

JAMES IRRIGATION DISTRICT

BOARD OF DIRECTORS - REGULAR MEETING

MINUTES January 11, 2022

ATTENDANCE

DIRECTORS PRESENT

Riley Chaney, President (Zoom)
Jeremy Hughes, Vice-President
Robert Motte, Secretary-Treasurer
Robert Barcellos, Assessor
Micah Combs

EXCUSED

None

ABSENT

None

STAFF PRESENT

Manny Amorelli, General Manager
Walter Flores, Office Manager
Kenneth Mancini, Superintendent
Donna Hanneman, Executive Assistant

LANDOWNERS / GROWERS

Manuel Almanza, Gold Leaf Farms
Andrew Groppetti, Andrew Groppetti Farms

PUBLIC / CONSULTANTS

- WATER WISE
Sarah Woolf
Kristi Robinson (Zoom)
- McMULLIN AREA GROUNDWATER SUSTAINABILITY AGENCY
Matt Hurley, General Manager (Zoom)
Matt Abercrombie (Zoom)

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, January 11, 2022, in the District office located at 8749 Ninth Street, San Joaquin, California. The meeting was called to order at 10:05 a.m., by Vice-President, Jeremy Hughes. A quorum was at all times present and acting.

This meeting was conducted in accordance with the Governor's Executive Order N-29-20 and the declared State of Emergency as a result of the threat of COVID-19 virus pandemic. Some members of the Board of Directors were participating via internet and/or telephonically from remote locations. Members of the public were encouraged to access the meeting via internet/Zoom or use the call-in number to allow them to fully participate in the meeting without having to be present.

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II. RESOLUTION 2022-01 INITIALLY AUTHORIZING REMOTE TELECONFERENCE MEETINGS UNDER AB361

Adopting this resolution will allow the District's Board of Directors to conduct meetings via teleconference and/or remotely via the internet in conformity with Government Code section 5495.3(e) as amended by AB361 so long as a COVID19 state of emergency exists.

M/S/C (M.COMBS / R.BARCELLOS), to ADOPT RESOLUTION 2022-01 INITIALLY AUTHORIZING REMOTE TELECONFERENCE MEETINGS UNDER AB361

AYES: 5 (M.Combs, R.Barcellos, R.Chaney, R.Motte, J.Hughes)

III. OTHER BUSINESS / PUBLIC COMMENTS

A. PUBLIC COMMENTS

None.

B. MOMENT OF SILENCE

A moment of silence was observed to honor the passing of KEITH EUBANKS (08/26/1936-12/14/2021), former landowner/grower.

C. ADDITIONS / CORRECTIONS TO THE AGENDA

There were no corrections/additions to the Agenda.

D. POTENTIAL CONFLICTS OF INTEREST [FPPC §87105]

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

- ▶ Director Motte declared he had a potential conflict-of-interest with Closed Session, Item XIII.C., Conference with Real Property Negotiator, Fresno County APN #030-370-32S as this property is owned by his father's trust and stated he would be recusing himself from discussing, initiating any action or voting on the matter.

IV. MINUTES

A. REGULAR MEETING: DECEMBER 14, 2021

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

AYES: 5 (M.Combs, R.Barcellos, R.Chaney, R.Motte, J.Hughes)

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V. TREASURER'S REPORT

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

A. FINANCIAL REPORTS

1. Interim Warrants: December 15, 2021-January 11, 2022 (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 / R.BARCELLOS), to RATIFY/APPROVE Interim Warrants totaling \$264,838.52 and AUTHORIZE/APPROVE payment of Accounts Payable totaling \$126,593.40 by the following vote:

AYES: 5 (R.Motte, R.Barcellos, R.Chaney, M.Combs, J.Hughes)
3. Payroll Certification: Pay Periods Ending December, 2021 (Att.3)
A listing of payroll checks totaling \$94,780.93 (net) issued to employees and Board members for pay periods ending December, 2021, was reviewed and certified by the President, General Manager and Office Manager.
4. Annual Report of Remuneration to Board of Directors: January 1-December 31, 2021
Not available; to be presented next meeting
5. Income Statements (Budget-to-Actual): Period Ending December 31, 2021
6. Quarterly Report of Financial Investments: December 31, 2021 Gov. Code §53646
7. Cash Position Report: December 31, 2021
8. Reserve Account Balance Trend Report: December 31, 1999-December 31, 2021
9. Schedule of Long-Term Debt/Notes Payable: December 31, 2021
10. Accounts Receivable Activity Report: December 31, 2021
Commented on delinquent assessments which was potentially attributed to increasing delays with US Mail deliveries.
11. District Labor Cost/Acre Foot: 2021

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VI. GENERAL MANAGER'S REPORT

Mr. Amorelli presented his verbal report encompassing operations, maintenance, projects and other District matters for the month of December, 2021, as follows:

OPERATIONS

- ▶ Water Deliveries: December, 2021 - There were no water deliveries for the month of December. The fiscal year-to-date total deliveries are at 51,228 acre-feet which is 282 acre-feet less than was delivered at this time during the last fiscal year.

MAINTENANCE

- ▶ Replacement Wells
 - Arthur & Orum will return in February to finish drilling replacement wells D-81 and D-82.
 - Myers Bros. Well Drilling, Inc., is scheduled to drill two additional replacement wells. Only one test will be drilled as the wells are only ½ mile apart.
- ▶ Well Repairs - WellJet is scheduled to begin rehabbing Well D-60/K Basin within the next two weeks.

AGENCIES

- ▶ Kings Basin Water Authority - Kings Basin Coordinating Committee meetings continue. The State awarded a \$7 million grant to the Kings Basin Water Authority. It is anticipated that \$1 million will be shared with the James GSA.

PROJECTS

- ▶ Solar Project: White Pine Renewables (K Basin) - White Pine has advised that Rincon Engineering is doing the CEQA work on the 1MW project. The 5MW project is on track.. The system is anticipated to become operational October, 2022, after experiencing delays caused by supply chain issues.
- ▶ Main Canal Feasibility Study- A teleconference was held with Messrs. Amorelli, Chaney, and Eric Abrahamsen, Provost & Pritchard. The contract for engineering services was signed/returned to Provost and work commenced last week. Their report is expected within the next two months.
- ▶ C Basin - Wood Bros has estimated roughly \$80,000-\$100,000 to expand C Basin. Mr. Amorelli will get diagrams and additional quotes.

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VII. SUPERINTENDENT'S REPORT

- ▶ Well repairs continue.
- ▶ Laterals are being dredged.
- ▶ Bridge replacement/Lateral H is pending.
- ▶ Weed Control - Simplot may be available to assist with spraying pre-emergent.
- ▶ General maintenance activities continue.
- ▶ Construction of a long-crested weir on Lateral C east of Napa is nearly complete.
- ▶ Filling Laterals J-P this week. Few requests/orders thus far; only inquiries.

VIII. DIRECTORS' REPORTS

PRESIDENT, RILEY CHANEY

- ▶ Purchase/Replacement of District Vehicles - Urged the District move forward with purchasing replacement pickups to maintain the annual replacement rotation. Mr. Amorelli has learned that GM has reconsidered and Chevrolet will continue manufacturing single-cab pickups.

IX. ACTION ITEMS

A. WATER POLICY: PURCHASE OF CLASS II WATER (07/13/2021)

Briefly explored developing a policy authorizing purchase of Class II water to be dedicated for groundwater recharge purposes. Mr. Amorelli will be calling Directors for their input and will return a draft for Board review/approval next meeting.

B. WATER POLICY: ON-FARM RECHARGE (12/14/2021)

Briefly discussed the concept of developing a program allowing flood irrigation on permanent crop land (rather than drip/micro sprinklers), establishing a policy for on-farm recharge to achieve recharge credit and adjusting billing rates for this type of application. Requested Board input to assist in drafting the policy for presentation next meeting.

C. FISCAL AUDIT: MARCH 1, 2021-FEBRUARY 28, 2022

Mr. Amorelli advised Vicki Hokokian, CPA, informed him that auditing costs are increasing to an estimated \$22,000.

M/S/C (M.COMBS/R.MOTTE), to AUTHORIZE THE ACCOUNTING FIRM OF WILCOX HOKOKIAN BAINS & DILL TO CONDUCT THE 2021-2022 FISCAL AUDIT as follows:

: **AYES:** 5 (M.Combs, R.Motte, R.Barcellos, R.Chaney, J.Hughes)

D. DISTRICT INVESTMENT POLICIES (01/11/2022)

Conducted the annual review of District investment policies last enacted by Resolution 2017-01 and last re-approved January 12, 2021. (Calif. Gov. Code 53646) (Att.4)

M/S/C (M.COMBS / R.BARCELLOS), to RE-APPROVE (no changes) as follows:

AYES: 5 (M.Combs, R.Barcellos, R.Motte, R.Chaney, J.Hughes)

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E. RESERVE POLICY (01/11/2022)

Conducted annual review of guidelines enacted by Resolution 2017-07 which must be reviewed/re-approved annually.

M/S/C (R.MOTTE / M.COMBS), to AMEND THE RESERVE POLICY AS FOLLOWS: (redlined)

Well Construction Fund

“The Well Construction Fund will vary over time with a goal of maintaining funds sufficient to complete an established number of groundwater wells on an annual basis (currently 2 wells annually at ~~\$275,000~~ \$450,000 per well). (Att.5)

AYES: 5 (R.Motte, M.Combs, R.Barcellos, R.Chaney, J.Hughes)

F. DISTRICT EQUIPMENT RENTAL RATES (01/11/2022)

Conducted annual review of the District’s equipment rental rate schedule. M/S/C (R.CHANEY/J.HUGHES), to INCREASE ALL RENTAL RATES BY 15% EFFECTIVE MARCH 1, 2022.. (Att.6)

AYES: 5 (R.Chaney, J.Hughes, R.Motte, R.Barcellos)

NOES: 1 (M.Combs)

G. FISCAL BUDGET: MARCH 1, 2022-FEBRUARY 28, 2023 (01/11/2022)

Discussed two drafts of the 2022-2023 Fiscal Budget, one including Riparian Water Rights at critical level designation, the other reflecting a zero allocation. Mr. Amorelli noted an announcement may be made in April on Rights Water. Increased PG&E rates are greatly impacting the forecast. Under a worst-case scenario, if riparian allocations are zero, an increase of \$31.00/acre-foot to \$171.00/acre-foot would be needed to cover expenses. During discussion, the following points were made:

- ▶ These circumstances could not have been predicted; however, we must keep the District solvent and utilize reserves to support any budget deficits for 2022-2023.
- ▶ It would be very difficult to attempt to seek a rate increase now. It is imperative that the Board maintain clear communication with growers and landowners keeping them apprised of circumstances.
- ▶ District reserves are sufficient for now but may need to be replenished in the future.

The Board requested this matter be brought forward on the Agenda for continued review/discussion.

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H. ANNUAL MEETING (01/11/2022)

Discussed arrangements for Annual Grower/Landowner Meeting which was not held last year due to the Covid pandemic.

- ▶ Consider scheduling a Zoom meeting.
- ▶ Communicate that the current Budget is projecting a deficit.
- ▶ Schedule a Budget workshop with growers in March.
- ▶ There was a consensus of the Board the newsletters be posted to the District's website.

Further discussion next meeting.

X. REPORT ITEMS

None.

ADJOURNED TO CLOSED SESSION AT 11:01 A.M.

Directors Attending:

Riley Chaney, President (Zoom)

Jeremy Hughes, Vice-President

Robert Motte, Secretary-Treasurer

Robert Barcellos, Assessor-Collector

Micah Combs, Director

Staff Attending

Manny Amorelli, General Manager

Legal Counsel

- Young Wooldridge, LLP

Alan F. Doud, Esq. (Zoom)

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

4 CASES

XII. 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 HAALAND, 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-E.G.

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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. WESTLANDS WATER DISTRICT
Fresno County Superior Court Case No. 20CECG00688

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

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

Negotiating Parties: James Irrigation District: General Manager/Designee
McMullin Groundwater Sustainability Agency

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

C. FRESNO COUNTY APN #030-370-32S (05/11/2021)

Negotiating Parties: James Irrigation District: General Manager/Designee
Landowner: The Frank V. Motte Testamentary Trust

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

D. FRESNO COUNTY APN #030-381-10S, SAN JOAQUIN, CA

Negotiating Parties: James Irrigation District: General Manager/Designee
Landowner: Hedman Ranches, Inc.

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

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RECONVENED IN OPEN SESSION AT 11:55 A.M.

XIV. REPORT ON ACTIONS TAKEN DURING CLOSED SESSION

No reportable actions were taken during the Closed Session.

XV. ADJOURN

There being no further business to come before the Board, the meeting was ADJOURNED at 11:56 a.m., until the next Regular Meeting scheduled for Tuesday, February 8, 2022.

RECORDED BY:

APPROVED BY:

Donna Y. Hanneman, Executive Assistant

Jeremy Hughes, Vice-President, Presiding

Manny Amorelli, General Manager

ATTACHMENTS:

1. Interim Warrants: December 15, 2021-January 11, 2022, \$264,838.52
2. Accounts Payable: \$126,593.40
3. Payroll Certification: Pay Periods Ending December, 2021, \$94,780.93 (net)
4. Resolution 2017-01 Re-Approving District Investment Policy, Re-approved/Adopted January 11, 2022
5. Resolution 2017-07 Reserve Policy, Amended January 11, 2022
6. District Equipment Rental Rates Effective March 1, 2022, Approved January 11, 2022