

JAMES IRRIGATION DISTRICT

BOARD OF DIRECTORS - REGULAR MEETING

MINUTES February 11, 2020

ATTENDANCE

DIRECTORS PRESENT (4)

Robert Motte, President
Micah Combs, Vice-President
(Arr.10:05 a.m.)
Robert Barcellos
Riley Chaney

STAFF PRESENT (4)

Steven Stadler, General Manager/Secretary-Treasurer
Emanuele Amorelli, Business Manager
Donna Hanneman, Executive Assistant
Kenneth Mancini, Superintendent (Arr.10:10 a.m.)

EXCUSED NONE

LANDOWNERS / GROWERS NONE

ABSENT (1)
Thomas Chaney

PUBLIC / CONSULTANTS NONE

I. CALL TO ORDER

A Regular Meeting of the Board of Directors of JAMES IRRIGATION DISTRICT was held Tuesday, February 11, 2020, in the District office located at 8749 Ninth Street, San Joaquin, California. The meeting was called to order at 10:03 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. JAMES IRRIGATION DISTRICT ANNIVERSARY OF FORMATION

It was noted that February 16, 2020, will mark the 100th anniversary of the District's formation.

C. MOMENT OF SILENCE

A moment of silence was held to observe the passing of:

1. SALLY OLIVERA (1949-2020), retired employee of Tranquillity Irrigation District, wife of former employee, David Olivera; and
2. JACK MCAFEE (1935-2020), long-time San Joaquin resident and former landowner.

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D. ADDITIONS / CORRECTIONS TO THE AGENDA

After the Agenda for this meeting was posted, counsel brought to our attention a recently filed action. Pursuant to Government Code section 54954.2(b), Mr. Stadler asked for a motion to determine that this matter required immediate action in Closed Session and that the need for that action came to the District's attention subsequent to the Agenda being posted. M/S/C (R.BARCELLOS / R.CHANEY), to ADD the following item to the Agenda as indicated (**redlined**) by the following vote:

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

ABSENT: T.Chaney (1)

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

A. AS DEFENDANT: ~~1~~ **CASE 2 CASES**

Added: 2. MCMULLIN AREA GROUNDWATER SUSTAINABILITY AGENCY VS. JAMES IRRIGATION DISTRICT; JAMES GROUNDWATER SUSTAINABILITY AGENCY
Fresno County Superior Court Case No. 20CECG00507

E. 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: JANUARY 14, 2020

B. SPECIAL MEETING: JANUARY 30, 2020

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

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

ABSENT: T.Chaney (1)

IV. TREASURER'S REPORT

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

A. FINANCIAL REPORTS

1. Interim Warrants: January 14-February 11, 2020 (Att.1)

2. Accounts Payable (Att.2)

Interim Warrants with supporting invoices and Accounts Payable invoices were presented for review/approval. M/S/C (M.COMBS / R.CHANEY), to RATIFY/APPROVE Interim Warrants totaling \$582,957.00 and APPROVE Accounts Payable totaling \$5,075.80 by the following vote:

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

ABSENT: T.Chaney (1)

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3. Payroll Certification: Pay Periods Ending January, 2020 (Att.3)

A listing of payroll checks totaling \$56,547.11 (net) issued to employees and Board members for pay periods ending January, 2020, was reviewed and certified by the President, General Manager/Secretary-Treasurer and Business Manager.

4. Income Statements (Budget-to-Actual): Period Ending January 31, 2020

5. Cash Position Report: January 31, 2020

The Board found the graph trending reserve balances to be helpful and requested it be included each meeting to include all cash and/or investment accounts (not just reserves).

6. Accounts Receivable Activity Report: January 31, 2020

V. DIRECTORS' REPORTS

None were presented.

VI. GENERAL MANAGER'S REPORT

Mr. Stadler presented his verbal report encompassing operations, maintenance, projects and other District matters for the month of January, 2020, as follows:

A. OPERATIONS

1. Water Deliveries: January, 2020 - There were no water deliveries for the month of January as compared to 73 acre-feet delivered during January, 2019. The fiscal year-to-date total deliveries are at 50,852 acre-feet which is 607 acre-feet less than was delivered at this time during the last fiscal year. Deliveries started later this year and were delayed to late January rather than earlier in the month.

2. Weekly TDS Readings: February 3, 2020

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

CVP Contract allocations to south-of-Delta contractors is expected to decrease this year. The announcement is expected shortly.

4. Kings River

►Pooled Storage Account - As of January 31, 2020, the District had -71 cfs-days in its 23,855 AF storage account which is a reflection of 2019 adjustments posted to our account. Mr. Stadler will be meeting with Danny Wade, Tranquillity Irrigation District, who shares our concerns about the methodology in calculating adjustments, and KRWA representatives later this week.

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5. Operations Plan & Outlook

► District Crop Plan: 2020 - A preliminary report was distributed projecting irrigation demand. While some growers have not submitted their crop plans, projections appear to indicate a sizeable reduction in demand this season which was attributed to planting of additional new almond acres.

B. MAINTENANCE

► Weed Control - Jesus Flores and Steve Cortez recently fulfilled the requirements to become qualified applicators for chemical herbicides and have been assisting with weed control activities.

C. AGENCIES

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

- The Water Authority adopted their 2020-2021 fiscal budget. Because a dry year appears imminent, CVP allocations are expected to be minimal necessitating an increase in rates by \$27.45/acre-foot. Activity/Membership Agreement budgets have been set.
- The State is objecting to the Biological Opinion recently released by the Federal administration and Governor Gavin Newsom threatened litigation. State water contractors are very concerned; “voluntary agreements” are being discussed. It is uncertain how events will unfold with continuing conflict between the State and Federal governments.

VII. REPORT ITEMS

A. JAMES GROUNDWATER SUSTAINABILITY PLAN (07/09/2019)

The James Groundwater Sustainability Plan (“GSP”) and Coordination Agreement was submitted to the California Department of Water Resources along with six other GSAs comprising the Kings Groundwater Subbasin GSA. The mandatory 45-comment period is proceeding. The first annual report is due April 1st; Provost & Pritchard Consulting will be compiling and reporting the data for the Kings Subbasin GSA.

Under the Sustainable Groundwater Management Act, the James GSA is charged with managing groundwater in our area. GSAs have the authority to regulate and meter wells, limit extractions, etc., which will necessitate future policy discussions/decisions by this Board to be shared with the James GSA. Mr. Stadler explored options and the potential for State intervention/control. We must be sustainable within 20 years. The GSP will be reviewed every five years to achieve sustainability. Active discussion ensued with consideration given to possibly scheduling a workshop at a future date.

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- B. MENDOTA POOL GROUP 20-YEAR EXCHANGE PROGRAM (09/12/2000)
Mr. Stadler will be meeting with the USBR, consultants and attorneys on February 26th to discuss the District's concerns about the Mendota Pool Exchange Program.
- C. SOUTHWEST GROUNDWATER RECHARGE PROJECT (02/15/2019)
The Operations & Maintenance Agreement is still pending.
- D. IRRIGATED LANDS REGULATORY PROGRAM (01/14/2020)
Mr. Stadler met with the Kings River Water Quality Coalition ("KRWQC") to investigate development of management zones for nitrate monitoring and/or remediation. At this point, the KRWQC is uncertain of their course. If the District takes responsibility for compliance, there will be greater costs and more work but the benefits would be tailored to our area. Nitrates have not been identified as being problematic within the James GSA. Mr. Stadler is evaluating options.
- E. TEMPERANCE FLAT (02/13/2018)
James Irrigation District participated under an Activity Agreement to have the San Luis & Delta-Mendota Water Authority study potential benefits of constructing the proposed Temperance Flat Dam project. Frances Mizuno indicated it to be a "good project, just not quite the right time". Mr. Stadler noted interest in the project is waning.
- F. LAKE AVENUE CANAL FEASIBILITY STUDY (06/11/2019)
Mr. Stadler met with participants who wish to move forward and will have engineers finish the study.
- G. ANNUAL MEETING (01/14/2020)
The March 11th Annual Meeting Agenda was discussed. The Board requested Mr. Stadler discuss increasing costs (USBR, repayment contract, SGMA expenses, etc.) which have necessitated a billing rate increase as well as SGMA impacts to growers/landowners.
- H. ANNUAL FILING OF STATEMENT OF ECONOMIC INTEREST FORMS (02/11/2020)
Mrs. Hanneman noted all Directors must file their annual Conflict-of-Interest forms (Form 700) no later than April 1, 2020. She will be assisting in the process.

VIII. ACTION ITEMS

- A. DISTRICT NEWSLETTER (01/14/2020)
Discussed District outreach. The Board suggested a newsletter be posted to the District's website and distributed by email as well.

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B. LANDOWNER REQUEST TO REMOVE DITCH (02/11/2020)

David Lometti requested that the field ditch crossing his leased property (APN 033-020-41s) be removed as it is no longer necessary to serve the property owned and farmed by Anthony Groppetti (APN 033-020-19). He also advised that Jeff Bradshaw is now leasing the property. Mr. Stadler recommended that the District obtain a mapped easement before removing the ditch in order to avoid future issues. M/S/C (M.COMBS / R.BARCELLOS) to:

- (1) Formalize easement at their expense; and
- (2) Allow ditch to be filled in at their expense.

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

ABSENT: T.Chaney (1)

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

Mr. Stadler reviewed proposed changes. Especially significant is amendment of Rule 20 "Implementation of AB3030 Groundwater Management Plan Water Transfers" as enacted by Resolution 2001-02 (04/10/2001). Considering SGMA mandates, the Board agreed Resolution 2001-02 must be repealed before the revised Rules and Regulations can be adopted. A resolution will be presented next meeting to repeal Resolution 2001-02.

D. CAPITALIZATION POLICY (03/12/2019)

DEFERRED discussion/evaluation of current Capitalization Policy.

E. ANNUAL SALARY REVIEW (02/11/2020)

Directors Robert Barcellos and Robert Motte volunteered to serve with the General Manager as an ad hoc committee to develop recommendations to the full Board for salary increases, salary ranges, benefit package modifications and/or employee policy changes to take effect June 1st.

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

Mr. Stadler presented a draft of the 2020-2021 Fiscal Budget, reviewing various scenarios. Of particular concern to some Board members was the projection that water sales are expected to decline which was attributed to cropping patterns (new plantings) and improved irrigation efficiency. Active discussion ensued.

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M/S/C (R.CHANEY / R.BARCELLOS) to:

1. INCREASE irrigation billing rates as follows:

Class	Current Rate	Increase	New Rate
Standard O&M	\$ 112.00	\$ 5.00	\$ 117.00
Full Cost / Non -Project	\$ 117.00	\$ 5.00	\$ 122.00

3. APPROVE the March 1, 2020-February 28, 2021 Fiscal Budget.

PASSED by the following vote:

AYES: R.Chaney, R.Barcellos, R.Motte (3)

NAYS: M.Combs (1)

ABSENT: T.Chaney (1)

Mr. Stadler indicated he will bring budget before the Board should circumstances warrant further attention.

Adjourned to Closed Session at 11:43 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

3 CASES

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

A. AS DEFENDANT: ~~1 CASE~~ 2 CASES

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

Added:

2. McMULLIN AREA GROUNDWATER SUSTAINABILITY AGENCY VS. JAMES IRRIGATION DISTRICT; JAMES GROUNDWATER SUSTAINABILITY AGENCY
Fresno County Superior Court Case No. 20CECG00507

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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 - PUBLIC EMPLOYMENT

A. TITLE: WEED CONTROL / MAINTENANCE (1)

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

A. TITLE: DITCHTENDER / MAINTENANCE (1)

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

Negotiating Parties: James Irrigation District: Steven Stadler

Fresno Irrigation District: Bill Stretch

Under Negotiation: Price, terms and conditions of possible real property and/or water supply transactions/Department of Water Resources Proposition 84 Grant Application

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

Negotiating Parties: James Irrigation District: Steven Stadler

San Luis Water District: Lon Martin

Various CVP Contractors: General Managers or Designees

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

Reconvened in Open Session at 12:35 p.m.

XIV. REPORT ON ACTIONS TAKEN DURING CLOSED SESSION

The following reportable actions were taken during the Closed Session.

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

A. TITLE: DITCHTENDER/MAINTENANCE (1)

1. EMPLOYEE: JESUS FLORES-MELENDRÉS

In consideration of obtaining a Class A driver's license, M/S/C (R.MOTTE / R.CHANEY) to APPROVE \$1.50/HOUR INCREASE TO \$15.85/HOUR EFFECTIVE FEBRUARY 1, 2020.

PASSED by the following vote:

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

ABSENT: T.Chaney (1)

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XV. ADJOURN

There being no further business to come before the Board, the meeting was ADJOURNED at 10:38 a.m., until the next Regular Meeting scheduled for Tuesday, March 10, 2020, at 10:00 a.m.

RECORDED BY:

APPROVED BY:

Donna Y. Hanneman, Executive Assistant

Robert Motte, President

Steven P. Stadler, P.E.
General Manager, Secretary-Treasurer

ATTACHMENTS:

1. Interim Warrants: January 14-February 11, 2020, \$582,957.00
2. Accounts Payable: \$5,075.80
3. Payroll Certification: Pay Periods Ending January, 2020, \$56,547.11 (net)