

# JAMES IRRIGATION DISTRICT

## BOARD OF DIRECTORS - REGULAR MEETING

### MINUTES January 14, 2020

#### ATTENDANCE

##### DIRECTORS PRESENT (4)

Robert Motte, President  
Micah Combs, Vice-President  
Robert Barcellos  
Riley Chaney

##### STAFF PRESENT (4)

Steven Stadler, General Manager/Secretary-Treasurer  
Emanuele Amorelli, Business Manager  
Donna Hanneman, Executive Assistant  
Kenneth Mancini, Superintendent

##### EXCUSED NONE

##### LANDOWNERS / GROWERS (1)

Jeremy Hughes

##### ABSENT (1)

Thomas Chaney

##### PUBLIC / CONSULTANTS NONE

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#### I. CALL TO ORDER

A Regular Meeting of the Board of Directors of JAMES IRRIGATION DISTRICT was held Tuesday, January 14, 2020, 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, Robert Motte. A quorum was at all times present and acting.

#### II. OTHER BUSINESS / PUBLIC COMMENTS

##### A. PUBLIC COMMENTS

None.

##### B. ADDITIONS / CORRECTIONS TO THE AGENDA

There were no corrections/additions to the Agenda.

##### C. POTENTIAL CONFLICTS OF INTEREST [FPPC §87105]

Directors were given an opportunity to identify potential conflicts-of-interest with items appearing on the Agenda; none were reported.

#### III. MINUTES

##### A. REGULAR MEETING: DECEMBER 10, 2019

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

**AYES:** M.Combs, R.Chaney, R.Barcellos, R.Motte (4)

**ABSENT:** T.Chaney (1)

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## IV. TREASURER'S REPORT

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

### A. FINANCIAL REPORTS

1. Interim Warrants: December 11, 2019-January 14, 2020 (Att.1)  
Interim Warrants with supporting invoices were presented for review/approval. M/S/C (M.COMBS / R.CHANEY), to RATIFY/APPROVE Interim Warrants totaling \$377,468.41 by the following vote:  
**AYES:** M.Combs, R.Chaney, R.Barcellos, R.Motte (4)  
**ABSENT:** T.Chaney (1)
2. Accounts Payable  
None were reported.
3. Payroll Certification: Pay Periods Ending December, 2019 (Att.2)  
A listing of payroll checks totaling \$87,191.03 (net) issued to employees and Board members for pay periods ending December, 2019, was reviewed and certified by the President, General Manager/Secretary-Treasurer and Business Manager.
4. Report of Remuneration to Board of Directors: January 1-December 31, 2019 (Gov. Code §53065.5)
5. Income Statements (Budget-to-Actual): Period Ending December 31, 2019 (*Unaudited*)
6. Quarterly Report of Financial Investments: December 31, 2019 (Gov. Code §53646)
7. Cash Position Report: December 31, 2019
8. Reserve Account Balance Trend Report: December 31, 1999-December 31, 2019
9. Schedule of Long-Term Debt/Notes Payable: December 31, 2019
10. Accounts Receivable Activity Report: December 31, 2019
11. District Labor Cost / Acre Foot: 2019

## V. DIRECTORS' REPORTS

None were presented.

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## VI. GENERAL MANAGER'S REPORT

Mr. Stadler presented his verbal report encompassing operations, maintenance, projects and other District matters for the month of December, 2019, as follows:

### A. OPERATIONS

1. Water Deliveries: December, 2019 - There were no water deliveries for the month of December compared to 8.91 acre-feet last year. The fiscal year-to-date total deliveries are at 50,778 acre-feet which is 91 acre-feet less than was delivered at this time during the last fiscal year.

2. U.S.B.R. / Central Valley Project

Current status report of CVP Contract Supply:

JID CVP Contract Water Remaining	1,577 acre-feet
San Luis Water District CVP Purchased	3,846 acre-feet
Reclamation District No. 1606 CVP Transferred	<u>171 acre-feet</u>
	5,594 acre-feet

CVP water will be utilized in February and March. A final CVP allocation of 40% to south-of-delta contractors is anticipated this year but remains to be confirmed.

3. Kings River

The District was successful in utilizing all of its Kings River entitlement water this season. Mr. Stadler is working to reconcile adjustments.

### B. AGENCIES

1. San Luis & Delta-Mendota Water Authority (SLDMWA)

- ▶ Adopted 2020-2021 fiscal budget. Rates will decrease.
- ▶ Rainfall projections are drier than normal. Accordingly, the San Luis Reservoir will not fill. Rescheduled Water is no longer in jeopardy of being lost.

2. Power & Water Resources Pooling Authority (PWRPA) meets next week.

### C. PUBLIC RELATIONS & OUTREACH

1. District Newsletter "Looking Upstream" - J. Randall "Randy" McFarland tendered his letter of resignation citing a conflict-of-interest. Mr. McFarland noted the Kings River Water Association was his original client since 1991 and stated the current litigation between the District and the KRWA places him in a conflicted position necessitating his resignation. The Board requested this topic be placed on the Agenda next meeting with consideration to be given to issuing an informal newsletter monthly.

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## D. CORRESPONDENCE

The Board reviewed an invitation by the City of San Joaquin the Centennial Gala on February 14, 2020, celebrating the 100-year Anniversary of the formation of San Joaquin.

## VII. OLD BUSINESS

- A. RESOLUTION 2000-03 AUTHORIZING THE SALE AND DISPOSAL OF MATERIALS AND EQUIPMENT OF A VALUE OF LESS THAN \$1,000 (11/19/2019) - M/S/C (M.COMBS / R.BARCELLOS) to RE-APPROVE POLICY SET FORTH IN RESOLUTION 2000-03 (no change) (Att.3) by the following vote:

**AYES:** M.Combs, R.Barcellos, R.Chaney, R.Motte (4)

**ABSENT:** T.Chaney (1)

- B. RULES & REGULATIONS GOVERNING WATER DISTRIBUTION & CANAL MAINTENANCE (11/19/2019)

Reviewed current Rules & Regulations, specifically Rule 20, "Implementation of AB3030 Groundwater Management Plan Water Transfers". It was the consensus of the Board that the policy be amended to state that no transfers will be allowed outside the District. Amending the policy will bring the Rules & Regulations into harmony with the James GSA Groundwater Sustainability Plan. Mr. Stadler will modify language and present the updated document for review/approval next meeting.

- C. JAMES GROUNDWATER SUSTAINABILITY PLAN (07/09/2019)

Mr. Stadler noted the Groundwater Sustainability Plan ("GSP") was adopted by the James Groundwater Sustainability Agency on December 12, 2019, and also approved the Coordination Agreement which has been adopted by all seven Kings Groundwater Subbasin Groundwater Sustainability Agencies. Provost & Pritchard is working to submit the GSP to the California Department of Water Resources by January 31<sup>st</sup>. Mr. Stadler is working on the Annual Report which will be due April, 2020, and will report conditions through September, 2019.

Mr. Stadler noted grant funds have not been expended and discussed other items that will be included to cover the \$200,000 grant in its entirety, amongst which the annual report, monitoring, surveying, subsidence, etc..

- D. MENDOTA POOL GROUP 20-YEAR EXCHANGE PROGRAM (09/12/2000)

Mr. Stadler provided an update on the renewal of the Exchange Agreement between the USBR and Mendota Pool Group. He submitted supplemental comments regarding Westlands' final Environmental Impact Report ("EIR"). The USBR ultimately signed a Record of Decision which recognized our comments and indicated our concerns were addressed within the EIR. It appears Westlands will be discussing this matter at a Special Meeting later this month. Mr. Stadler plans to attend the meeting to offer comments, if warranted.

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- E. AGREEMENT PROVIDING FOR WATER SERVICE OUTSIDE DISTRICT BOUNDARIES (12/12/2017)  
Mr. Stadler indicated language for a 20-year agreements for APNs 030-040-92S and 030-040-93S is being developed and drafts will presented next meeting. Mr. & Mrs. Sran have signed short-term agreements which will provide them with services on these parcels until the long-term agreement is secured.
- F. SOUTHWEST (DRY CREEK) GROUNDWATER RECHARGE PROJECT (02/15/2019)  
Capital costs were reconciled/finalized and have been paid. The O&M Agreement is pending. Mr. Stadler has made multiple requests to meet with FID representatives.
- G. LASSEN AVENUE FLOODWATER UTILIZATION PROJECT (02/15/2019)  
The engineer has developed a preliminary design configuration for this project. Mr. Stadler will be reviewing it with landowners. As desgined, the project will include east side canal improvements, a lift station and a canal that will run north to Lassen Farm properties and left to Coleman property. The canal will be intended to serve Burford, Coleman, Parichan, Lassen Farms, and Blue Sky Farms.
- H. MANNING AVENUE BRIDGE PROJECT (06/16/2019)  
Agreements have been tendered to Fresno County. They would like the District to provide them with a temporary easement. They also want to discuss maintenance matters. Mr. Stadler will be meeting with County representatives later this week.

## VIII. NEW BUSINESS

- A. RESOLUTION 2020-01 , CORPORATE AUTHORIZATION RESOLUTION (01/14/2020) (Att.4)  
M/S/C (R.CHANEY / R.BARCELLOS) to APPROVE CORPORATE AUTHORIZATION RESOLUTION AUTHORIZING THE FOLLOWING AS SIGNATORIES ON DISTRICT BANK/INVESTMENT ACCOUNTS:
- (1) Robert Motte, President
  - (2) Micah Combs, Vice-President
  - (3) Steven P. Stadler, General Manager
  - (4) Emanuele Amorelli, Business Manager
- AYES: R.Chaney, R.Barcellos, M.Combs, R.Motte (4)  
ABSENT: T.Chaney (1)
- B. FISCAL AUDIT: MARCH 1,2019-FEBRUARY 29, 2020 (01/14/2020)  
M/S/C (R.CHANEY / R.BARCELLOS) to AUTHORIZE WILCOX HOKOKIAN BAINS & DILL LLP TO PERFORM THE 2019-2020 FISCAL AUDIT by the following vote:
- AYES: R.Chaney, R.Barcellos, M.Combs, R.Motte (4)  
ABSENT: T.Chaney (1)

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C. DISTRICT INVESTMENT POLICIES (01/14/2020)

In accordance with California Government Code 53646, conducted annual review of District investment policies as last enacted by Resolution 2017-01. **M/S/C (R.CHANEY/R.BARCELLOS)** to RE-APPROVE RESOLUTION 2017-01 (no change) (Att.5) by the following vote:

**AYES:** R.Chaney, R.Barcellos, M.Combs, R.Motte (4)

**ABSENT:** T.Chaney (1)

D. ANNUAL MEETING (01/14/2020)

Tentatively set Wednesday, March 11, 2020, as the date for the next Annual Meeting.

E. FISCAL BUDGET: MARCH 1, 2020-FEBRUARY 28, 2021 (01/14/2020)

In accordance with California Water Code §24274, reviewed the following:

1. District Equipment Rental Rates

Conducted annual review of the District's Equipment Rental Rate Schedule. **M/S/C (M.COMBS / R.CHANEY)** to RE-APPROVE RATES (no change) (Att.6) by the following vote:

**AYES:** M.Combs, R.Chaney, R.Barcellos, R.Motte (4)

**ABSENT:** T.Chaney (1)

2. Approved Policies for Funding / Utilization of Reserve Accounts

Conducted annual review of guidelines established under Resolution 2017-07 Re-approving District Investment Policy adopted January 10, 2017. **M/S/C (R.CHANEY/R.BARCELLOS)** to RE-APPROVE Resolution 2017-07 (no changes) (Att.7) by the following vote:

**AYES:** R.Chaney, R.Barcellos, M.Combs, R.Motte (4)

**ABSENT:** T.Chaney (1)

3. Capital Improvement Projects

Mr. Stadler indicated there are no major capital projects planned at this time. When/if they occur, he will present a plan to the Board along with a budget augmentation for approval.

4. Fiscal Budget: March 1, 2020 - February 28, 2021

Mr. Stadler indicated CVP Contract rates will be going down from \$83 to \$64/acre-foot following the District's recent payments against CVP construction costs. CVP allocations have not been announced but are expected mid-February. As currently drafted, the budget projects a deficit which could require an estimated \$250,000 draw from reserves.

5. Irrigation Billing Rates

Considering the projected Budget deficit, the Board requested (1) billing rate increases of \$5.00/acre-foot and (2) \$10.00/acre-foot be incorporated into Budget forecasts and both scenarios be presented next meeting. The Board stressed the importance of regularly

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communicating with its landowners/growers via a newsletter to keep them informed of the myriad of issues that may impact their future.

F. RESIGNATION: DIRECTOR, THOMAS W. CHANEY (01/14/2020)

Item TABLED.

G. IRRIGATED LANDS REGULATORY PROGRAM (01/14/2020)

Mr. Stadler reviewed his memorandum on "Irrigated Lands Regulatory Program–Management Areas" discussing the State Water Resources Control Board General Order amendments that mandate implementation of a Salt and Nitrate Management Plan ("SNMP") as developed through the Central Valley Salinity Alternatives for Long-Term Sustainability initiative (CV-SALTS). (Att.8)

Mr. Stadler sought the Board's guidance as to whether: (1) the James GSA should independently establish a management zone; or (2) work under the umbrella of the Kings River Water Quality Coalition ("Coalition") of which all District landowners are members. He recommended the District request that the Coalition explore forming a designated management zone within James GSA boundaries and determine or estimate the associated cost requirements.

M/S/C (M.COMBS / R.BARCELLOS) to AUTHORIZE THE GENERAL MANAGER TO APPROACH THE KINGS RIVER WATER QUALITY COALITION TO EXPLORE FORMATION OF A MANAGEMENT ZONE ENCOMPASSING THE BOUNDARIES OF THE JAMES GSA by the following vote:

**AYES:** M.Combs, R.Barcellos, R.Chaney, R.Motte (4)

**ABSENT:** T.Chaney (1)

**Adjourned to Closed Session at 11:48 a.m.**

Attending:

*Robert Motte, President*  
*Micah Combs, Vice-President*  
*Robert Barcellos, Director*  
*Riley Chaney, Director*

Staff:

*Steven Stadler, General Manager, Secretary-Treasurer*

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

4 CASES

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

### A. AS DEFENDANT: 1 CASE

1. NATURAL RESOURCES DEFENSE COUNCIL, ET AL, V BERNHARDT, ET AL  
U.S. District Court for the Eastern District of California  
Case No. 1:5-CV-01207LJO-GSA

### B. AS PLAINTIFF: 2 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

### 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

## XI. CLOSED SESSION: GOVERNMENT CODE §54957 - PERSONNEL MATTERS

## XII. CLOSED SESSION: GOVERNMENT CODE §54957 - PUBLIC EMPLOYEE DISCIPLINE / DISMISSAL / RELEASE

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

### A. JAMES & TRANQUILLITY NEGOTIATIONS

Negotiating Parties: James Irrigation District: Steven Stadler  
Tranquillity Irrigation District: Danny Wade  
Kings River Lower River Units: John Howe

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

### B. CENTRAL VALLEY PROJECT (CVP) REPAYMENT CONTRACT (06/11/2019)

Negotiating Parties: James Irrigation District: Steven Stadler, Scott K. Kuney, Esq., Alan F. Doud, Esq.  
U.S. Bureau of Reclamation: Michael Jackson, P.E.

Under Negotiation: Price, terms and conditions of water supply contract



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C. POTENTIAL GROUNDWATER RECHARGE SITES (02/11/2016)

Negotiating Parties: James Irrigation District: Steven Stadler

Landowner(s): To be determined

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

**Reconvened in Open Session at 12:23 p.m.**

## XIV. REPORT ON ACTIONS TAKEN DURING CLOSED SESSION

► CLOSED SESSION: GOVERNMENT CODE §54957 - PERSONNEL MATTERS

SAFETY INCENTIVE PROGRAM: 2019

The Manager reported all employees received a \$50 gift certificate to a Fresno restaurant as an award for not having any accidents during 2019.

## XV. ADJOURN

There being no further business to come before the Board, the meeting was ADJOURNED at 12:24 p.m., until the next Regular Meeting scheduled for Tuesday, February 11, 2020, at 10:00 a.m.

RECORDED BY:

APPROVED BY:

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Donna Y. Hanneman, Executive Assistant

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Robert Motte, President

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Steven P. Stadler, P.E.

General Manager, Secretary-Treasurer

ATTACHMENTS:

1. Interim Warrants: December 11,2019-January 14, 2020, \$377,468.41
2. Payroll Certification: Pay Periods Ending December, 2019, \$87,191.03 (net)
3. Resolution 2000-03 Authorizing the Sale and Disposal of Materials and Equipment of a Value of Less Than \$1,000, Re-approved January 14, 2020
4. Resolution 2020-01 Corporate Authorization Resolution, Adopted January 14, 2020
5. Resolution 2017-01 Re-approving District Investment Policy, Re-approved January 14, 2019
6. District Equipment Rental Rates effective March 1, 2020-February 28, 2021
7. Resolution 2017-07 Reserve Policy, Re-approved January 14, 2020
8. Memorandum: "Irrigated Lands Regulatory Program-Management Areas", Steven P. Stadler, P.E., January 9, 2020