

JAMES IRRIGATION DISTRICT

BOARD OF DIRECTORS - REGULAR MEETING

MINUTES January 12, 2021

ATTENDANCE

DIRECTORS PRESENT (5)

Riley Chaney, President
Jeremy Hughes, Vice-President
Robert Motte
Robert Barcellos
Micah Combs (Telephone: 10:15 a.m.-1:00 p.m.)

STAFF PRESENT (3)

Manny Amorelli, General Manager
Kenneth Mancini, Superintendent
(Arr.10:25 a.m.)
Donna Hanneman, Executive Assistant

LANDOWNERS / GROWERS

None

EXCUSED

None

PUBLIC / CONSULTANTS (3)

ABSENT

None

•WATER WISE

Sarah Woolf (Telephone: 10:15 a.m.-12:20 p.m.)

•POWER & WATER RESOURCES POOLING AUTHORITY (PWRPA)

Corinne "Cori" Bradley, Sr. Operations Analyst,
Robertson-Bryan (Telephone: 11:01-11:15 a.m.)

•YOUNG WOOLDRIDGE, LLP

Alan F. Doud, Esq. (Telephone: 10:15 a.m.-1:00 p.m.)

I. CALL TO ORDER

A Regular Meeting of the Board of Directors of JAMES IRRIGATION DISTRICT was held Tuesday, January 12, 2021, in the District office located at 8749 Ninth Street, San Joaquin, California. The meeting was called to order at 10:15 a.m., by President, Riley Chaney. A quorum was at all times present and acting.

II. OTHER BUSINESS / PUBLIC COMMENTS

A. PUBLIC COMMENTS

None.

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B. ADDITIONS / CORRECTIONS TO THE AGENDA

M/S/C (J.HUGHES / R.MOTTE), to ADD the following item to the Agenda as there was deemed to be a need to take immediate action and that the need for action came to the attention of the District subsequent to the posting of the Agenda by the following vote:

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

Addition: (redlined)

III. MINUTES

B. SPECIAL MEETING: DECEMBER 15, 2020

Addendum (Att.1)

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.

D. ELECTION OF OFFICERS

M/S/C (R.CHANEY / J.HUGHES), to ELECT the following officers:

James Irrigation District

Secretary-Treasurer: Robert Motte

Assessor-Collector: Robert Barcellos

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

III. MINUTES

A. REGULAR MEETING: DECEMBER 8, 2020

B. SPECIAL MEETING: DECEMBER 15, 2020

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

AYES: 5 (J.Hughes, R.Barcellos, M.Combs, 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: December 9, 2020 - January 12, 2021 (Att.2)

2. Accounts Payable (Att.3)

Interim Warrants with supporting invoices and Accounts Payable invoices were presented for review/approval. M/S/C (R.MOTTE / J.HUGHES), to RATIFY/APPROVE Interim Warrants totaling \$257,724.81 and APPROVE payment of Accounts Payable totaling \$111,754.61 by the following vote:

AYES: 4 (R.Motte, J.Hughes, R.Barcellos, R.Chaney)

ABSTAIN: 1 (M.Combs)

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3. Payroll Certification: Pay Periods Ending December, 2020 (Att.4)
A listing of payroll checks totaling \$77,839.84 (net) issued to employees and Board members for pay periods ending December, 2020, 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, 2020 Gov. Code §53065.5
5. Income Statements (Budget-to-Actual): Period Ending December 31, 2020
6. Quarterly Report of Financial Investments: December 31, 2020 Gov. Code §53646(b)(1)
7. Cash Position Report: December 31, 2020 Water Code §24273
8. Reserve Account Balance Trend Report: December 31, 1999-December 31, 2020
9. Schedule of Long-Term Debt/Notes Payable: December 31, 2020
10. Accounts Receivable Activity Report: December 31, 2020
Discussed delinquent assessments (first installments due December 20, 2020). Director Hughes inquired whether the District could charge a “monitoring fee” similar to that charged by Westlands Water District. Counsel, Alan Doud, indicated that new or increased rates or charges would likely require a Proposition 218 proceeding. He also advised that penalty rates are set by statute under the California Irrigation District Law.
11. Work Order Status Report: December 31, 2020
12. District Labor Cost / Acre Foot: 2020

B. FISCAL BUDGET: 2021-2022

Mr. Amorelli noted he will be meeting with Sarah Woolf January 12, 2021, to work on budget forecast.

- ▶ M/S/C (J.HUGHES/R.BARCELLOS), to SCHEDULE A SPECIAL MEETING FOR TUESDAY, FEBRUARY 2, 2021, AT 10:00 A.M., TO REVIEW THE DISTRICT’S 2021-2022 FISCAL BUDGET.

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

The Board requested the following reports for the Special Meeting:

1. Comparison of projected pumping costs versus CVP contract costs
2. Compilation of the District’s crop plan and projected irrigation demand by crop.

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V. DIRECTORS' REPORTS

PRESIDENT, RILEY CHANEY

- ▶ Mendota Pool Group workshop coordinated with the San Luis & Delta-Mendota Water Authority ("SLDMWA") and James Irrigation District focusing upon water quality will be remotely held Thursday, January 28, 2021, 1:00 p.m., via Zoom. The SLDMWA is also scheduling a workshop. Messrs. Amorelli, Chaney and Hughes plan to attend.

VI. GENERAL MANAGER'S REPORT

Mr. Amorelli presented his verbal report encompassing operations, maintenance, projects and other District matters as follows.

OPERATIONS

- ▶ Water Deliveries: December, 2020 - There were no water deliveries for the month of December, 2020.
- ▶ USBR Central Valley Project (CVP) Contract
 - CVP Contract Scheduling - Sarah Woolf will be working with Mr. Amorelli on CVP contract delivery scheduling. She encouraged Board Members to contact her, Mr. Amorelli or President Riley Chaney with any other suggestions, questions.
 - Carryover - Ms. Woolf noted if the District intends to carryover any unused 2020-2021 contract water, a the USBR must be notified by letter before February 28, 2021. It is anticipated 2021 will be designated a "critically dry" year and she urged the District to plan accordingly.
 - Reclamation Reform Act - With the District retiring its CVP construction cost indebtedness to the USBR, the District and its growers are no longer required to file Reclamation Reform Act forms which necessitated the reporting of "full-cost and/or excess" lands, Given these circumstances, Mr. Mancini inquired if there is a continuing need to track "full-cost/excess" irrigations. If not, he recommended growers be advised when Application for Service are mailed in the near future.

PROJECTS

- ▶ Solar - The feasibility of solar conversions is being evaluated. The Power & Water Resources Pooling Authority is providing information in addition to commercial contractors.

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- ▶ Boosters - President Chaney inspected booster structures yesterday. Their advanced age and condition caused him to question whether the District might establish a separate reserve fund for replacement/repair costs. It was also suggested the District investigate whether grants might be available. Requested this be scheduled for discussion during the Budget process.

ADMINISTRATIVE ITEMS

- ▶ Consulting Services - Mr. Amorelli noted a letter of engagement had been signed engaging the services of Sarah Woolf, WaterWise. Messrs Amorelli and Chaney plan to meet with Ms. Woolf weekly.

VII. SUPERINTENDENT'S REPORT

Mr. Mancini reported the following:

OPERATIONS & MAINTENANCE

- ▶ Annual maintenance activities are being completed.
- ▶ Wells are being started and canals are being filled. Current demand is slow but is anticipated to increase shortly, especially considering the lack of rain. Mr. Mancini anticipates utilizing wells unless otherwise directed.

VIII. ACTION ITEMS

A. RECLAMATION DISTRICT NO. 1606-OPERATION & MAINTENANCE MANUAL (11/10/2020)

The Board of Trustees of RD1606 requested the "Levee Owner's Manual for Non-Federal Flood Control Works" as approved/adopted September 17, 2020, be reviewed with James ID as their staff will be responsible for performing the work required. Subsequently, the James ID Board of Directors referred the matter to Sarah Woolf for review/comment.

Ms. Woolf reviewed the manual and consulted others ultimately finding it to be an acceptable guide but suggested it would be important to add an addendum delineating the facilities and/or areas RD1606 is responsible for maintaining to memorialize their status. It was the consensus of the Board that the manual was found to be generally acceptable and to return Ms. Woolf's recommendations to the Board of Trustees of Reclamation District No. 1606.

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DIRECTOR ROBERT MOTTE CITED A CONFLICT-OF-INTEREST ON THE FOLLOWING MATTER AND ABSTAINED FROM DISCUSSION/VOTE AS THE WELL SITE UNDER CONSIDERATION WOULD BE LOCATED ON HIS PROPERTY.

- B. REPLACEMENT FOR WELL D-40 (08/11/2020)
M/S/C (R.CHANEY / R.BARCELLOS), to DRILL A WELL AT LATERAL D/COLORADO AVENUE ON THE CORNER OF HUNTSMAN & COLUSA.
 AYES: 4 (R.Chaney, R.Barcellos, M.Combs, J.Hughes)
 ABSTAIN: 1 (R.Motte)
- C. REPLACEMENT FOR WELL D-15 (08/11/2020)
Discussed a potential location for a well to replace Well D-15. Mr. Mancini suggested siting a well on Lateral E or Lateral C, noting water on the south side of the District is more easily conveyed elsewhere. He indicated a preference for west of Colorado Avenue as more acres can be served and suggested drilling a test well to ascertain water quality. The Board requested the following locations be evaluated: (1) Lateral D west of Colorado; (2) Lateral C west of Colorado and (3) Lateral E west of Colorado but did not recommend drilling a test well. Requested Arthur & Orum Well Drilling be contacted.
- D. FISCAL AUDIT: MARCH 1, 2020-FEBRUARY 28, 2021 (01/12/2021)
M/S/C (R.MOTTE / J.HUGHES), to AUTHORIZE THE ACCOUNTING FIRM OF WILCOX HOKOKIAN BAINS & DILL, LLP, TO CONDUCT THE 2020-2021 FISCAL AUDIT as follows:
 AYES: 5 (R.Motte, J.Hughes, R.Barcellos, M.Combs, R.Chaney)
- E. DISTRICT INVESTMENT POLICIES (01/12/2021) Calif. Gov. Code 53646
Conducted annual review of District investment policies last enacted by Resolution 2017-01 and re-approved January 14, 2020. M/S/C (R.MOTTE / J.HUGHES), to UNANIMOUSLY RE-APPROVE INVESTMENT POLICIES AS ADOPTED UNDER RESOLUTION 2017-01 (no change). (Att.5)
 AYES: 5 (R.Motte, J.Hughes, R.Barcellos, M.Combs, R.Chaney)
- F. DISTRICT EQUIPMENT RENTAL RATES (01/12/2021)
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, 2021. (Att.6)
 AYES: 5 (R.Chaney, J.Hughes, R.Barcellos, M.Combs, R.Motte)
- G. ANNUAL MEETING (01/12/2021)
Due to the ongoing COVID-19 virus pandemic, the Board opted to delay the March Annual Meeting and requested this matter be returned for consideration April, 2021.

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IX. REPORT ITEMS

A. DISTRICT PUMPING CAPACITY (05/14/2002)

As requested last meeting, Mr. Mancini reported the District's well field will be able to meet grower demands this season.

B. POWER & WATER RESOURCES POOLING AUTHORITY (07/14/2020)

In conjunction with the Board's efforts to evaluate the feasibility of moving electrical loads from PG&E to PWRPA, Cori Bradley of PWRPA addressed the Board by telephone. Ms. Bradley noted thus far 2021 appears to be a dry year in which the District may use all of its PWRPA load allocation. Conversely, during wet years, some supply remains unused and remains in the pool. Pooling allows PWRPA members to access unused power to help them meet their demands at a better price. PWRPA also has solar contracts in its portfolio which satisfy the State's mandated renewable requirements.

Vice-President Jeremy Hughes cited his personal experience with PWRPA in Westlands Water District and the sizeable power savings achieved. He inquired if there is potential for the District to add more load. Ms. Bradley noted the District started to move all of its wells to PWRPA in 2005 but the PG&E "exit charge" proved to be prohibitive and the effort was abandoned. Ms. Bradley indicated the timing is not good now and suggested the District wait until the PG&E WDT3 rate case (ER20-2878) is settled. While there is an opportunity for conversion, rates are determined at the time of entry and are high now. She cautioned that it is possible "main line extension" fees would have to be paid to PG&E. Also, PG&E distribution fees are increasing by 60%. Ms. Bradley indicated she would do a secondary account analysis and a feasibility study and report to Board.

C. REVERSE WELLS (01/12/2020)

Discussed the feasibility of drilling reverse wells to 'inject' storm water, runoff, etc., into underground aquifers with the intent of replenishing groundwater levels. Ms. Woolf noted Westlands Water District is doing this as a part of their Active Storage Recovery (ASR) program. A waiver is needed from the State Water Resources Control Board to recharge untreated water as the quality of recharged water must be equivalent to drinking water. She noted Westlands' experience has not been favorable. As contamination is a concern, growers are more responsive to constructing recharge ponds. NO ACTION TAKEN.

D. NPDES PERMIT MODIFICATION (09/08/2020)

Mr. Mancini reported the District's efforts to expand its National Pollutant Discharge Elimination System (NPDES) permit to include the James Bypass from P Booster to the railroad trestle in Tranquillity has been slowed by the COVID19 pandemic. Signed documents were sent to Blankenship & Associates which should be submitted to Fresno County and the California Department of Fish & Game this week. President Riley Chaney indicated he would explore this matter at the Mendota Pool Group Workshop.

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E. WEED CONTROL (04/09/2019)

Quotes for weed control services from J.R. Simplot Company are pending.

F. SEXUAL HARASSMENT TRAINING & EDUCATION (01/12/2021)

Biennial training (2 hours) for Board members is required by State law (SB1343). Most certificates expire this year. Class scheduling will be discussed next meeting.

Adjourned to Closed Session at 12:20 p.m.

Directors Attending:

Riley Chaney
Jeremy Hughes
Robert Barcellos
Micah Combs
Robert Motte

Staff Attending:

Manny Amorelli, General Manager

Legal Counsel:

• Young Wooldridge, LLP
Alan F. Doud, Esq. (Telephone)

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

A. AS DEFENDANT: 3 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
2. MCMULLIN AREA GROUNDWATER SUSTAINABILITY AGENCY VS. JAMES IRRIGATION DISTRICT;
JAMES GROUNDWATER SUSTAINABILITY AGENCY
Fresno County Superior Court Case No. 20CECG00507
3. AMY BEZERA VS. JAMES IRRIGATION DISTRICT
Fresno County Superior Court Case No. 20CECG00572

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

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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: STAFF ACCOUNTANT (1)

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

A. TITLE: GENERAL MANAGER (1)

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

Negotiating Parties: James Irrigation District: General Manager/Designee
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

C. BURFORD FARMS (03/10/2020)

Negotiating Parties: James Irrigation District: General Manager/Designee
Burford Farms: Jill Burford Minnick

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

D. FRESNO COUNTY APN 035-060-64 PTN (10/14/2014)

Negotiating Parties: James Irrigation District: General Manager/Designee
Landowner: Abrahamian Trust, Kenneth Abrahamian, Jr.

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

Reconvened in Open Session at 12:57 p.m.

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XIV. REPORT ON ACTIONS TAKEN DURING CLOSED SESSION

► TITLE: GENERAL MANAGER (1)

1. EMPLOYEE: MANNY AMORELLI

Action: M/S/C (J.HUGHES / R.MOTTE), to UNANIMOUSLY

1. APPROVE a salary increase to \$130,000 per year retro-active to December 8, 2020.
2. EVALUATE June, 2021 (6 months).

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

XV. ADJOURN

There being no further business to come before the Board, M/S/C (J.HUGHES / R.MOTTE), to ADJOURN the meeting at 1:00 p.m., until the next Special Meeting scheduled for Tuesday, February 2, 2021, by unanimous vote:

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

RECORDED BY:

APPROVED BY:

Donna Y. Hanneman, Executive Assistant

Riley Chaney, President

Manny Amorelli, General Manager

ATTACHMENTS:

1. Addendum to the Agenda: January 12, 2021
2. Interim Warrants: December 9, 2020-January 12, 2021, \$257,724.81
3. Accounts Payable: \$111,754.61
4. Payroll Certification: Pay Periods Ending December, 2020, \$77,839.84 (net)
5. Resolution 2017-01 Re-Approving District Investment Policy, Re-approved January 12, 2021
6. James Irrigation District Equipment Rental Rates - Fiscal Year 2021-2022, Effective March 1, 2021