern District of California
Case No. 1:20-CV-00706 DAD-EPG

B. AS PLAINTIFF: 3 CASES

1. KINGS RIVER WATER ASSOCIATION ET AL V. JAMES VERBOON ET AL
Kings County Superior Court, Case No. 15 C0304
2. JAMES IRRIGATION DISTRICT VS. KINGS RIVER WATER ASSOCIATION ET AL
Fresno County Superior Court Case No. 19CECG00769
3. JAMES IRRIGATION DISTRICT V. MCMULLIN AREA GROUNDWATER SUSTAINABILITY AGENCY
Santa Clara County Superior Court, Case No. 23CV417565

C. AS INTERVENOR: 1 CASE

1. CITY OF FRESNO, ET AL V. UNITED STATES OF AMERICA
United States Court of Federal Claims, Case No. 1:16-CV-01276-MCW

XII. CLOSED SESSION: GOVERNMENT CODE §54957 - PERSONNEL MATTERS

XIII. CLOSED SESSION: GOVERNMENT CODE §54957 - PUBLIC EMPLOYMENT

A. TITLE: OFFICE CLERK

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XIV. CLOSED SESSION: GOVERNMENT CODE §54957 - PUBLIC EMPLOYEE PERFORMANCE EVALUATION

A. TITLE: OFFICE MANAGER

XV. CLOSED SESSION: GOVERNMENT CODE §54956.8 - CONFERENCE WITH REAL PROPERTY NEGOTIATOR

A. JAMES & TRANQUILLITY NEGOTIATIONS

Negotiating Parties: James Irrigation District: General Manager/Designee

Tranquillity Irrigation District: Danny Wade

Kings River Lower River Units: Scott Sills

Under Negotiation: Price, terms & conditions of possible real property and/or water supply transactions

B. SOUTHWEST GROUNDWATER RECHARGE PROJECT (11/13/2012)

Negotiating Parties: James Irrigation District: General Manager/Designee

Fresno Irrigation District: Bill Stretch

Under Negotiation: Price, terms and conditions of possible real property and/or water supply transactions, operations & maintenance.

C. WATER BANKING & TRANSFERS (04/19/2018)

Negotiating Parties: James Irrigation District: General Manager/Designee

To Be Determined

Under Negotiation: Price, terms and conditions of possible water supply transactions.

D. WATER BANKING & TRANSFERS (06/22/2021)

Negotiating Parties: James Irrigation District: General Manager/Designee

McMullin Groundwater Sustainability Agency:

Matthew Hurley, General Manager

Under Negotiation: Price, terms and conditions of possible water supply transactions.

E. FRESNO COUNTY APN 030-111-48S (66.64 ACRES), APN 030-111-49S (39 ACRES)

Negotiating Parties: James Irrigation District: General Manager/Designee

Landowner

Under Negotiation: Price, terms and conditions of possible real property and/or water supply transactions.

F. TERRANOVA RANCH, INC. (05/16/2023)

Negotiating Parties: James Irrigation District: General Manager/Designee

Terranova Ranch, Inc.: Don Cameron

Under Negotiation: Price, terms and conditions of possible water supply transactions.

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G. WHITE PINE RENEWABLES (04/13/2021)

Negotiating Parties: James Irrigation District: General Manager/Designee

White Pine Renewables: Evan Riley

Under Negotiation: Price, terms and conditions of possible real property transaction.

H. LICENSE AGREEMENT: FRESNO COUNTY APN 030-080-13T (12/15/2015)

Negotiating Parties: James Irrigation District: General Manager/Designee

Larry Chaney: Riley Chaney

Under Negotiation: Price, terms & conditions of possible real property and/or water supply transactions

RECONVENED IN OPEN SESSION AT 12:57 P.M.

XVI. REPORT ON ACTIONS TAKEN DURING CLOSED SESSION Gov. Code 54957.1

General Manager, Manny Amorelli, stated the following reportable actions were taken during the Closed Session.

▶ **XV. CLOSED SESSION: GOVERNMENT CODE §54956.8 - CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

E. FRESNO COUNTY APN 030-111-48S (66.64 ACRES), APN 030-111-49s (39 ACRES)

Negotiating Parties: James Irrigation District: General Manager/Designee

Landowner: Kenneth R. Rathmann, Trustee under the Kenneth R. Rathmann Revocable Trust dated November 9, 2006

Action:

M/S/C (W.CARVALHO / R.MOTTE) to APPROVE RESOLUTION 2024-02 AUTHORIZING THE EXECUTION & DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT, ESCROW AGREEMENT & OTHER DOCUMENTS RELATED THERETO WITH RESPECT TO THE PURCHASE OF REAL PROPERTY, AUTHORIZING THE EXECUTION & DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS RESOLUTION, FRESNO COUNTY APN 030-111-48S, APN 030-111-49S (Att.4) as follows:

- 1) APPROVE the purchase of two parcels for a total of \$1,588,000.00
- 2) DOWN PAYMENT of 50%/\$794,000
- 3) FINANCE \$794,000 through Holman Capital for a term of 6 years not to exceed 10 years, at 5.6% interest not to exceed 6%, semi-annual installments.

AYES: 5 (W.Carvalho, R.Motte, R.Barcellos, M.Combs, R.Chaney)

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Subsequent to reconvening in Open Session, the Board took action on the following items:

➤ TITLE: ASSISTANT SUPERINTENDENT

As the longest tenured employee in District history, M/S/C (M.COMBS / W.CARVALHO) to AWARD RICARDO COVARRUBIA: \$8,000.00 GROSS for his 44+ years of service, following his retirement January 15, 2024.

AYES: 5 (M.Combs, W.Carvalho, R.Barcellos, R.Motte, R.Chaney)

➤ TITLE: OFFICE MANAGER

WALTER FLORES-BARBOZA - M/S/C (W.CARVALHO/R.MOTTE) to APPROVE A MERIT INCREASE OF \$3,000.00/YEAR EFFECTIVE FEBRUARY 16, 2024, to be exempted from consideration during the June 1, 2024, annual salary review process.

AYES: 5 (W.Carvalho, R.Motte, R.Barcellos, M.Combs, R.Chaney)

XVII. ADJOURN

There being no further business to come before the Board, the meeting was ADJOURNED at 1:04 p.m., until the next Regular Meeting scheduled for Tuesday, March 12, 2024.

RECORDED BY:

APPROVED BY:

Donna Y. Hanneman, Secretary

Riley Chaney, President

Manny Amorelli, General Manager

ATTACHMENTS:

1. Interim Warrants: January 17-February 13, 2024, \$793,823.02
2. Accounts Payable: \$153,399.54
3. Payroll Certification: Pay Periods Ending February, 2024, \$75,887.15 (net)
4. Resolution 2024-02 Authorizing the Execution & Delivery of an Installment Purchase Agreement, Escrow Agreement & Other Documents Related Thereto With Respect to the Purchase of Real Property, Authorizing the Execution & Delivery of Documents Required in Connection Therewith; and Authorizing the Taking of All Other Actions Necessary to the Consummation of the Transactions Contemplated by this Resolution, Fresno County Assessor's Parcel No. 030-111-48S (66.64 Acres), APN 030-111-49S (39 Acres), Adopted February 13, 2024